When recorded return to:

Moose Hollow Homeowners Association, Inc. 3605 N Huntsman Path P.O. Box 1169 Eden, UT 84310

\*W3015771\*

EH **3015771** PG 1 OF 119 LEANN H KILTS, WEBER COUNTY RECORDER 12-NOV-19 1238 PM FEE \$478.00 OEP DC REC FOR: MODSE HOLLOW HDA

# AMENDED AND RESTATED

# DECLARATION OF CONDOMINIUM

### OF THE

# MOOSE HOLLOW & CASCADES AT MOOSE HOLLOW CONDOMINIUM PROJECT

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#### AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OF THE MOOSE HOLLOW & CASCADES AT MOOSE HOLLOW CONDOMINIUM PROJECT

THIS AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OF THE MOOSE HOLLOW & CASCADES AT MOOSE HOLLOW CONDOMINIUM PROJECT ("**Declaration**") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2019 by the Moose Hollow Homeowners Association, Inc., a Utah nonprofit corporation (the "Association") in order to govern the common affairs of the Association's members, protect property values and enforce the covenants, conditions, restrictions and rules of the Association.

#### RECITALS

A. On or about August 23, 1982, Wolf Star, Inc., a Nevada corporation ("**Wolf Star**") acting as the "Master Declarant," made and executed that certain Master Declaration of Covenants, Conditions and Restrictions of Wolf Star (the "**Wolf Star Master Declaration**") which was recorded in the Weber County Recorder's Office on September 7, 1982 in Book 1408 beginning at Page 1576 as Entry No. 863596.

B. On or about August 23, 1982, Wolf Star also made and executed that certain Master Declaration of Covenants, Conditions and Restrictions of the Wolf Creek Resort (the "**First Wolf Creek Master Declaration**") which was recorded in the Weber County Recorder's Office on September 24, 1982 in Book 1409 beginning at Page 1603 as Entry No. 864667.

C. On or about October 14, 1982, Wolf Star executed a second copy of the First Wolf Creek Master Declaration, with relatively minor revisions, which was recorded in the Weber County Recorder's Office on October 18, 1982 in Book 1411 beginning at Page 363 as Entry No. 866073.

D. On February 23, 1999, Lowell Peterson and Blaine Wade, as the General Partners of Wolf Creek Associates, a Utah limited partnership ("WCA") executed that certain Record of Survey Map for Moose Hollow Condominium Phase 1 ("Phase 1 Moose Hollow Map") which was recorded in the Weber County Recorder's Office on February 25, 1999 in Book 49 beginning at Page 9 as Entry No. 1615983.

E. On or about February 25, 1999, WCA, as the "Declarant," made and executed that certain Declaration of Condominium of the Moose Hollow Condominium Project (Phase 1) (the "**Original Declaration**") which was recorded in the Weber County Recorder's Office on February 25, 1999, in Book 1994 beginning at Page 2063 as Entry No. 1615984.

F. On or about February 25, 1999, WCA and the Association's Management Committee adopted the Bylaws of the Moose Hollow Homeowners Association, Inc. (the "**Original Bylaws**"). The Original Bylaws were never recorded in the Weber County Recorder's Office. G. The Association was formed on March 31, 1999, when the Articles of Incorporation of the Moose Hollow Homeowners Association were filed with the Division of Corporations and Commercial Code of the Utah Department of Commerce.

H. On February 23, 1999, Lowell Peterson and Blaine Wade, as the General Partners of WCA executed that certain Record of Survey Map for Moose Hollow Condominium Phase 2 ("**Phase 2 Moose Hollow Map**") which was recorded in the Weber County Recorder's Office on August 7, 2000 in Book 52 beginning at Page 74 as Entry No. 1719847.

I. On or about November 29, 1999, WCA made and executed that certain Amendment to the Declaration of Covenants, Conditions and Restrictions of Moose Hollow Condominium Project (the "**First Amendment**") which was recorded in the Weber County Recorder's Office on August 7, 2000 in Book 2085 beginning at Page 1379 as Entry No. 1719848.

J. On or about August 3, 2000, Lewis Homes, Inc., a Utah corporation ("Lewis Homes") as the successor "Declarant," made and executed that certain Amendments to the Declaration of Covenants, Conditions and Restrictions of Moose Hollow Condominium Project – Eden, Weber County, Utah (the "Second Amendment") which was recorded in the Weber County Recorder's Office on August 7, 2000 in Book 2085 beginning at Page 1381 as Entry No. 1719849.

K. On August 6, 2001, John Lewis, as President of Lewis Homes, executed that certain Record of Survey Map for Moose Hollow Condominium Phase 3 ("**Phase 3 Moose Hollow Map**") which was recorded in the Weber County Recorder's Office on August 6, 2001 in Book 54 beginning at Page 43 as Entry No. 1787248.

L. On or about August 1, 2001, Lewis Homes made and executed that certain Amendments to the Declaration of Covenants, Conditions and Restrictions of Condominiums for Moose Hollow Condominium Project – Eden, Weber County, Utah (the "**Third Amendment**") which was recorded in the Weber County Recorder's Office on August 6, 2001 in Book 2158 beginning at Page 1788 as Entry No. 1787249.

M. On October 4, 2002, John Lewis, as President of Lewis Homes, executed that certain Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 1 ("**Phase 1 Cascades Map**") which was recorded in the Weber County Recorder's Office on October 4, 2002 in Book 56 beginning at Page 56 as Entry No. 1879867.

N. On or about October 4, 2002, Lewis Homes made and executed that certain Amendment to the Declaration of Covenants, Conditions and Restrictions of Moose Hollow Condominium Project (the "Fourth Amendment") which was recorded in the Weber County Recorder's Office on October 4, 2002 in Book 2271 beginning at Page 138 as Entry No. 1879868.

O. On or about May 15, 2002, Wolf Creek Properties, LC, a Utah limited liability company ("WCP"), acting as the "Master Declarant," made and executed that certain Master Declaration of Covenants, Conditions and Restrictions of Wolf Creek Resort (the "Second Wolf Creek Master Declaration") which was recorded in the Weber County Recorder's Office on October 18, 2002 in Book 2275 beginning at Page 460 as Entry No. 1882728.

P. On October 4, 2002, John Lewis, as President of Lewis Homes, executed that certain Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 2 ("**Phase 2 Cascades Map**") which was recorded in the Weber County Recorder's Office on October 22, 2002 in Book 56 beginning at Page 81 as Entry No. 1883548.

Q. On or about October 4, 2002, Lewis Homes made and executed that certain Amendment to the Declaration of Covenants, Conditions and Restrictions of Moose Hollow Condominium Project (the "**Fifth Amendment**") which was recorded in the Weber County Recorder's Office on October 22, 2002 in Book 2276 beginning at Page 1199 as Entry No. 1883549.

R. On or about October 4, 2002, Lewis Homes made and executed that certain Amendment to the Declaration of Covenants, Conditions and Restrictions of Moose Hollow Condominium Project (the "**Sixth Amendment**") which was recorded in the Weber County Recorder's Office on February 3, 2003 in Book 2314 beginning at Page 2134 as Entry No. 1910033.

S. On or about February 14, 2003, John Lewis, as President of the Moose Hollow Condominium Management Committee, made and executed that certain Amendment to the Declaration of Condominium of the Moose Hollow Condominium Project (the "Seventh Amendment") which was recorded in the Weber County Recorder's Office on February 14, 2003 in Book 2318 beginning at Page 2911 as Entry No. 1913668.

T. On September 26, 2003, Steve Roberts, as Managing Partner of Wolf Creek Properties, L.C., and John Lewis as President of the Moose Hollow Home Owners Association, executed that certain Record of Survey Map for Moose Hollow Condominium Phase 4 ("**Phase 4 Moose Hollow Map**") which was recorded in the Weber County Recorder's Office on April 1, 2004 in Book 59 beginning at Page 51 as Entry No. 2021504.

U. On February 9, 2005, John Lewis, as President of Lewis Homes, executed that certain Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 3 ("**Phase 3 Cascades Map**") which was recorded in the Weber County Recorder's Office on February 9, 2005 in Book 60 beginning at Page 99 as Entry No. 2084828.

V. On February 9, 2005, John Lewis, as President of Lewis Homes, executed that certain Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 4 ("**Phase 4 Cascades Map**") which was recorded in the Weber County Recorder's Office on February 9, 2005 in Book 61 beginning at Page 1 as Entry No. 2084831.

W. On March 11, 2005, John Lewis, as President of Lewis Homes, executed that certain Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 5 ("**Phase 5 Cascades Map**") which was recorded in the Weber County Recorder's Office on March 29, 2005 in Book 61 beginning at Page 27 as Entry No. 2093634.

X. On April 15, 2005, John Lewis, as President of Lewis Homes, executed that certain Record of Survey Map for Moose Hollow Condominium Phase 5 ("**Phase 5 Moose Hollow Map**") which was recorded in the Weber County Recorder's Office on April 25, 2005 in Book 61 beginning at Page 56 as Entry No. 2098850.

Y. On December 29, 2005, John Lewis, as President of Lewis Homes, executed that certain Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 6 ("**Phase 6 Cascades Map**") which was recorded in the Weber County Recorder's Office on December 29, 2005 in Book 63 beginning at Page 10 as Entry No. 2151468.

Z. On or about July 6, 2005, John Lewis, as President of the Moose Hollow Condominium Management Committee, made and executed that certain Amendment to the Declaration of Condominium of the Moose Hollow Condominium Project (the "**Eighth Amendment**") which was recorded in the Weber County Recorder's Office on December 29, 2005 as Entry No. 2151469.

AA. On April 26, 2006, John Lewis, as President of Lewis Homes, executed that certain Record of Survey Map for Moose Hollow Condominium Phase 6 ("**Phase 6 Moose Hollow Map**") which was recorded in the Weber County Recorder's Office on May 11, 2006 in Book 63 beginning at Page 82 as Entry No. 2179205.

BB. On or about January 5, 2007, WCP made and executed that certain First Amendment to Master Declaration of Covenants, Conditions and Restrictions for Wolf Creek Resort which was recorded in the Weber County Recorder's Office on January 9, 2007 as Entry No. 2234358.

CC. On April 19, 2007, John Lewis, as President of Lewis Homes, executed that certain Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 7 ("**Phase 7 Cascades Map**") which was recorded in the Weber County Recorder's Office on September 25, 2007 in Book 67 beginning at Page 1 as Entry No. 2294173.

DD. On or about May 4, 2011, John Lewis, as President of the Moose Hollow Condominium Management Committee, made and executed that certain Amendment to the Declaration of Condominium of the Moose Hollow Condominium Project (the "**Ninth Amendment**") which was recorded in the Weber County Recorder's Office on May 4, 2011 as Entry No. 2525939.

EE. On or about February 26, 2013, WCP made and executed that certain Second Amendment to Master Declaration of Covenants, Conditions and Restrictions for Wolf Creek Resort which was recorded in the Weber County Recorder's Office on March 13, 2013 as Entry No. 2624950.

FF. On or about March 28, 2013, WCP made and executed that certain Termination of Declarant Rights Under Master Declaration of Covenants, Conditions and Restrictions for Wolf Creek Resort which was recorded in the Weber County Recorder's Office on April 3, 2013 as Entry No. 2628422.

GG. The Association, on behalf of its Members now desires to adopt and record this Declaration to, among other things: (i) clarify and declare that the Wolf Star Master Declaration, the First Wolf Creek Master Declaration, and the Second Wolf Creek Master Declaration (collectively, the "**Master Declarations**") do not govern or apply to the Project in any manner whatsoever, (ii) update the covenants, conditions and restrictions of the Project to clarify and declare that the Declarant is no longer involved in any aspect of the Project; and (iii) establish a uniform set of covenants, conditions and restrictions for the Project that are consistent with current applicable laws, rules and regulations related to condominium projects.

HH. This Declaration shall completely replace and supersede, and restate in their entirety: (i) the Original Declaration, each of the nine Amendments to the Original Declaration listed in the above Recitals, (ii) the Original Bylaws, (iii) any other declarations or bylaws, and any amendments or supplements to any such other declarations or bylaws that may have been recorded or enforced against the Project prior to the date this Declaration is recorded, (iv) any rules or regulations or any amendments or supplements thereto related to the Project, and (v) any similar recorded or unrecorded documents that may have been enforced against the Project prior to the date this Declaration is recorded against the Project prior to the date that may have been enforced against the Project prior to the date that may have been enforced against the Project prior to the date this Declaration is recorded.

II. As required under Section 57-8-39 of the Condominium Act, and in accordance with the terms and conditions of the applicable Governing Documents, upon giving proper notice and holding a vote on the matter, this Declaration has been approved by no less than sixty-seven percent (67%) of the Owners who are eligible to vote on the approval of this Declaration.

#### **DECLARATION**

It is agreed, by acceptance of a conveyance, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of use or enjoyment regarding the Project or any Unit, that the Governing Documents state covenants, conditions, restrictions, and reservations effecting a common plan for the condominium development mutually beneficial in all of the described condominium units, and that the covenants, conditions, restrictions, reservations and plan are binding upon the entire Project and upon each Unit as a parcel of realty, and upon such Unit's owners or possessors, and their respective heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the Unit or any security interests therein without requirement of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosures, or the sale of such Unit under any security instruments or similar documents.

#### **ARTICLE 1 - DEFINITIONS**

In addition to other words or terms defined herein, the following words, terms and phrases when used in this Declaration (unless the context otherwise requires) shall have the following meanings:

1.1 "Act" or "Acts" individually or collectively refers to the Condominium Act and the Nonprofit Corporation Act.

1.2 "Additional Charges" shall mean and refer to any and all late charges, accrued interest, administrative costs, filing and recording fees, and other costs or expenses, including without limitation reasonable attorneys' fees and expenses, incurred by the Association in connection with, or in the process of recovering, any delinquent fees, Assessments, charges or other amounts owed by an Owner to the Association.

1.3 "Annual Budget" has the meaning provided in <u>Section 9.1.1</u> below.

1.4 "Articles" or "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Association that have been filed with the State of Utah, as such Articles may be amended from time to time.

1.5 "Assessment" means any charge imposed or levied by the Association on or against any Owner or Unit pursuant to the provisions of the Governing Documents or any applicable law, including Annual Assessments, Special Assessments, Reimbursement Assessments and any other Assessments which may be applicable to one or more Owners.

1.6 "Association" means and refers to "Moose Hollow Homeowners Association, Inc." or any other entity as the Association may be known and identified according to the business entity records of the Division of Corporations and Commercial Code of the Utah Department of Commerce.

1.7 **"Association Storage Areas**" means and refers to those portions of the Project that are set aside and intended for use by the Association for the storage of personal property, equipment, and other items that are owned or controlled by the Association for the benefit of the Owners including for maintenance of the Project.

Without limiting the generality of the foregoing, Association Storage Areas include the following areas or portions of the Project:

- (a) Any storage area located in any Building that is not an Owner's Storage Closet;
- (b) Any closets, cabinets, or similar storage areas or portions of the Clubhouse that are used or designated by the Association as storage area including, without limitation, the garage located in the lower level of the Clubhouse;
- (c) Any closets, cabinets or similar storage areas located in or around the swimming pool/ hot tub area that are used or designated by the Association as storage area; and

(d) Any storage shed or similar structure located on any portion of the Project that is used or designated by the Association as a storage area.

1.8 **"Board**" or "**Board of Directors**" shall mean and refer to the Board of Directors of the Association which is vested with the authority to manage the Project and enforce the Governing Documents. The term Management Committee as used in the Condominium Act is synonymous and interchangeable with the term "Board" or "Board of Directors" as those terms are used in the Governing Documents or the Acts. The terms "Board member" and "Director" are also synonymous.

1.9 **"Bylaws**" means the Bylaws of the Association, as the same may be amended from time to time, which are attached hereto as <u>Exhibit "B</u>."

1.10 "**Building(s)**" means, refers to, and includes:

- (a) Each building located within the Project that contains Units;
- (b) the Clubhouse and the Office/Pool Building; and
- (c) any other building or structure located within the Project, whether as of the recording date of this Declaration or any future date.

1.11 "**Business Day**" means a day of the week other than a Saturday, Sunday or legal holiday (state or federal) in the State of Utah.

1.12 "**Cascades Building**" means and refers to any Building that contains Cascades Units as depicted on a Cascades Map.

1.13 "**Cascades Courtyard**" means and refers to any portion of the Project that is identified on any Cascades Map as a "PRIVATE ENTRANCE" or a "PRIVATE COURTYARD," as well as any portion of the Project identified on the Phase 7 Cascades Map as "LIMITED COMMON".

As noted under <u>Section 1.24</u> and <u>Section 3.6</u>, each Cascades Courtyard is a Limited Common Area. As such, the use of each Cascades Courtyard is reserved for the Owners of any Units located in the Cascades Building that is served by the Cascades Courtyard, as well as such Owners' family members, tenants, guests and invitees.

1.14 "**Cascades Maps**" collectively means and refers to the Phase 1 Cascades Map, the Phase 2 Cascades Map, the Phase 3 Cascades Map, the Phase 4 Cascades Map, the Phase 5 Cascades Map, the Phase 6 Cascades Map, and the Phase 7 Cascades Map.

1.15 "**Cascades Units**" collectively means and refers to any and all Units that are depicted on any Cascades Map.

1.16 "**Clubhouse**" means and refers to that certain building that is identified on the Phase 7 Cascades Map as "Clubhouse," which includes the fitness room. As noted under <u>Section 1.36</u>, the building that is identified as a "Clubhouse" on the Phase 1 Cascades Map serves as the Office/Pool Building.

#### 1.17 "Common Area(s)" means, refers to, and includes:

- (a) Any real property included within the Project (excluding any individual Units) whether leasehold or in fee simple, including all Common Improvements constructed on such real property;
- (b) Those portions of the Project that are owned, operated, controlled and/or managed by the Association for the common benefit of the Owners including, without limitation, any open spaces, storm water detention areas, drainage easement areas, and any Association Storage Areas;
- (c) All portions of the Project designated or described as Common Area pursuant to the Governing Documents and/or the Plat Maps;
- (d) All portions of the Project designated or described as Limited Common Area pursuant to the Governing Documents and/or the Plat Maps;
- (e) Those areas and improvements described under <u>Section 3.5</u> of this Declaration; and
- (f) All other portions of the Project (excluding any individual Units) that are normally in common use by the Owners.

Although the Common Areas of the Project include any Limited Common Areas, as more particularly set forth in this Declaration and the other Governing Documents, the manner in which certain Limited Common Areas are owned, used, controlled, maintained, repaired and replaced may differ from the manner in which Common Areas are owned, used, controlled, maintained, repaired and replaced.

1.18 "**Common Improvements**" means, refers to, and includes any infrastructure, buildings, structures, facilities, equipment and improvements that have been or may be installed, constructed or attached on or to any portion of any Common Area, provided they were installed, constructed or attached as part of the Project's original development or were authorized by the Association to serve as Common Improvements.

Without limiting the generality of the foregoing, the term "Common Improvements" shall include:

(a) All utility infrastructure, installations and equipment connected with or in any way related to the furnishing of utilities to the Project and intended for the common use of all Owners or more than one Owner, such as telephone, electricity, gas, water, sewer, and any master antenna, cable or satellite TV equipment, Internet or local area wireless computer networking (Wi-Fi) system or component that is installed or maintained by the Association and is available for use by all Owners or more than one Owner;

- (b) Any outdoor lighting, fences, landscaping, sidewalks, pathways, recreation facilities, Project entryway monuments or signs, and any pavement or other improvements located on Private Streets, parking areas, and each Cascades Courtyard;
- (c) Any gutters, downspouts or similar systems designed to drain water off and away from any Building;
- (d) Any roof and gutter de-icing cable systems or equipment (or any other similar ice removal systems or equipment) that has been installed by the Association on any Building or any portion of any Common Areas;
- (e) Any portion or component of any Unit's fireplace that is located on the exterior or roof of any Building (including, for example and without limitation, any flashing, chase cover, mortar crown, or chimney cap);
- (f) Any improvements extending into or surrounding any Common Areas (including Limited Common Areas) that are intended for the use, safety or benefit of one or more Owners, such as railings or dividing walls;
- (g) Any water spigot connected to a common water line (*i.e.* the water line is connected to a water meter that is billed to the Association). Any water spigot located inside or attached to a particular Unit (*i.e.* connected to a water meter that is billed to such Unit) including any Private Exterior Spigot is <u>not</u> a Common Improvement;
- (h) Any and all components of any Fire Suppression System, subject to <u>Section 7.7</u> of this Declaration;
- (i) Any Limited Common Improvement; and
- (j) In general, all apparatus, installations, improvements, buildings, structures, and facilities located within the Project that are intended and existing for the Owners' common use or benefit including, for example but without limitation, mailbox banks, gazebos or similar landscaping features, pedestrian bridges and walkways, vehicular bridges, dumpster enclosures, the Clubhouse, the Office/Pool Building, and any recreational Common Improvements such as the volley ball court, swimming pool/hot tub and sauna facilities.

1.19 "**Condominium Act**" means and refers to the Utah Condominium Ownership Act (Utah Code Section 57-8-1 et seq.) as the same may be amended from time to time.

1.20 "**Declaration**" means and refers to this Amended and Restated Declaration of Covenants, Conditions, and Restrictions, as may be amended or supplemented from time to time.

1.21 "**Fire Suppression System**" means and refers to any and all components of any fire sprinkler or fire suppression systems that were installed as part of the original construction of any Building (or the reconstruction of any Building) including, for example but without limitation, any pipes, valves, sprinkler heads, flow switches, sensors, or control panels.

1.22 **"Foyer Area"** means and refers to that certain open area located inside each Moose Hollow Building through which the Moose Hollow Units are accessed. The Foyer Area is depicted on each Moose Hollow Map as the "LIMITED COMMON USE" areas of each Moose Hollow Building that are accessed via the "CONCRETE PORCH" leading to the front door of each Moose Hollow Building as depicted on the main floor plan of each Moose Hollow Map. Foyer Areas are only located in the Moose Hollow Buildings. There are no Foyer Areas in any of the Cascades Buildings.

As noted under <u>Section 1.24</u> and <u>Section 3.6</u>, each Foyer Area is a Limited Common Area. As such, the use of any particular Foyer Area is reserved for the Owners of any Units located in the Moose Hollow Building in which that Foyer Area is located, as well as such Owners' family members, tenants, guests and invitees.

1.23 "**Governing Documents**" collectively means and refers to the Plat Maps, the Articles of Incorporation, this Declaration, the Bylaws, and any Rules and Regulations of the Association as the same may be amended or supplemented from time to time.

1.24 "Limited Common Area(s)" means and refers to any portion of the Project that may be designated, described or identified in this Declaration and/or the Plat Maps as being (A) set aside or reserved for, or limited to, the use of a particular Unit (or certain Units) to the exclusion of any other Units, or (B) owned, controlled, set aside and/or reserved for use by the Association for certain limited purposes (*i.e.* Association Storage Areas).

The Limited Common Area of the Moose Hollow Units is identified on the Moose Hollow Maps as "Limited Common Use." The Limited Common Areas of the Cascades Units are identified on the Cascades Maps using various terms such as "Limited Public Use," "Limited Common Use," "Private Entrance" and "Private Courtyard." Although the term "Limited Public Use" implies that such areas may be used by the public, that is incorrect. Any such areas are merely Limited Common Areas, which may only be used as set forth in this Declaration.

Limited Common Areas also include certain portions of the Project such as patios, decks, balconies and Owner's Storage Closets, provided such areas have been specifically identified, and set aside or reserved for use by a particular Unit (or by particular Units) pursuant to this Declaration, any Supplemental Declaration and/or the Plat Maps. Limited Common Areas also include Foyer Areas and each Cascades Courtyard. The boundaries of certain Limited Common Areas (patios, decks and balconies) are described under Section 3.6.

As more particularly set forth in this Declaration, the use of Association Storage Areas, which are reserved for use by the Association for certain limited purposes, shall be managed and controlled by the Board on behalf of the Association.

1.25 "**Limited Common Improvements**" means and refers to certain improvements located upon the Common Area that are reserved for, or limited to use by, a particular Unit (or certain Units) to the exclusion of any other Units including, for example, the stairways that are attached to and accessed through the back door of various Cascades Units.

#### Other examples of Limited Common Improvements include:

• Structural or load-bearing walls of any Moose Hollow Building or Cascades Building (not including the surface wall materials which, as set forth under <u>Section 1.51</u>, are deemed to be part of the Unit);

• Any exterior windows, window frames and window systems located in the Foyer Areas, and the front doorway (including the door and door frame) of each Moose Hollow Building (leading into the Foyer Area).

• Any railings, walls or fences that enclose any deck, patio or balcony identified as Limited Common Area.

• Any portion or component of any Unit's fireplace located on the exterior or roof of the Building (including, for example and without limitation, any flashing, chase cover, mortar crown, or chimney cap).

• Any component of any Fire Suppression System located in any Moose Hollow Building or any Cascades Building, including any component of the Fire Suppression System located within the boundaries of any Unit.

1.26 "List of Fines" means and refers to the list of fines that may be imposed for certain violations of the Governing Documents as may be approved, adopted and/or or amended by the Board. The List of Fines must specify the dollar amount of each fine. The List of Fines shall be part of the Rules and Regulations and must be adopted and approved in the same manner as the Rules and Regulations. The List of Fines must comply with <u>Section 8.35.2</u> of this Declaration regarding certain limitations on the dollar amount of fines as provided under the Condominium Act.

1.27 "**Manager**" shall mean and refer to any person and/or entity that may be retained by the Association to operate, manage, maintain and/or repair the Project by, among other matters, enforcing the Governing Documents. The obligations, duties and authority of the Manager shall be specified in a written agreement that has been adopted and signed by the Manager and by the Board on behalf of the Association. The term "Manager" does <u>not</u> refer to any person and/or entity (*i.e.* property manager, rental management company, etc.) that may be retained by any individual Owner(s) to manage and/or rent their Unit(s).

1.28 "**Majority of the Owners**" means any group of Owners who (A) hold more than Fifty Percent (50%) of the total Percentage Interest held by all the Owners, and (B) are entitled to vote. As set forth under <u>Section 4.3</u>, only one vote may be cast for each Unit. The term "Majority of the Owners" does <u>not</u> merely refer to a majority of the Owners who choose to vote on a particular matter or who attend a meeting at which a vote occurs.

1.29 "**Member**" shall mean and refer to the Owner of a Unit (whether or not such Unit serves as the Owner's primary residence). Each Member is entitled to participate and vote upon matters involving the Association that require a vote by the Members as more particularly set forth in the Governing Documents. Each Owner shall be a Member of the Association and shall be entitled to one membership for each Unit so owned by such Member. 1.30 **"Moose Hollow Building**" means and refers to any Building that contains Moose Hollow Units as depicted on a Moose Hollow Map.

1.31 "**Moose Hollow Maps**" collectively means and refers to the Phase 1 Moose Hollow Map, the Phase 2 Moose Hollow Map, the Phase 3 Moose Hollow Map, the Phase 4 Moose Hollow Map, the Phase 5 Moose Hollow Map, and the Phase 6 Moose Hollow Map.

1.32 "**Moose Hollow Units**" collectively means and refers to any and all Units that are depicted on any Moose Hollow Map.

1.33 "**Mortgage**" means any mortgage or deed of trust encumbering any Unit, provided that an instrument evidencing such mortgage or deed of trust has been recorded with the Recorder's Office. The term "Mortgage" shall not mean or refer to an executory contract of sale.

1.34 "**Mortgagee**" means any individual or entity named as the mortgagee under a mortgage or the beneficiary under a deed of trust on any Unit, and the successor in interest to any such individual or entity. The term "Mortgagee" shall not mean or refer to a buyer or a seller under an executory contract of sale.

1.35 "**Nonprofit Corporation Act**" means and refers to the Utah Revised Nonprofit Corporation Act (Utah Code Section 16-6a *et seq.*) as the same may be amended from time to time.

1.36 "**Office/Pool Building**" means and refers to that certain building identified on the Phase 1 Cascades Map as the "Clubhouse." The purposes for which the Office/Pool Building may be used are described under <u>Section 7.3</u>.

1.37 "Operating Expenses" mean and refer to:

- (a) Any costs or expenses lawfully incurred by the Association pursuant to the Governing Documents or the Acts;
- (b) Expenditures made or incurred by or on behalf of the Association for the operation and administration of the Project including the maintenance, repair, or replacement of those parts of the Project for which the Association is responsible as set forth under this Declaration; <u>excluding, however</u>, any items that are lawfully expensed from or paid out of the Reserve Fund, as permitted by the Condominium Act and/or this Declaration;
- (d) Any sums which are reasonably required by the Board and/or the Manager to perform or exercise their functions or duties under the Acts or the Governing Documents;
- (i) Any other items that are identified or defined as Operating Expenses under the Condominium Act or the Governing Documents.

As used in this Declaration, the term Operating Expenses is synonymous with the term "common expenses" as that term is defined, used and referred to throughout the Condominium Act.

1.38 **"Operating Fund**" means and refers to that fund that is more particularly described under <u>Section 9.3</u>, which is to be used to pay basic expenses related to the administration, maintenance, and management of the Association and Project including, without limitation, the payment of Operating Expenses and those expenses more particularly described under <u>Section 5.3</u> of this Declaration.

1.39 "**Owner**" shall mean and refer to the owner(s) of record of any Unit according to the Recorder's Office. As used in this Declaration, the term "Owner" does <u>not</u> include a Mortgagee or any other person or entity holding a security interest in a Unit unless and until such party has acquired title to the Unit pursuant to foreclosure or any arrangement or proceeding in lieu thereof. The term "Owner" shall <u>not</u> mean or refer to a buyer under a real estate purchase contract unless and until title to the Unit that is the subject of such real estate purchase contract has been transferred to such buyer via a deed that has been recorded in the Recorder's Office. The term "Owner" and "Member" shall be synonymous under the Governing Documents.

1.40 **"Owner's Storage Closets**" means and refers to the individual storage closets located in each Moose Hollow Building that are not attached to any Units and are accessed through doors located in the Foyer Area. Each Owner's Storage Closet shall be identified using the same number as the Unit for which the use of that Owner's Storage Closet has been limited, set aside or reserved. The purposes for which Owner's Storage Closets may be used are set forth under <u>Section 8.20</u>. Owner's Storage Closets are only located in the Moose Hollow Buildings and are not located in any of the Cascades Buildings. Likewise there are no Owner's Storage Closets located in the Clubhouse or the Office/Pool Building. As noted under <u>Section 1.24</u>, each Owner's Storage Closet is Limited Common Area that is reserved for the use of a particular Unit to the exclusion of any other Units.

1.41 "**Percentage Interest**" means and refers to the percentage of undivided ownership in the Common Areas and Common Improvements. As illustrated under "Appendix A" to the Original Declaration and each of the nine Amendments to the Original Declaration, each Unit has been allocated an equal Percentage Interest calculated by dividing each Unit by the total number of Units in the Project. As such, the Percentage Interest allocated to each Unit (and held by the Owner(s) of each Unit) is 1/216 or 0.00463%.

1.42 "**Plat Maps**" collectively means and refers to the six (6) Moose Hollow Maps and the seven (7) Cascades Maps described under the Recitals, as well as any other plats or plats of survey of land and condominium units that may be prepared and recorded in accordance with Section 57-8-13 of the Condominium Act and recorded in the Recorder's Office as a substitution to or amendment of such plat or plats of survey of land and condominium units.

1.43 "**Private Streets**" collectively means and refers to each of those thoroughfares that are identified on the Plat Maps as a "PRIVATE STREET" including Fox Run Drive, Huntsman Path, Fairview Loop and Lake View Drive.

1.44 "**Project**" means the entirety of the Moose Hollow and Cascades at Moose Hollow Condominium Project, including all of the real property described in <u>Exhibit "A,"</u> which is attached to and made part of this Declaration, including all Buildings, Units, Common Areas and Common Improvements located on such real property, including all easements, rights, and appurtenances belonging thereto.

1.45 **"Public Street**" means and refers to Moose Hollow Drive, which is identified on the Phase 6 Moose Hollow Map as a "PUBLIC STREET."

1.46 "Recorder's Office" means the Recorder's Office of Weber County, State of Utah.

1.47 "**Reimbursement Assessment**" means and refers to any Assessment that may be imposed against one or more Owner (but less than all Owners) pursuant to <u>Section 10.4</u>.

1.48 "**Reserve Fund**" means and refers to that certain fund more particularly identified and described under <u>Section 9.5</u>, which shall be used to cover (a) the cost of repairing, replacing or restoring Common Areas, including, without limitation, Common Improvements that have a useful life of three (3) years or more and a remaining useful life of less than thirty (30) years; (b) the cost of acquiring new equipment or making new improvements to the Common Area, where such equipment or improvements have a useful life of three (3) years or more; and/or (c) any costs and expenses incurred in making any other improvements, repairs or acquisitions described in the most recent reserve fund analysis; <u>provided</u>, <u>however</u>, that with respect to each of the matters described in the foregoing clauses, such costs or expenses cannot reasonably be funded from the Annual Budget or other funds of the Association.

1.49 "**Rules and Regulations**" or "**Rules**" means and refers to any rules, regulations and/or resolutions that may be adopted, amended, revised and/or enforced by the Board from time to time as deemed by the Board as necessary for the Owners' quiet, safe and reasonable use and enjoyment of the Project.

The Board must take the following actions prior to adopting, approving, amending, modifying, canceling, limiting, updating, expanding and/or clarifying any Rules and Regulations:

Any proposed change to the Rules and Regulations (including the addition of any new Rule, or any amendment or update to or clarification of any existing Rule) must be approved by a majority of the Board prior to being presented to the Owners.

No later than forty-five (45) prior to the date of any Board meeting at which the Board intends to consider any change to the Rules and Regulations, the Board must deliver to the Owners a written notice (which may be delivered via email) detailing the proposed change along with the date, time and location of the Board meeting. During such Board meeting the Board will provide an open forum giving the Owners an opportunity to be heard before the Board takes any action regarding the proposed change to the Rules and Regulations. No later than seven (7) days following such open forum, the Board shall hold a vote on whether to approve or disapprove the proposed change to the Rules and Regulations. No later than fifteen (15) days following such vote, the Board must email to the Owners, and post on the Association's website, the results of the Board's vote regarding any such proposed change(s) to the Rules and Regulations.

The requirements of this <u>Section 1.49</u> shall only apply to the Board's adoption, approval, amendment, modification, update, expansion and/or clarification of a Rule or Regulation, and shall not apply to any action of the Board to enforce a particular Rule or Regulation.

A copy of the Rules and Regulations shall, at all times, be posted on the Association's website. A copy of the Rules and Regulations must be delivered (via email or regular mail) to any Owner who requests a copy.

1.50 "**Supplemental Declaration**" means and refers to any supplement to this Declaration that has been adopted in the same manner that amendments to the Declaration may be made, adopted, and approved pursuant to <u>Article 18</u> of this Declaration.

1.51 "Unit" means and refers to a separate physical part of the Project intended for independent use and ownership by an Owner, consisting of any rooms and spaces (including garages) located within a Building containing Units as more particularly identified, described or depicted in this Declaration and/or the Plat Maps.

The boundaries of each Unit shall be determined as set forth under <u>Section 3.3</u> of this Declaration. Each Unit includes an undivided interest in the Common Areas that are appurtenant to such Unit.

#### (a) The following shall be considered part of the Unit:

• Mechanical equipment and appurtenances located within any Unit or located outside of such Unit but designated and designed to serve only that specific Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors, fan units and motors, and any other air conditioning or ventilation apparatuses, fixtures and the like.

• All surfaces of any walls (regardless of whether or not such walls are structural or load-bearing), all flooring materials, all wall materials, and all ceilings materials, including any drywall, wallpaper, paint, trim, flooring, carpeting, tile and any other material constituting any part of any finished surface of any wall, floor, or ceiling.

• Any interior doors and door frames.

• All wires, conduits or other public utility lines or installations that only serve a particular Unit shall be considered part of that Unit.

• Any exterior windows, window frames and window systems, and any exterior doors and door frames, which includes the garage doors of any Cascades Unit, and any exterior Unit doors including those exterior Unit doors that provide access between a Unit and any Limited Common Area (*e.g.* any Foyer Area or Cascades Courtyard, or any balcony or patio area).

• Any vertical, lateral or horizontal pipes tubes or valves, including, without limitation, water, sewer, laundry, heating, cooling or ventilation pipes or ducts that only serve a particular Unit shall be considered part of that Unit (except for any sewer pipes located under any part of the Common Area that only serve a particular Cascades Unit).

• Any plumbing fixtures or equipment, including water heaters or systems that only serve a particular Unit shall be considered part of that Unit

• Any vents, ducts, exterior ventilation grills/covers or similar items that only serve a particular Unit shall be considered part of that Unit

• Any structural features or any other property of any kind, including fixtures and appliances within a particular Unit, that may be removed without jeopardizing the soundness, safety, or usefulness of the remainder of the Building in which such Unit is located shall be considered part of that Unit.

• Any subfloors located between the upper and lower floors of the same Unit shall be deemed part of that Unit.

• As noted under <u>Section 1.18</u>, any exterior water spigot connected to a water meter that is billed to an individual Unit ("**Private Exterior Spigot**") is part of that Unit.

• Any fireplace located within the Unit as well as any portion or components of such fireplace (including, for example and without limitation, the lintel, damper, flue and any other portion or component of the fireplace located on the interior portion of the Building) shall also be considered part of that Unit.

(b) <u>Notwithstanding any other provision of this Declaration, the following shall **not** be considered part of the Unit:</u>

• Any sewer pipes located under any part of the Common Area that serve any Cascades Unit(s) including any such sewer pipes that only serve a particular Cascades Unit.

• Any structural or load-bearing walls (not including the surface wall materials described under <u>Subsection 1.51(a)</u>, above.

• Any portion or component of the fireplace that is located on the exterior or roof of the Building (including, for example and without limitation, any flashing, chase cover, mortar crown, or chimney cap).

• Any component of any Fire Suppression System, including any such components located within the boundaries of any Unit.

#### **ARTICLE 2 – DECLARANT, MASTER DECLARATION AND MASTER BOARD**

#### 2.1 Declarant

Construction of the Project has been completed and the Declarant no longer holds any interest in any portion of the Project. Likewise, the Declarant's control of the Project (referred to under the Condominium Act as the "period of administrative control") has ended. Accordingly, the Association hereby declares, to the maximum extent permitted by law, that the Declarant no longer has any authority over the Project and no longer holds any rights to govern or manage the Association or the Project. Nothing in this Section 2.1, or any other provision of the Governing Documents, shall be construed to release the Declarant from any liabilities or obligations in connection with the Project or the Association that may otherwise be imposed upon Declarant under any applicable laws or regulations.

#### 2.2 Master Declarations

Based upon the Association's reasonable investigation and due diligence, the Association has concluded that the covenants, conditions, restrictions and provisions of the Master Declarations have never been applied to nor enforced against the Project. Accordingly, the Association hereby declares, to the maximum extent permitted by law, that the provisions of the Master Declarations have never had, and never shall have, any authority or influence over the Project whatsoever.

#### 2.3 Master Declarant / Master Board

Based upon the Association's reasonable investigation and due diligence, the Association has also concluded that neither Wolf Star nor WCP nor any Master Board (as that term is used in the Original Declaration) has ever exercised any influence or authority whatsoever over the Project. Accordingly, the Association hereby declares, to the maximum extent permitted by law, that neither Wolf Star nor WCP nor any Master Board has ever had, nor shall ever have, any influence or authority over the Project whatsoever.

#### **ARTICLE 3 – DESCRIPTION OF PROJECT**

The purpose of this <u>Article 3</u> is to provide certain information as required under Section 57-8-10 of the Condominium Act.

#### 3.1 Description of Land

The legal description of the real property on which the Project is located is set forth in <u>Exhibit "A"</u> attached hereto.

#### 3.2 Buildings and Improvements

The Project consists of fourteen (14) two-story Moose Hollow Buildings with each Moose Hollow Building containing twelve (12) Units and eight (8) Cascades Buildings with each Cascades Building containing six (6) Units. The Buildings are wood frame structures with concrete foundations, exterior walls of various materials over interior studding and sheeting, asphalt shingle roofs, and double-pane windows. The interior partitions between Units consist of double stud walls divided by soundboard and faced with gypsum sheetrock. The interior floors are constructed of concrete or plywood construction covered by ceramic tile, wood flooring, carpet or vinyl floor coverings. Each Building is supplied with electricity, water, and sewer systems. Other improvements that comprise the Project are more fully depicted or described in the Plat Maps. The Plat Maps identity, describe and locate the Buildings, Units and certain Common Areas (including Limited Common Areas) that were included as part of the Project as of the date the Plat Maps were recorded.

#### **3.3** Unit Location and Description

The Project includes a total of Two Hundred Sixteen (216) Units. Each Unit is depicted and labeled on the Plat Maps as a "Condominium Unit" and each Unit is specifically numbered on the Plat Maps. All Units shall be capable of being independently owned, encumbered, and conveyed. Each Unit shall include that portion of the Building containing the Unit with the boundaries of the Unit determined in the following manner:

- (a) The upper boundary of the Unit shall be the lower surface of the joists, studs or any other building materials, of the uppermost ceiling of the Unit, to which the drywall or any other ceiling material is attached;
- (b) The lower boundary of the Unit shall be the upper surface of the subfloor material, joists, or any other material to which the flooring material is attached, of the lowermost floor of the Unit; and
- (c) The vertical boundaries of the Unit shall be the surface of the framing studs or any other building materials to which the drywall or other wall materials may be attached.

#### 3.4 Access to Common Area Walkways

Each Unit has direct and perpetual access to the Common Area walkways.

#### 3.5 Common Improvements Located Within Unit Boundaries

The Common Improvements include those areas, facilities and improvements of the Project described under <u>Section 1.18</u> of this Declaration. <u>The Common Improvements of the Project include the following, regardless of whether or not they are located within the boundaries of a Unit:</u>

- (a) All structural components of any Buildings containing Units, including, without limitation, foundations, perimeter and load-bearing walls and roofs;
- (b) All additions or improvements to the structural components of any Buildings containing Units;
- (c) Any utility pipes, lines, systems or other infrastructure that service another Unit and/or more than one Unit, and all ducts, wires, conduits and other accessories used therewith; and
- (d) All repairs, alterations, modification and/or replacements of any of the foregoing.

#### 3.6 Limited Common Areas

Limited Common Areas include the following areas or portions of the Project:

- (a) Any balcony or patio area which is directly attached to and accessed from a particular Unit or Units shall be the Limited Common Area of such Unit(s). The boundaries of said balcony or patio area are defined by the surfaces of any walls, floor, ceiling, doors, ground, railings or fences enclosing said balcony or patio areas.
- (b) Any Owner's Storage Closet that has been reserved for use by a particular Unit shall be the Limited Common Area of such Unit. The boundaries of said Owner's Storage Closet shall be defined by the interior surfaces of the outermost perimeter walls, floor, ceiling, and door enclosing said Owner's Storage Closet.
- (c) Any Association Storage Areas with the boundaries of such Association Storage Areas being defined by the interior surfaces of the outermost perimeter walls, floor, ceiling, and door enclosing said Association Storage Area.
- (d) Any Foyer Area with the boundaries of such Foyer Area being defined by the interior surfaces of the outermost perimeter walls, floor, ceiling, and any doors enclosing said Foyer Area.
- (e) Any Cascades Courtyard.
- (f) As used in this <u>Section 3.6</u>, the terms "surfaces" or "interior surfaces" shall mean decorative finishes, stucco, wallpaper, drywall paper or any other similar material applied to or covering the surfaces of such walls, ceilings, ground or floor (including, for example, paint, wallpaper, paneling, carpeting and tiles). Any such decorative finishes, coverings or similar materials shall be deemed a part of said Limited Common Area.

#### 3.7 Percentage Interest in Common Areas and Common Improvements

The Percentage Interest in Common Areas and Common Improvements for each Unit is determined by dividing each Unit by the total number of Units in the Project. As such, the Percentage Interest allocated to each Unit is 1/216 or 0.00463%.

#### **ARTICLE 4 – OWNERS' ASSOCIATION**

#### 4.1 Form of Association

The Association is a Utah nonprofit corporation organized under the laws of the State of Utah.

#### 4.2 Membership

4.2.1 <u>Qualification</u>. Each Owner shall be a Member of the Association and shall be entitled to one membership for each Unit so owned. Ownership of a Unit shall be the sole qualification for membership in the Association.

4.2.2 <u>Transfer of Membership</u>. Each Owner's Association membership shall be appurtenant to the Unit giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said Unit and then only to the transferee of title to such Unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall automatically transfer the membership in the Association appurtenant thereto to the Unit's new Owner.

4.2.3 <u>Mandatory Membership</u>. Each Owner is required to be a Member of the Association. Likewise, each purchaser of a Unit, by virtue of accepting a deed or other document of conveyance thereto, shall automatically become a Member of the Association, and shall automatically cease to be a Member when that person is no longer an Owner due to their having sold, transferred, conveyed or relinquished their interest in the Unit. Membership may not be partitioned from the ownership of a Unit.

#### 4.3 Voting

4.3.1 <u>Voting Rights</u>. Only one vote may be cast for each Unit. Accordingly, assuming that all Owners are entitled to vote on a particular matter (*i.e.* no Owners have been denied the right to vote due to delinquent Assessments as set forth under <u>Subsection 10.5.3</u> of this Declaration) the total cumulative voting power of the Owners shall be Two Hundred Sixteen (216) votes.

4.3.2 <u>Voting Owner</u>. There shall be one vote and one "voting representative" for each Unit. If a person owns more than one Unit, that person shall have the votes for each Unit owned. For Units held in trust, the Owner shall be the acting trustee of the trust at the time. The voting representative for a particular Unit shall be designated by the Owner (or all Owners) of such Unit by written notice to the Board, and need not be an Owner of that Unit. However, that voting representative must be an Owner of at least one Unit in the Project. This "voting representative" designation shall be revocable at any time by actual notice to the Board from any party having an ownership interest in a Unit, or by actual notice to the Board of the death or judicially declared incompetence of any party with an ownership interest in that Unit. This power of designation and revocation may be exercised by the guardian of an Owner, and the administrators or executors of an Owner's estate. Where no designation is made, or where a designation has been made but is revoked and no new designation has been made, the voting representative of each Unit shall be the group composed of all of its Owners. 4.3.3 <u>Joint Owner Disputes</u>. The vote for a Unit must be cast as a single vote, and fractional votes shall not be allowed. Unless notified in writing, the Board and the Association may assume that any joint Owner is authorized to cast the vote for such Unit. In the event of any dispute or disagreement concerning the authority to cast a vote for any Unit owned by two or more Owners, or if the joint Owners of a Unit are otherwise unable to agree among themselves as to how their vote or votes shall be cast, no vote shall be cast for such Unit until such disagreement or dispute has been resolved by the joint Owners. In the event more than one vote is cast for a particular Unit, the Board will deliver to the Owners of such Unit written notice that said votes will not be counted and that any vote for such Unit must be cast as a single vote.

4.3.4 <u>Pledged Votes</u>. In the event the record Owner or Owners have pledged or assigned their vote regarding special matters to a Mortgagee, or have assigned their right to vote to a buyer under a duly recorded real estate contract, and provided that written notice of such Mortgage or recorded real estate contract, including a copy thereof, has been given to the Board, only the vote of such Mortgagee or buyer will be recognized in regard to the special matters upon which the vote is so pledged or assigned. Amendments to this <u>Subsection 4.3.4</u> shall be effective only upon the written consent of all the voting Owners and their respective Mortgagees and buyers under duly recorded real estate contracts, provided written notice of such Mortgagees and buyers has been given to the Board prior to any vote to amend this Subsection.

4.3.5 <u>Notice of Owners' Vote</u>. The Association must provide all Owners with notice of any matter upon which the Owners must vote, have the right to vote, or have been invited to vote, as provided under <u>Section 19.3</u> of this Declaration.

4.3.6 <u>Mail-In Ballots</u>. In any instance where voting on a matter is permitted or required herein, such vote may be carried out without a meeting by mail-in ballot sent to all Owners entitled to vote on the matter pursuant to the applicable procedures set forth in the Bylaws, and the approval of a majority of the votes actually cast shall be sufficient to approve such matter, except where a different threshold is specifically required herein.

4.3.7 <u>Electronic Ballots</u>. Provided electronic ballots are not prohibited by any applicable Utah law, rule or regulation, in any instance where voting on a matter is permitted or required herein, the Association may utilize online balloting as provided and administered through a reputable third party online/website service. The Association may <u>not</u> simply send an email to Owners requesting they vote by replying to the email. The Association may, however, email to the Owners ballots that must be completed and then returned to the Association via regular mail or by emailing the Association a scanned copy of the completed ballot.

#### 4.4 Association Bylaws

4.4.1 <u>Adoption of Bylaws</u>. Bylaws for the administration of the Association and the Project and for other purposes not inconsistent with the Acts or with the intent of this Declaration, have been adopted by the Association and a copy of such Bylaws is attached to this Declaration as <u>Exhibit "B."</u> As noted under Recital HH of this Declaration, the Bylaws shall completely replace, supersede and restate in their entirety the Initial Bylaws and any Amendments to the Bylaws, as well as any other recorded or unrecorded bylaws, or any amendments or supplements thereto, that may have ever been applied to enforced against the Association or Project prior to the date this Declaration is recorded.

4.4.2 <u>Bylaws Provisions</u>. The Bylaws may contain supplementary provisions, not inconsistent with this Declaration, regarding the operation and administration of the Project. The Bylaws shall establish various matters such as provisions for quorum, ordering of meetings, and the giving of notice as required for proper administration of the Association and the Project.

#### 4.5 Attorney in Fact

Each Owner, by the mere act of becoming an Owner irrevocably appoints the Association as such Owner's attorney-in-fact, with full power of substitution, to take such action as reasonably necessary to promptly perform the duties of the Association, including but not limited to the duties to manage, operate, maintain, repair and improve the Project, to negotiate with insurance carriers upon damage or destruction to the Project or any portion thereof, and to secure insurance proceeds.

#### **ARTICLE 5 – BOARD OF DIRECTORS**

#### 5.1 Board Purpose

Administrative, management, and enforcement authority of the Association is vested in the Board of Directors, which shall be elected by, from, and among the Owners pursuant to the Bylaws. If the Owner of a Unit is a trust, corporation, partnership, limited liability company or other form of legal entity, a person who is a trustee, director, shareholder, partner, member or manager of such legal entity, as applicable, may be elected to the Board. The Board, for the benefit of the Association and the Owners, shall administer, manage and enforce the provisions of the Governing Documents and shall have all powers and authority permitted to the Board under the Acts and the Governing Documents. The Board shall elect officers from among the Board members pursuant to the Bylaws. The Board may delegate certain Board functions and duties to a Manager as permitted by the Acts or the Governing Documents.

#### 5.2 Board Approvals

Any actions or decisions requiring Board approval must be approved by a majority vote of the Board (*i.e.* more than half of the Board members).

#### 5.3 Board Authority

5.3.1 With the exception of extenuating circumstances under which the Board may, pursuant to <u>Section 9.5.3</u>, use the Reserve Fund to pay certain Operating Expenses, the Board shall pay all Operating Expenses out of the Operating Fund, including but not limited to the following:

(a) <u>Utilities</u>. The cost of any utilities that may be required for the Common Areas and/or benefit of the entire Project.

(b) <u>Insurance</u>. Policies of insurance or bonds providing coverage for fire and other hazard, liability for personal injury and property damage, theft and embezzlement of Association funds, and director's and officer's liability or errors and omissions, as such policies are more fully described and required in this Declaration and in the Bylaws.

(c) <u>Management Services</u>. The services of persons or firms as required to properly manage and operate the affairs of the Association and/or the Project to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Common Areas, whether or not such personnel are employed directly by the Board or are furnished or employed by the Manager.

(d) <u>Professional Services</u>. Legal and accounting services necessary or proper in order to properly manage and operate the affairs of the Association and/or the Project to the extent deemed advisable by the Board including, for example and without limitation, management and operation of the Association's affairs, administration of the Common Areas, and interpretation, modification, or enforcement of the Governing Documents.

(e) <u>Maintenance of Common Area /Common Improvements</u>. Costs for maintenance, repair and/or replacement of any portion of the Common Areas, or any Common Improvements, as the Board shall determine as necessary and proper.

(f) <u>Ice and Snow Removal</u>. Contracting for, scheduling, arranging, and paying for removal of ice and snow from sidewalks, exterior stairways, parking spaces, Private Streets and each Cascades Courtyard located within the Project, as permitted or required under the Governing Documents.

(g) <u>Materials, Supplies and Labor</u>. Costs for materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure by law, or which in the Board's reasonable opinion shall be necessary or proper for operation of the Common Areas or for the enforcement of the Governing Documents; provided, however, if for any reason such materials, supplies, labor, services, maintenance, repairs, or structural alterations are provided to or for the benefit of any particular Unit(s) or their Owner(s) due to damage or destruction caused by the gross negligence or any willful acts or omissions of such Owner(s), or their tenants, family members, guests or invitees, then the cost thereof may be charged to the Owner(s) of such Unit(s) via Reimbursement Assessment as reasonably determined by a majority vote of the Board.

(h) <u>Unit Maintenance Services</u>. Costs incurred for the maintenance and repair of any Unit, including its appurtenances, improvements, equipment or appliances if (i) such maintenance or repair is reasonably necessary to protect the Common Areas or preserve the appearance, value, health or safety of the Project and (ii) the Owner(s) of said Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to such Owner(s); provided, however, that the Board shall levy a Reimbursement Assessment against the Owner(s) of such Unit for the cost of such maintenance or repair.

(i) <u>Personal Property & Equipment</u>. The cost to acquire, lease, hold and/or maintain, in the name of the Association tangible and intangible personal property and equipment used in connection with the administration, maintenance or repair of the Project.

(j) <u>Lien Discharge</u>. The costs to pay any amount necessary to discharge any lien or encumbrance levied against the Project or any part thereof which constitutes a lien against the Project or against the Common Areas, rather than merely against the interest therein of any particular Owner(s). Where one or more Owners are responsible for the existence of such lien, or where there are joint Owners for any Unit, they shall be jointly and severally liable for the cost of discharging it and any costs and expenses incurred by the Board by reason of such lien or liens shall be assessed, as a Reimbursement Assessment, against the Owners and the Unit responsible to the extent of their responsibility.

(k) <u>Additions / Capital Improvements</u>. Any costs related to the construction or installation of new capital improvements upon the Common Area (*i.e.* new Common Improvements) shall be governed by and subject to the following conditions:

(i) <u>Board Discretion/Expenditure Limit</u>. The Board may, by majority vote, authorize the construction or installation of a capital improvement upon the Common Area, provided (A) the capital improvement does not materially alter the nature of the Project and (B) the cost of such construction or installation does not exceed an amount equal to five percent (5%) of the Annual Budget, not including the Reserve Fund Line Item portion of the Annual Budget (the "**Capital Improvement Ceiling**").

(ii) <u>Owner Approval</u>. If the proposed capital improvement would materially alter the nature of the Project (as determined by a majority vote of the Board) the capital improvement must be approved by a Majority of the Owners. If the cost of constructing or installing the capital improvement exceeds the Capital Improvement Ceiling, such cost must be approved by a Majority of the Owners.

(iii) <u>Funding</u>. If the costs of constructing or installing a new capital improvements does not exceed the Capital Improvement Ceiling, such costs shall be paid from the Reserve Fund. If the costs of constructing or installing a new capital improvements exceeds the Capital Improvement Ceiling, such costs shall be paid via a Special Assessment which, as set forth under <u>Subsection 10.3.4</u>, must be approved by at least a Majority of the Owners.

(iv) <u>Definition of Capital Improvements</u>. As used in this Declaration, the term "capital improvement" means the construction or installation of any Common Improvement that did not exist within the Project as of the date this Declaration was recorded. The term "capital improvement" does <u>not</u> apply to the maintenance, repair or replacement of any Common Improvement that existed as of the date this Declaration was recorded.

5.3.2 <u>Not for Profit</u>. Nothing herein contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all or any of the Owners, provided, however, as more particularly set forth in the Governing Documents, the Board may authorize rental of the Clubhouse and charge reasonable rental fees therefor, provided the rental fees will be deposited into the Operating Fund and used to pay for or offset Operating Expenses.

5.3.3 <u>Right to Contract</u>. The Board shall have the exclusive right to contract for all goods and services, payment of which is to be made from the Operating Fund. The Board may delegate such powers to a Manager subject to the terms and conditions of the Governing Documents and subject to any applicable provisions of the Acts.

5.3.4 <u>Board Access</u>. The Board and its agents or designees may, at any time, enter and access any Common Area (not including Limited Common Area) and may enter and access any Unit or Limited Common Area in accordance with <u>Section 6.6</u>.

#### 5.4 Delegation of Board Authority

The Board may delegate management responsibilities to a Manager pursuant to a written contract between the Manager and the Board on behalf of the Association. The Manager shall not be an employee of the Association and must be retained as an independent contractor. The termination provision of any such contract between the Association and the Manager must not include a termination penalty, nor include any advance termination notice of less than thirty (30) days or more than ninety (90) days (with or without cause), and no such contract shall be for a cumulative term (including the initial term and renewal terms) of more than three (3) years. The Manager may employ general laborers, grounds crew, maintenance, bookkeeping, administrative and clerical personnel as necessary to perform its management responsibilities.

#### **ARTICLE 6 – MAINTENANCE, CARE AND ALTERATION OF UNITS, LIMITED COMMON AREAS AND BUILDINGS**

#### 6.1 Units

6.1.1 <u>General Unit Maintenance</u>. Except as provided under <u>Subsection 6.1.2</u>, each Owner shall, at such Owner's sole expense, have the duty to maintain, repair and replace his or her Unit including, without limitation, any and all equipment, appliances, appurtenances, improvements, and/or fixtures that solely service his or her Unit, including any damage not covered by insurance. Except as provided under <u>Subsection 6.1.2</u>, each Owner shall, at such Owner's sole expense, have the duty to maintain, repair and replace any and all parts, items and elements of his or her Unit as identified and described under <u>Subsection 1.51(a)</u>. The Association shall be responsible for maintaining, repairing and/or replacing any items identified or described under <u>Subsection 1.51(b)</u> unless such items are damaged, removed or destroyed by any intentional, gross negligent or negligent acts of the Owner's tenants, family members, guests or invitees.

Each Unit shall be maintained so as not to detract from the health, safety or uniform appearance of the Project and so as not to adversely impact the value or use of any other Unit. Each Owner shall keep his or her Unit clean, safe, and in a sanitary condition.

Owners are strictly prohibited from performing any repair, replacement, maintenance or alteration of any portion of the Project located outside of a Unit (including, without limitation, any patio, deck or balcony) that may, in any manner whatsoever, impact or alter the exterior appearance of any Building and/or uniform appearance of the Project.

#### 6.1.2 Exterior Unit Doors and Windows.

6.1.2.1 <u>Exterior Unit Doors – Association Responsibilities</u>. The Association shall be responsible for maintaining the exterior surface of any exterior doors and door frames of any Unit, including the garage doors of any Cascades Unit and any exterior Unit door that provides access between a Unit and any Limited Common Area

(collectively, "**Exterior Unit Doors**"). Such maintenance shall be solely limited to painting and staining such exterior surfaces, and caulking around the exterior door frames, as needed to remedy normal wear and tear. The Association shall determine whether such painting, staining and/or caulking is required. The Association shall have no other responsibilities whatsoever regarding the maintenance of any Exterior Unit Doors. The Association shall have no responsibility for repairing any damage to any part of any Exterior Unit Door or replacing any part of any Exterior Unit Door, unless such repair or replacement is required solely due to the actions or inactions of the Association or the Manager (or their agents or employees) as solely determined by the Board.

6.1.2.2 <u>Exterior Unit Windows – Association Responsibilities</u>. The Association's responsibilities for maintaining Exterior Unit Windows shall be limited to caulking the exterior window frames and periodically washing exterior window surfaces as determined by the Association. The Association shall have no other responsibilities whatsoever regarding the maintenance of any exterior windows, window frames or window systems of any Unit (collectively, "**Exterior Unit Windows**"). The Association shall have no responsibility for repairing any damage to, or replacing any part of, any Exterior Unit Window, unless such repair or replacement is required solely due to the actions or inactions of the Association or the Manager (or their agents or employees) as solely determined by the Board.

6.1.2.3 <u>Exterior Unit Doors – Owner Responsibilities</u>. Except for the Association's responsibility for maintaining the exterior surface of Exterior Unit Doors as described under <u>Subsection 6.1.2.1</u>, each Owner shall be solely responsible for any other maintenance of that Owner's Exterior Unit Doors. Except as set forth under <u>Subsection 6.1.2.1</u>, each Owner shall be solely responsible for repairing or replacing such Owner's Exterior Unit Doors.

6.1.2.4 <u>Exterior Unit Windows – Owner Responsibilities</u>. Except for the Association's responsibility for caulking exterior window frames and washing exterior window surfaces as described under <u>Subsection 6.1.2.2</u>, each Owner shall be solely responsible for any other maintenance of that Owner's Exterior Unit Windows. Except as set forth under <u>Subsection 6.1.2.2</u>, each Owner shall be solely responsible for repairing or replacing such Owner's Exterior Unit Windows including, for example, any Exterior Unit Window that may be broken by an errant golf ball.

6.1.3 <u>Major Unit Interior Modifications – Approval & Deposit</u>. An Owner may not make any improvement or alteration to his or her Unit that: (a) constitutes a structural change, such as moving, removing, adding, or altering walls, doorways, and the like, or (b) affects any Common Area (including any Limited Common Area) or any other Unit, without first submitting detailed plans to the Board and obtaining the Board's written approval of such plans and changes. In the event such plans and changes are approved by the Board, the Owner shall, in advance of such work, deliver to the Association a security deposit in an amount to be reasonably determined by the Board. All local codes shall be adhered to and all applicable permits must be obtained by the Owner prior to commencement of any such work. All construction activities, including cleanup, access by workers, acceptable work hours, etc., must be performed in accordance with standards and regulations set forth by the Association.

6.1.4 <u>Installation of Mechanical Systems or Fixtures</u>. An Owner may not install or erect any appliance, equipment, mechanical system, fixture or similar improvement on or within any Limited Common Area without first obtaining the Board's written consent.

6.1.5 <u>Removal/Alteration of Common Walls</u>. Pursuant to Section 57-8-4.5 of the Condominium Act, if an Owner has acquired two Units that share a common wall, he or she may remove or alter such common wall, or may create a doorway or other opening in such common wall that separates the Units, provided the Owner has first obtained the Board's written consent, which consent may be withheld to the extent permitted by the Condominium Act or the provisions of any other applicable law, rule or regulation.

6.1.5.1 An Owner may not remove or alter such common wall, nor create a doorway or other opening in such common wall, if doing so would:

(a) damage or impair the structural integrity or mechanical systems of the Building or any Units;

(b) reduce the support or functionality of any portion of the Common Areas and/or Common Improvements, or the support or functionality of another Unit; or

(c) constitute a violation of Utah Code Section 10-9a-608 or Section 17-27a-608, as applicable, any local government land use ordinance, or any building code.

6.1.5.2 Any Owner who wishes to remove or alter such a common wall, or create a doorway or other opening in such common wall, must first submit to the Board, at the Owner's expense, a registered professional engineer's or registered architect's opinion stating that the Owner's intended actions regarding the common wall will not: (a) damage or impair the structural integrity or mechanical systems of the Building or either Unit or any other Units; (b) reduce the support or functionality of any portion of the Common Areas and/or Common Improvements, or the support or functionality of another Unit; or (c) compromise any structural components of the Building or either Unit or any other Units.

6.1.5.3 The Board may only consider a request to remove or alter the common wall that separates two Units, or create a doorway or other opening in such common wall, if the legal ownership of the two Units is identical. The Board may <u>not</u> consider such a request where, for example, an individual holds partial ownership interest in one or both of the Units, or where the Owners of adjacent Units have merely entered into an agreement that they will share the use of their Units.

6.1.5.4 Any Owner who wishes to remove or alter such a common wall, or create a doorway or other opening in such common wall, must pay all legal fees and other expenses of the Association related to the Owner's proposed actions that are in any way related to the common wall.

6.1.5.5 If the Board grants an Owner permission to remove or alter such a common wall, or create a doorway or other opening in such common wall, such action will not create a new Unit or a single Unit for purposes of this Declaration, nor alter the Owner's Assessment obligations or voting rights associated with each Unit as provided under the Governing Documents.

6.1.5.6 If an Owner wishes to reconstruct any common wall that was partially or completely removed pursuant to this <u>Section 6.1</u>, that Owner must first obtain the Board's written consent, and the Owner must engage the services of a contractor that is adequately qualified, bonded and insured to perform such work. Such common wall must be reconstructed in a manner that does not: (a) damage or impair the structural integrity or mechanical systems of the Building or any Units; (b) reduce the support or functionality of any portion of the Common Areas and/or Common Improvements, or the support or functionality of another Unit; or (c) compromise any structural components of the Building or any Units. The common wall must also be reconstructed in a manner that meets or exceeds the quality and specifications of other such common walls in the Project (*e.g.* dimensions, quality of materials, sound-proofing, etc.) as determined by the Board. The Owner must obtain, from a qualified engineer, a final inspection report confirming that the reconstruction of the common wall fully complies with the above requirements, and must provide the Board with a certified copy of such final inspection report.

6.1.5.7 The provisions of this <u>Subsection 6.1.5</u> shall only apply to interior common walls that separate Units. This <u>Subsection 6.1.5</u> shall not apply to any other common walls including, for example but without limitation, any common walls or other partitions that separate Limited Common Areas of such Units, which is addressed by <u>Section 6.2.3</u>.

#### 6.2 Limited Common Areas – Patios, Decks and Balconies

6.2.1 <u>Care and Maintenance</u>. The Association shall be responsible for maintaining and repairing reasonable and normal wear and tear to the interior surfaces of any patio, deck or balcony that is attached to or appurtenant to a Unit or Units. The term "interior surfaces" shall have the same meaning under this <u>Subsection 6.2.1</u> as used in <u>Section 3.6</u> of this Declaration. The cost to repair or replace any such interior surfaces due to the gross negligence or willful acts or omissions of an Owner, or such Owner's tenants, family members, guests or invitees may be charged to the Owner(s) of such Unit(s) via a Reimbursement Assessment as reasonably determined by a majority vote of the Board. Owners are prohibited from modifying, painting, decorating, or in any way altering their patio, deck, balcony without obtaining the Board's prior written approval. Each Owner shall keep his or her patio, deck or balcony in a neat and attractive condition, including removing any trash or debris, so as to preserve the appearance and aesthetics of the Project. The Board may establish Rules specifying the manner in which patios, decks or balconies are to be used or maintained.

6.2.2 <u>Shelters/Enclosures</u>. Owners are prohibited from placing, erecting or constructing any temporary or permanent shelters, storage facilities or enclosures on, in or around any patio, balcony, deck, or any similar Limited Common Area. All costs associated with, or arising out of the existence of, such shelters or enclosures including, without limitation, maintenance, installation, removal, repair, cleaning, damage (whether to any Common Area or to any Unit), insurance, or any other expenses or liabilities, regardless of whether there is fault or negligence, shall be the sole responsibility of the Owner of the Unit served by the shelter or enclosure. Any enclosed patio, balcony, deck, or similar Limited Common Area shall retain its original status as Limited Common Area, and shall not be deemed as part of any Unit by virtue of being enclosed. The Board may, from time to time, adopt, promulgate and enforce Rules further regulating, clarifying or otherwise expanding upon the provisions of this <u>Section 6.2.2</u>.

6.2.3 <u>Removal/Alteration of Limited Common Area Walls</u>. If an Owner has acquired two Units that share a common wall or other partition separating the Limited Common Areas of such Units, such Owner shall <u>not</u> (a) remove or alter such common wall or other partition separating such Limited Common Areas, (b) create a doorway or other opening connecting such Limited Common Areas, or (c) otherwise alter the Limited Common Areas of such Units in any manner whatsoever.

6.2.4 <u>Attachment to Structural Elements</u>. Owners are prohibited from constructing, erecting or attaching any item, device or equipment to any structural elements of any Limited Common Area including, without limitation, any walls or railings that surround any patio, deck or balcony without first obtaining the Board's written permission.

#### 6.3 Limited Common Areas – Owner's Storage Closets

Maintenance of the interior of any Owner's Storage Closet (except for the door to such Owner's Storage Closet) shall be the sole responsibility of the Owner(s) of the Unit for which the use of such Owner's Storage Closet has been reserved. The Association shall pay the cost of maintaining, repairing and/or replacing the door to each Owner's Storage Closet. However, if the door was damaged or destroyed due to the gross negligence or any willful act or omission of an Owner, or such Owner's tenants, family members, guests or invitees, the cost of repairing or replacing the door may be charged to the Owner(s) of the Owner's Storage Closet via a Reimbursement Assessment as reasonably determined by a majority vote of the Board. Owners are prohibited from altering or modifying any portion of their Owner's Storage Closet (including the exterior door to such Owner's Storage Closet) without the Board's prior written approval.

#### 6.4 Limited Common Areas – Foyer Areas

The Association shall be solely responsible for the care and maintenance of any Foyer Areas, including any improvements located in such Foyer Areas including, for example and without limitation, any windows and window frames, doors and door frames, walls, flooring, light fixtures, stairways and railings. Owners are strictly prohibited from altering or modifying any portion of any Foyer Area including, without limitation, any improvements located in the Foyer Areas.

#### 6.5 Limited Common Areas – Cascades Courtyards

The Association shall be solely responsible for the care and maintenance of each Cascades Courtyard. Such maintenance shall include the reasonable removal of ice and snow. Owners are strictly prohibited from altering or modifying any portion of any Cascades Courtyard.

### 6.6 Access to Units and Limited Common Areas

As set forth under Section 57-8-7 of the Condominium Act, the Board and/or the Manager may access a Unit (including any Limited Common Area attached to such Unit) as necessary to maintain, repair or replace any Common Area or Common Improvement. Any such access to any Unit or Limited Common Area must comply with the provisions of this <u>Section 6.6</u>.

#### 6.6.1 Non-Emergency Maintenance, Repair or Replacement

The Board or the Manager may access any Unit or Limited Common Area for the purpose of performing <u>non-emergency</u> maintenance, repair, or replacement of any Common Areas or Common Improvements only after the Board or the Manager has delivered written notice to the Owner of the Unit <u>and</u> received the Owner's written permission to enter the Unit. The Owner may provide such written permission to the Board or the Manager via regular mail or email. The Owner shall notify the Board or Manager if the Unit is being rented or is otherwise occupied by someone other than the Owner, in which case (A) the Owner shall immediately notify the tenant or any other occupant of the Unit and (B) no later than 48 hours prior to entering the Unit or Limited Common Area, the Board or Manager shall post on the Unit's front exterior door written notice of the Board's or Manager's intent to access the Unit or Limited Common Area in order to maintain, repair, or replace Common Areas or Common Improvements.

#### 6.6.2 <u>Emergency Maintenance, Repair or Replacement</u>

The Board or the Manager may access any Unit or Limited Common Area to perform <u>emergency</u> maintenance, repair, or replacement of any Common Areas or Common Improvements after the Board or the Manager has provided the Owner with reasonable notice.

As used in this <u>Section 6.6</u>, the term "emergency repairs" means any repairs that, if not made in a timely manner, will likely result in immediate and substantial damage to any part of the Project (including another Unit or Units) as reasonably determined by the Board and/or the Manager. Examples of "emergency repairs" includes broken water or sewer pipes, leaking Fire Suppression Systems, etc.

As used in this <u>Section 6.6</u>, and as set forth under Section 57-8-7 of the Condominium Act, in the case of emergency repairs of any Common Areas or Common Improvements, the term "reasonable notice" means any notice that is reasonable under the circumstances, as determined by the Board or the Manager. <u>In certain emergency situations, the Board or Manager</u> <u>may determine that advance notice to the Owner is not be feasible or necessary in order to</u> <u>prevent immediate and substantial damage to any part of the Project (including other Units).</u>

Regardless of such circumstances, if the Board or Manager enters a Unit or Limited Common Area to perform <u>emergency</u> maintenance, repair, or replacement of any Common Areas or Common Improvements, the Board or the Manager shall make every reasonable effort to notify the Owner regarding such entry via telephone and/or email <u>no later than 24 hours after</u> the Unit and/or Limited Common Area was accessed (provided, of course, the Owner has provided the Board or the Manager with the Owner's current telephone number and email address).

## 6.6.3 Access to Unit or Limited Common Area

No Owner, tenant or other occupant of any Unit or Limited Common Area shall unreasonably prevent, prohibit or delay access to such Unit or Limited Common Area by the Board or the Manager in order to perform emergency or non-emergency maintenance, repair or replacement of any Common Area or Common Improvements as set forth under this <u>Section 6.6</u>.

The Owner of a Unit or Limited Common Area may be held liable for damage to any part of the Project (including another Unit or Units) that results from the Owner, tenant or other occupant of such Unit or Limited Common Area preventing, prohibiting or delaying access to such Unit or Limited Common Area for the purpose of conducting any emergency or non-emergency maintenance, repair or replacement of Common Area or Common Improvements.

## 6.6.4 Cost of Maintenance, Repair or Replacement

The cost of any emergency or non-emergency maintenance, repair or replacement of Common Area or Common Improvements shall be paid by the Association <u>unless</u> the need for such maintenance, repair or replacement resulted from the actions or inactions of the Owner or any tenant or other occupant of a particular Unit or Limited Common Area, in which case the cost of such emergency or non-emergency maintenance, repair or replacement shall be charged to the Owner of such Unit as a Reimbursement Assessment. The Association may also impose a Reimbursement Assessment to reimburse the Association for any expenses the Association may incur to perform certain emergency repairs on a Unit (e.g. broken water or sewer pipes). The imposition of any Reimbursement Assessments is subject to the requirements of <u>Section 10.4</u>.

## 6.7 Association's Right to Winterize Unit If Owner Fails to Pay Utilities

Pursuant to Section 57-8-56 of the Condominium Act, if the Association receives from an electric or gas utility company written notice that the utility company intends to discontinue electric or gas service to a particular Unit, the Association may, after reasonable notice to the Owner of the Unit, enter and winterize the Unit. Any person who enters a Unit in accordance with this <u>Section 6.7</u> shall not be liable for trespass. The Association may charge the Owner of the Unit an assessment for (a) any payment made by the Association to the utility company in connection with the unpaid electric or gas utilities of the Unit, and (b) the actual and reasonable costs of winterizing the Unit.

As used in this <u>Section 6.7</u>, the term "reasonable notice" means: (i) written notice that is hand delivered to the Unit no less than 24 hours prior to the proposed entry; or (ii) in the case of an emergency situation, notice that is reasonable under the circumstances. The Association shall send an email notification to the Owner of any Unit that has been entered pursuant to this <u>Section 6.7</u> (provided the Owner has provided the Board or the Manager with the Owner's current email address).

## 6.8 Building Exterior Appearance

In order to preserve a uniform exterior appearance of the Project, no changes whatsoever shall be commenced, erected, maintained, made or done by any Owner to the exterior of any Unit or to any Limited Common Area (*e.g.* patios, decks, balconies, etc.) without the Board's prior written approval. The Board shall regulate the exterior appearance of the Buildings in a

manner that is consistent with the aesthetics and appearance of the Project as of the date this Declaration was recorded. The Board may require and otherwise regulate painting and other decorative finishing of the Buildings including, without limitation, any Common Areas (including Limited Common Areas) and determine the type and color of such decorative finishes, and may prohibit, require or regulate any modification or decoration of such Buildings, including Common Areas or Limited Common Areas undertaken or proposed by any Owner. This authority of the Board extends to screens, doors, windows, awnings, railings, decorations, or any other visible portions of each Unit and each Building. Accordingly, the Board may restrict, determine or regulate the exterior color of the exterior doors of each Unit as well as any items that may be attached to the outside of such exterior doors. The Board may also restrict, prescribe or regulate the screen or glass exterior doors of each Unit including, for example, the type, color and hardware of any such screen or glass exterior doors and the maintenance thereof. No aluminum foil, newspapers, or any other similar materials may be used to cover the interior or exterior side of any windows of any Unit. Awnings or sunshades are not allowed on the exterior of any Building, unless the color, style, construction material, installation method, and uniformity of appearance have been approved by the Board in advance and in writing.

### 6.9 Installation of Improvements

Owners are strictly prohibited from installing or attaching any improvements on any portion of the Project that adversely impacts or alters the exterior appearance of any Building and/or poses a health or safety risk or impairs the uniform appearance of the Project. The improvements referenced in the prior sentence includes, for example and without limitation, any exterior windows, window frames or window systems, exterior screens, doors or door frames, exterior ventilation grills/covers, any hot tubs, whirlpools, Jacuzzis or similar equipment or improvements, any Communications Devices, and any exterior heating, ventilating or air conditioning ("**HVAC**") systems, fan units, plumbing fixtures, water heaters, pipes or valves. This Section 6.9 shall not prevent or prohibit any Owner from replacing an existing improvement (*e.g.* HVAC system component) that serves his or her Unit, provided the replacement improvement is similar or comparable to the improvement being replaced. Likewise, this Section 6.9 shall not prevent or prohibit the Owner of any Cascades Unit from installing a hot tub as permitted under Section 8.26.2.

## 6.10 Penetration, Alteration or Removal of Exterior Building Walls or Roofs

Owners are strictly prohibited from drilling through, penetrating, altering or removing any portion of the exterior walls or roofs of any Building including, for example and without limitation, any walls that separate any Unit from any Limited Common Area without first obtaining the Board's written permission. Without limiting the generality of the foregoing, the restrictions of this <u>Section 6.10</u> shall apply to the temporary or permanent installation of any Communications Devices, Internet or Wi-Fi systems and any HVAC equipment.

As a condition of approving any Owner's request to drill through, penetrate, alter or remove any portion of any exterior wall or roof, the Board may require, among other things, that the manner in which such work is performed or completed and/or the purpose for such work (*e.g.* the installation, location and/or color of HVAC equipment, or any pipes, wires or conduits related to such HVAC equipment) meets the Board's requirements regarding aesthetics and quality of workmanship. The Board may adopt Rules and Regulations and/or procedures that further clarify and enforce the restrictions and requirements of this <u>Section 6.10</u>.

With regard to any drilling through, penetration, alteration or removal of any portion of any exterior wall of any Building (or the installation of any equipment, pipes, wires or conduits related thereto) that may have occurred prior to the recordation of this Declaration, or prior to the Board's adoption of Rules and Regulations and/or procedures regarding such work, the Board may require that the workmanship and/or aesthetics of such work be remediated to comply with the requirements of this Declaration or any Rules that may be adopted by the Board.

### 6.11 Nonconforming Improvements

Any improvement that fails to comply with any provision of this Declaration, but was previously approved by the Board in writing, may be retained by the Owner and all subsequent Owners of such improvement as a "**Nonconforming Improvement**." The Owner of any such Nonconforming Improvement must present the Association with proof of such prior written Board approval. The Association reserves the right to (A) review or inspect the Nonconforming Improvement, (B) require the Nonconforming Improvement be modified in order to bring it into compliance with this Declaration or any other Governing Document, or (C) require the immediate removal or of the Nonconforming Improvement if it cannot be brought into compliance with this Declaration or any other Governing Document.

If an Owner fails or refuses to move or remove any Nonconforming Improvement within thirty (30) days of receiving written notification from the Board, the Board may, in the Board's discretion, move or remove the Nonconforming Improvement and impose a Reimbursement Assessment to recover all costs incurred by the Association in connection with such work.

### ARTICLE 7 – USE, MANAGEMENT AND MAINTENANCE OF COMMON IMPROVEMENTS

## 7.1 Generally

The Association shall maintain, repair, replace and manage the use of Common Improvements. An Owner may be held liable and financially responsible for the cost of repairing or replacing any Common Improvement (including any Limited Common Improvement) that has been damaged or destroyed by the gross negligence or willful acts of an Owner or his or her family members, tenants, guests or invitees.

#### 7.2 Clubhouse

The Clubhouse is a Common Improvement that is owned, operated and managed by the Association for the benefit of the Owners. The main level of the Clubhouse may be reserved for use by Owners. The Clubhouse may also be reserved for use by an Owner's tenants or any other person who is not an Owner provided the Board has approved such use in advance and in writing. The portion of the Clubhouse that serves as a fitness room may not be reserved. The Clubhouse (including the fitness room) must be used consistent with Rules and Regulations that may be periodically adopted and/or amended by the Board.

## 7.3 Office/Pool Building

The Office/Pool Building is the Building identified on the Phase 1 Cascades Map as the "Clubhouse." The Office/Pool Building is a Common Improvement that is owned, operated and managed by the Association for the benefit of the Owners. The portion of the Office/Pool Building that houses bathrooms, locker facilities and a sauna is to be used consistent with Rules and Regulations that have been adopted by the Board. The office portion of the Office/Pool Building is reserved for use by the Manager. The Board shall negotiate and enter into a lease for the Manager's use of the office portion of the Office/Pool Building. The rental rate paid by the Manager shall be reasonably consistent with the market rental rate for office space of comparable condition and of equivalent quality, size, utility, and location, as determined by the Board.

### 7.4 Recreational Common Improvements

Recreational Common Improvements such as volleyball courts, swimming pool, community hot tub facilities, picnic tables and permanently installed barbeque grills shall be managed by the Board on behalf of the Association and are subject to Rules and Regulations regarding their use as may be periodically adopted and/or amended. The Association cannot and does not guarantee the availability and/or replacement of any particular recreational Common Improvement. However, any decision to eliminate or not replace any particular recreational Common Improvement must be approved by an affirmative vote of a Majority of the Owners.

## 7.5 Parking, Sidewalks, Stairways and Walkways

The Association shall be solely responsible for maintaining, repairing and/or replacing all parking spaces, and other parking areas located within the Project, and all sidewalks, exterior stairways, and other walkways located within the Project.

The Association shall be responsible for contracting for, scheduling, arranging, and paying for the reasonable removal of ice and snow from (A) all parking spaces, and other parking areas located within the Project; (B) any Cascades Courtyards, and (C) sidewalks, exterior stairways, and other walkways located within the Project as reasonably determined by the Board. This <u>Section 7.5</u> shall not be construed to impose upon the Association or the Board any particular or elevated duty or standard of care with regard to the removal of ice or snow from such areas.

## 7.6 Limited Common Improvements

The Association shall be responsible for maintaining and repairing reasonable and normal wear and tear to any Limited Common Improvement described under <u>Section 1.25</u>. The cost to repair or replace any Limited Common Improvements that were damaged or destroyed due to the gross negligence or willful acts or omissions of an Owner, or such Owner's tenants, family members, guests or invitees may be charged to the Owner via a Reimbursement Assessment as reasonably determined by a majority vote of the Board.

### 7.7 Fire Suppression Systems

Except as otherwise provided in this Declaration, the Association shall be responsible for maintaining, repairing and/or replacing all components of any Fire Suppression Systems located throughout the Project. An Owner must immediately reimburse the Association for the cost of any such maintenance, repair and/or replacement of any Fire Suppression System component resulting from the negligence, gross negligence or willful actions or inactions of such Owner or his or her family members, tenants, guests or invitees.

If the Association's routine maintenance, repair and/or replacement of any part of any Fire Suppression System requires the removal of any ceiling, wall or flooring materials located within any Unit, the Association shall pay for up to \$1,000 of the cost of remediating such items (*i.e.* drywall replacement, repainting, etc.). The previous sentence shall not apply to (A) any maintenance, repair or replacement work caused by damage or loss covered by the Association's and/or an Owner's property insurance policy as described under <u>Subsection 12.1.1(e)</u>, in which case the cost of such remediation will be covered by all or any portion of the deductible on the Association may perform on a Fire Suppression System due to the actions or inactions of an Owner or his or her family members, tenants, guests or invitees. Owners are prohibited from installing any sprinkler or fire suppression system in their Unit or any other portion of the Project, and the Association shall have no liability or responsibility whatsoever for the maintenance, repair or replacement of any such unauthorized sprinkler or fire suppression systems.

## **ARTICLE 8 – PROJECT USE RESTRICTIONS**

#### 8.1 Use of Units

No Unit shall be occupied and used except for residential purposes by the Owner or his or her tenants, family members, guests and/or invitees.

Except as otherwise specifically permitted by the Governing Documents, no trade or business shall be conducted in any Unit. However, a Unit may be used for certain activities normally associated with maintaining a professional office or conducting certain small businesses from home such as, for example, record-keeping, telephone calls, reception of mail, and computer or Internet activity. Any home-based business that involves employees (beyond the immediate family or household or the Owner or occupant of a Unit) working from the Unit is strictly prohibited.

The primary purpose of the restrictions set forth under this <u>Section 8.1</u> is to preserve the right of all Owners (and their family members and tenants) to live in a residential condominium project that is free from business-related employee, client or customer interaction, potential Association liability due to business being conducted within the Project, and the nuisance or annoyance often associated with increased or excessive vehicular or pedestrian business-related traffic. The restrictions of this <u>Section 8.1</u> shall not prohibit an Owner from leasing or renting a Unit to tenants. The restrictions of this <u>Section 8.1</u> shall not apply to any activities conducted in the office portion of the Office/Pool Building.

## 8.2 Parking

The Board shall adopt Rules and Regulations that include a description of vehicles, trailers and/or equipment that may be parked within the Project (collectively, "**Permitted Vehicles/Trailers**"). The Rules and Regulations may explicitly prohibit the parking of certain vehicles and any trailers anywhere in the Project. Unless otherwise permitted by the Board in advance and in writing, no Permitted Vehicles/Trailers shall be parked or left on any portion of the Project other than designated parking areas as further described under the Rules and Regulations. No vehicles or trailers of any kind may be parked at any time in any of the Cascades Courtyards. No vehicles or trailers of any kind shall block access to any gates or any emergency access roads or fire hydrants.

The Rules and Regulations may require the removal of any vehicle or equipment (regardless of whether or not it is a Permitted Vehicle/Trailer) that is inoperative or is not properly registered, or any unsightly vehicle, and any other equipment or item improperly stored in any parking space, or other parking area. If such vehicle, equipment or item is not removed, the Board may cause removal at the risk and expense of the owner thereof.

The use of parking spaces, or any other parking areas located within the Project, may be further clarified or regulated by Rules and Regulations as adopted by the Board from time to time, provided such Rules and Regulations may not permit any use that is explicitly prohibited under this <u>Section 8.2</u>. Without limiting the generality of the foregoing, the Board may adopt Rules and Regulations governing the long-term parking of vehicles, provided the Board adheres to the procedures for adopting Rules and Regulations as set forth under <u>Section 1.49</u>.

## 8.3 Garbage and Refuse

All rubbish, trash and garbage and other waste shall be kept in sanitary containers, shall be regularly removed from the Project, and shall not be allowed to accumulate on any portion of the Project. With the exception of those areas of the Project the Association has specifically set aside for the location of dumpsters and other trash receptacles, the accumulation, disposal or keeping of rubbish, trash, garbage cans and/or storage piles on any portion of the Common Areas, including any Limited Common Area, is strictly prohibited.

#### 8.4 Drones Prohibited

In order to preserve the safety, privacy and quiet enjoyment of Owners and their family members, tenants and guests, the launching or operation of drones or any similar device or equipment (collectively, "**Drones**") within or upon the Project or within the Project's airspace is generally prohibited. This prohibition applies to any Drone regardless of whether or not such Drone is equipped with a camera, microphone or any other audio, visual or recording device. The provisions of this <u>Section 8.4</u> shall not apply to drones that may occasionally be used for the sole purpose of real estate marketing, provided such drone use does not disturb the safety, privacy and quiet enjoyment of any Owners including their family members, tenants and guests.

### 8.5 Radio and Television Antennas

The construction, installation, use and/or operation of any broadcasting, receiving, satellite and/or wireless signal dishes, antennas or similar devices located anywhere in the Project is governed by the provisions of <u>Section 8.29</u> of this Declaration. No Citizens Band, amateur radio or other transmission shall be permitted from any portion of the Project, except under emergency situations.

### 8.6 Clothes Lines

No exterior clotheslines shall be erected or maintained and there shall be no outside laundering or drying of clothes, towels, rugs or other items.

### 8.7 Swamp Coolers / Window-Mounted Air Conditioners / Shared HVAC Systems

The temporary or permanent installation and use of swamp coolers is prohibited. The temporary or permanent use of window-mounted air conditioners is likewise prohibited. Owners are also prohibited from temporarily or permanently installing any HVAC system that is designed or intended for use by more than one Unit.

### 8.8 **Power Equipment and Car Maintenance**

No power equipment, workshops, car washing, or car maintenance of any nature (other than emergency repair that is capable of being completed no more than four (4) hours after commencement of such emergency repair) is permitted on the Project. Notwithstanding the foregoing, the replenishing or changing of vehicle engine oil, transmission fluid or other fluids is prohibited.

#### 8.9 Drainage

No Owner shall perform any act or construct any improvement that would interfere with the natural or established drainage systems or patterns within the Project.

## 8.10 Mineral Exploration

No portion of the Project shall be used in any manner to explore for or remove any oil or other hydrocarbons, minerals of any kind, gravel or earth substance. No drilling, exploration, refining, quarrying, or mining operations of any kind shall be conducted or permitted to be conducted or permitted to be conducted anywhere within the Project; nor shall wells, tanks, tunnels, mineral excavations, shafts, derricks, or pumps used to mine or drill for any substance be located in the Project. No drilling for water or geothermal resources or the installation of such wells shall be allowed.

#### 8.11 Mailboxes

With the exception of mailbox banks that exist within the Project as of the date of the recording of this Declaration, no additional mail boxes or newspaper tubes may be installed or located on any portion of the Project.

### 8.12 Exterior Fires / Open Flame Grills

Charcoal barbequing is permitted on the permanently installed barbeque grills located in certain designated portions of the Common Area ("Common Area BBQ Grills"). The Common Area BBQ Grills may not be reserved. The Common Area BBQ Grills are for use by Owners and their guests and tenants. After barbecuing please clean out the grill and pick up all trash.

Open flame barbeque grills shall not be operated on any deck or balcony of any Building including any deck or balcony that is appurtenant to any Unit. Open flame barbeque grills may only be operated on ground-level concrete patios, provided the grill is located a safe distance from any Building as required by applicable fire codes. As used in this <u>Section 8.12</u>, the term "open flame" means and refers to barbeque grills or smoker grills that utilize propane, natural gas, charcoal, wood, pellets or any other flammable substance. The use of electric barbeque grills are properly maintained, are safely operated per the manufacturer's operating instructions, and are compliant with the latest Underwriter Laboratories safety requirements. The use of any barbeque grills of any kind inside any Unit is strictly prohibited. The use of firepits of any kind, including, for example and without limitation, moveable firepits, firepit tables, etc., on any portion of the Project, including Unit decks, patios and balconies, is also strictly prohibited. No Owner shall use or maintain his or her Unit in any manner that constitutes a fire hazard.

#### 8.13 Diseases and Insects

No Owner shall permit any condition to exist within his or her Unit that will induce, breed or harbor infectious plant or tree disease or noxious insects.

## 8.14 Water Use

No stream or body of water within the Project shall be used for swimming or boating. No docks, piers, or floats shall be allowed in any stream or body of water located within the Project.

## 8.15 **Private Exterior Spigots**

Private Exterior Spigots (as defined under <u>Section 1.51</u>) may only be used by the Owner(s) of such Private Exterior Spigots, or may be used with the prior consent of such Owner(s). The Owner of any Private Exterior Spigot may place a lock on his or her Private Exterior Spigot in order to prevent unauthorized use, provided such lock does not damage, or interfere with the use of, any surrounding Common Area or Common Improvements.

#### 8.16 Fair Housing

No Owner shall either directly or indirectly forbid or restrict the conveyance, lease, mortgaging or occupancy of his or her Unit to any person in a specified race, color, religion, ancestry, sexual orientation or national origin.

#### 8.17 Common Drive and Walks

Common drives, walks, corridors and stairways shall be used exclusively for normal transit and/or pedestrian traffic and shall not be blocked or otherwise obstructed.

### 8.18 Patios, Decks and Balconies

The patios, decks and balconies of each Unit must be maintained in a safe and neat manner. Patios, decks and balconies are generally intended for keeping and using items that are commonly kept and used in such areas, such as patio furniture. Owners (and the tenants, family members, guests or any other occupants of any Unit) must refrain from allowing any items (including, for example and without limitation, rugs, towels or clothing) to hang from or dangle over the walls or railings of any patio, deck and/or balcony. The Board shall publish, as part of the Rules and Regulations, specific guidance regarding the storage of personal property and equipment on Unit patios, decks and balconies.

#### 8.19 Moose Hollow Foyer Areas

The Moose Hollow Foyer Areas are not to be used for the storage of any Owner personal property or clothing (including shoes, boots, etc.) or other items including recreational equipment such as paddle boards, skis, snowboards, kayaks bicycles, skateboards, etc. In order to keep these areas uncluttered, and to prevent conditions that may cause injury from slips, trips or falls, Owners may only place one doormat directly in front of the entry door to their Unit. All other items must, at all times, be stored in the Unit or in the Owner's Storage Closet.

## 8.20 Retail or Commercial Activities

Retail or commercial activities are prohibited on any portion of the Common Areas. The determination of whether or not a particular activity is retail or commercial in nature shall be made by the Board on a case-by-case basis. Any such determination by the Board shall, at all times, be subject to any applicable Weber County ordinances, zoning or authority related to retail or commercial activities within the Project.

## 8.21 Storage Areas and Closets

## 8.21.1 Owner's Storage Closets

Owner's Storage Closets may be used for the storage of personal property, provided that such personal property does not include any flammable or dangerous items such as, for example and without limitation, firearms, gasoline, propane tanks, fireworks, toxic or hazardous materials, or any similarly dangerous or potentially dangerous items. Any question or dispute regarding whether certain personal property may be stored in an Owner's Storage Closet shall be answered or resolved by a majority vote of the Board.

Each Owner shall indemnify, defend, and hold harmless the Association, its officers, directors, managers, and other Owners, employees and agents from and against any and all claims, demands, suits, actions, losses, costs, damages, expenses, and liabilities of whatever kind or nature (including but not limited to reasonable attorney fees, litigation, court costs, and amounts paid in settlement or in discharge of judgments) howsoever caused, whether directly or indirectly resulting from, or in any way arising out of, or otherwise related to, any damage, harm or injury that may be suffered by any people, domestic animals, personal property or real property due to any personal property that may be stored in such Owner's Storage Closet.

### 8.21.2 Association Storage Areas

Association Storage Areas are to be solely used by the Association, or by the Manager, for the storage of personal property, equipment, and other items that are owned, leased or controlled by the Association including for the purpose of maintaining the Project. Owners are prohibited from using Association Storage Areas for any purpose whatsoever. The Manager may be provided with a key to any or all Association Storage Areas.

### 8.21.3 Determination of Owner's Storage Closet vs. Association Storage Area

Any questions or disputes regarding any closet or storage area located within the Project, including, for example (A) questions or disputes as to whether a particular closet or storage area is an Owner's Storage Closet or an Association Storage Area, or (B) questions or disputes as to whether a particular Owner's Storage Closet is limited, set aside or reserved for use by a particular Unit, shall be resolved by a majority vote of the Board. Unless or until a particular closet or storage area located within the Project has been deemed by the Board as limited, set aside or reserved for use by a particular Unit (or certain Units) to the exclusion of any other Units, that closet or storage area shall be deemed an Association Storage Area.

## 8.22 Storage Sheds

Owners are prohibited from temporarily or permanently installing or placing a storage shed on any portion of the Project including, for example and without limitation, any patio, deck or balcony. As used in this <u>Section 8.22</u>, the term "storage shed" specifically and solely refers to any freestanding structure designed for the purpose of storing personal property. Any question or dispute regarding whether or not a particular storage structure or container meets the definition of a "storage shed" shall be answered or resolved by a majority vote of the Board. The Board may also adopt a Rule that defines, describes and/or clarifies any matters related to the restrictions of this <u>Section 8.22</u>.

## 8.23 Proximity to Golf Course

The Project is located adjacent to the Wolf Creek Resort golf course which may result in damage to property (including broken Exterior Unit Windows), or injury to persons or animals, from golf balls being hit on or over certain portions of the Project.

## 8.24 Signs

No signs of any kind shall be displayed to the public view on or from any Unit or Common Area (including any Limited Common Area).

## 8.25 Nuisances

No noxious, illegal or offensive activities shall be carried on in any Unit, or any other part of the Project, nor shall anything be done thereon that (A) is or may become an annoyance or a nuisance to, or which may in any way interfere with, the quiet enjoyment of any Owner, or of any guest, tenant or other occupant of any Unit, (B) may cause damage to any Common Area (including any Limited Common Area) or to any other Unit, (C) may in any way increase the rate of insurance for the Project or for any other Unit, or (D) may cause any insurance policy to be cancelled or cause a refusal to renew the same.

### 8.26 Smoking

Due to the known adverse health effects of secondhand smoke, and because secondhand smoke has been defined as a nuisance by the Utah State Legislature, tobacco smoking (including e-cigarettes and vaping) is prohibited within any Unit and/or any part of the Common Area (including any Limited Common Area) to a distance of twenty-five (25) feet from any Building. These prohibited areas include the Unit patios, decks, balconies, indoor and outdoor stairways, Moose Hollow Building Foyers, Cascades Courtyards, the swimming pool/hot tub areas, and the Clubhouse including the Clubhouse deck and fitness room. Smoking will be only permitted in paved areas of the Common Area that are more than twenty-five (25) feet away from any Building or other areas described above or in a designated smoking area identified by signage and accompanied by a cigarette butt trash receptacle.

### 8.27 Hot Tubs

### 8.27.1 Moose Hollow Buildings

None of the patios, decks, balconies located on any of the Moose Hollow Buildings, nor the interior flooring of any Moose Hollow Units, have been designed, engineered, or constructed to accommodate or support any hot tub of any kind or size. As such, no hot tub of any kind or size whatsoever may be temporarily or permanently constructed, placed or installed on any portion of the interior or exterior of any Moose Hollow Building including, without limitation, on any Limited Common Area or within the interior of any Moose Hollow Unit. This prohibition against the placement or installation of any hot tub inside of any Moose Hollow Unit shall not apply to any bathtub whirlpool, or similar fixture or equipment that would normally be installed in a residential bathroom.

## 8.27.2 Cascades Buildings

Hot tubs may be installed on the exterior concrete slabs/patios of Cascades Units that were intended for such installation of hot tubs, provided the hot tub is properly and safely installed. Any wiring providing electrical service to any such hot tub must be installed by a licensed electrician and must be fully compliant with applicable electrical codes.

The interior flooring of the Cascades Units were not designed, engineered or constructed to accommodate or support any hot tub of any kind or size. As such, no hot tub of any kind or size whatsoever may be temporarily or permanently constructed, placed or installed on any portion of the interior of any Cascades Unit including. This prohibition against the placement or installation of any hot tub inside of any Cascades Unit shall not apply to any bathtub whirlpool, or similar fixture or equipment that would normally be installed in a residential bathroom.

#### 8.28 Animals

8.28.1 <u>Owners/Tenants</u>. Owners are permitted to keep pets/animals in their Unit subject to this <u>Section 8.28</u> and any other provision of the Governing Documents. Tenants are prohibited from keeping any pets/animals in any Unit.

8.28.2 <u>Limits</u>. No more than two (2) domestic animals shall be kept in any Unit, although this limitation shall not apply to certain animals that are maintained continually in appropriate small enclosures, such as fish in a small tank or encaged birds. In no event shall any Owner be permitted to raise, breed, keep or maintain any animals for any commercial purposes upon any portion of the Project. No livestock or poultry of any kind shall be raised, bred or kept upon any portion of the Project.

8.28.3 <u>Animals in Common Area</u>. Animals are prohibited within the swimming pool area or any other fenced portions of the Common Area. All animals must be kept on a leash. All animal waste must be promptly removed from the Common Area and be picked up and properly disposed of by the animal's owner.

8.28.4 <u>Animal Enclosures/Houses</u>. No animal enclosures or structures of any kind whatsoever including, without limitation, doghouses, kennels, or dog runs may be temporarily or permanently constructed or maintained on any portion of the Common Area (including the Common Area that is contiguous and/or immediately adjacent to any Unit).

8.28.5 <u>Removal of Animal</u>. The Project is located within an unincorporated portion of Weber County and is therefore (a) subject to Title 6 of the Weber County Code of Ordinances (Comprehensive Animal Control) and (b) within the jurisdiction of Weber County animal control authorities. As such, any animals located within the Project are subject to removal and impoundment pursuant to Chapter 5 (Impoundment) of Title 6 of the Weber County Code of Ordinances. Any questions regarding animal control, including the removal of animals from the Project, should be directed to the proper Weber County animal control authorities. Serious issues regarding pets (*e.g.* any animal acting aggressively toward other animals or people) should be immediately reported to the appropriate Weber County authorities such as Weber County Sheriff and/or Animal Control. Written documentation of such incidents should be delivered to the Board.

Notwithstanding any other provision of this <u>Section 8.28</u>, the Association may require the removal of any animal from the Project and/or may contact Weber County animal control authorities to initiate the removal of any animal. The circumstances under which the Association may remove, or cause the removal of, any animal from the Project may be further addressed under the Rules and Regulations.

8.28.6 <u>Indemnification</u>. Each Owner who keeps an animal shall, to the fullest extent of the law, indemnify, defend and hold the Association, including its officers, directors, managers, and other Owners, employees and agents harmless against any loss or liability of any kind or character whatsoever (including, without limitation, damage to property or any personal injury) arising or resulting from such animal being present on any portion of the Project.

8.28.7 <u>Additional Board Rules</u>. The Board may adopt additional rules restricting the maintenance and keeping of animals within the Project and their enforcement, including the assessment of fines to Owners who violate such rules as set forth in the List of Fines.

### 8.29 Communication Devices

The installation or use, on or in any portion of the Project, of any broadcasting, receiving, satellite and/or wireless signal dishes, antennas or similar devices (collectively, "**Communication Devices**") that are not permitted and/or regulated by the Federal Communications Commission ("FCC") is prohibited. Communication Devices that are one meter in diameter or less, and designed to receive direct broadcast satellite service, including direct-to-home satellite service, and/or receive or transmit any wireless signals, may be installed only to the extent and in locations clearly allowed under local, state or federal law, and no cables used for signal reception shall be allowed in or through any visible portion of any Common Area that is not clearly designated as a Limited Common Area.

8.29.1 <u>Common Areas.</u> Owners are strictly prohibited from constructing, erecting or attaching any Communication Device(s) on or in any Common Area, including any Limited Common Area and any walls or railings that surround or comprise such Limited Common Area, except as may be permitted by the Board in the Rules and Regulations. Any Communication Devices that are in any way placed on or used in any Limited Common Area (including, for example, tripod-mounted satellite dishes) must be positioned, maintained and used in a safe and attractive manner and location as determined by the Board. No Owner may install any Communication Device on the exterior, roof, sides, front walkways, or restricted areas of any Building. No Communication Device may unreasonably, excessively or unnecessarily extend beyond the boundaries of any Limited Common Area, or unreasonably, excessively or unnecessarily extend or hang beyond the walls or railings surrounding any Common Area (including any Limited Common Area), as determined by the Board. Owners may not drill holes in or through the exterior walls, doors or window frames, or the roof, of any Building in order to install any Communication Device or run cable from the Communication Device into the Owner's Unit without obtaining the Board's prior written approval.

8.29.2 <u>Liability and Insurance</u>. Owners are responsible for any injury or damage to persons or property caused by their Communication Device(s). Owners must purchase and maintain liability insurance for the use of any Communication Device, which insurance must name the Association as an additional insured. Owners shall provide the Board with proof of such insurance upon request.

8.29.3 <u>FCC Rules</u>. All Communication Device installations must be performed in complete compliance with all applicable laws, rules and regulations. If permits are required, the Owner is solely responsible for obtaining all such permits prior to installation. The provisions of this <u>Section 8.29</u> are intended to comply with applicable FCC rules, as may be amended from time to time. All requirements of such FCC rules are hereby incorporated as part of this <u>Section 8.29</u>. In the event any portion of this <u>Section 8.29</u> is held to conflict with any applicable laws, rules or regulations, those portions shall be deemed stricken and all other portions of this <u>Section 8.29</u> regarding Communication Device installation, maintenance, use and insurance will remain in full force and effect.

8.29.4 <u>Waiver</u>. No requirements or restrictions of this <u>Section 8.29</u> may be verbally waived or changed by the Board. Any such waiver or change will be effective only when placed in writing, specifically stating the nature of the waiver, and has been approved by a majority vote of the Board. The Board shall maintain in the Board's files a copy of any such written waivers. If any Owner receives the benefit of any waiver or change of the provisions of this <u>Section 8.29</u>, it shall be that Owner's responsibility and obligation to keep and safeguard the written waiver or change and to produce it upon any future request of the Board.

8.29.5 <u>Common Improvement Exception</u>. The restrictions and requirements of this <u>Section 8.29</u> shall not apply to any satellite or communications devices or systems that may be constructed, installed, erected, maintained and/or replaced within the Project as Common Improvements for the benefit of the Owners.

### 8.30 Leases and Short-term Rentals

Except as otherwise provided in this Declaration or any other Governing Document, and subject to laws, rules, or regulations that may be adopted and/or enforced by Weber County, there are no restrictions on the right of any Owner to lease or rent a Unit. Each Owner acknowledges and agrees that the Units may be rented on a daily, weekly, monthly or other basis, and that vacation and other short-term rentals are permitted.

Owners who rent their Unit must assume complete responsibility for the actions and behavior of their tenants, the guests of such tenants, and any other occupants of the Unit. Owners shall provide their tenants with a copy of the Rules and Regulations, and all tenants must fully abide by the Rules and Regulations. It shall be the responsibility of each Owner to ensure that his or her tenant, guest, invitee or other occupant of a Unit understands and complies with restrictions concerning the use of the Project, including as set forth in the Rules and Regulations and any relevant provisions of this Declaration. Each Owner shall be jointly and severally liable with his or her tenant, guest, invitee or other occupant of such Owner's Unit for any violation of any provisions of the Rules and Regulations and relevant provisions of this Declaration. Any such violation by any tenant, guest, invitee or any other occupant of a Unit may result in a fine being levied against the Unit, the payment of which shall be the joint and several responsibility of the tenant, guest, invitee and/or Owner of that Unit, as determined by the Board.

## 8.31 Occupancy Limitations

Pursuant to Subsection 57-8-8.1(3) of the Condominium Act, the Association may limit the total number of occupants permitted in each Unit on the basis of various factors including the Unit's size and reasonable use of the Common Areas and Common Improvements.

The occupancy limitation of each Unit shall be as follows:

One- and Two-Bedroom Units = no more than eight (8) occupants Three-Bedroom Units = no more than ten (10) occupants Four-Bedroom Units = no more than fourteen (14) occupants Five-Bedroom Units = no more than sixteen (16) occupants

The total number of occupants allowed in each Unit shall not apply to use of the Unit by the Owner. No Unit may be advertised or offered for short-term or long-term rental in any manner that permits or encourages use of the Unit in excess of that Unit's occupancy limitation.

#### 8.32 Use of Recreational Common Improvements / Common Areas

The Board shall have the authority to adopt rules governing use of the Project's recreational Common Improvements and Common Areas by Owners as well as their tenants, family members, guests and/or invitees. As provided under Section 57-8-8.1 of the Condominium Act, the Board may adopt rules limiting the total number of persons from any given Unit who may use the Project's recreational Common Improvements and Common Areas. The Common Areas and Common Improvements (including any recreational Common Improvements) may not be used by an Owner or the Owner's family members or invitees while the Unit that is owned by such Owner is being rented or leased. The previous sentence shall not apply to any time that the Owner is at the Project for the purpose of attending an Association meeting.

#### 8.33 Compliance with Declaration

Each Owner, lessee, renter, tenant, guest, invitee, or other occupant of a Unit or any user of the Common Area shall comply with the provisions of this Declaration.

#### 8.34 Effect on Insurance

Nothing shall be done or kept in any Unit or in the Common Area that may increase the rate of insurance on the Common Areas or any Common Improvements or any Units without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his or her Unit or in the Common Areas or Limited Common Areas which may result in the cancellation of insurance on any Unit or any part of the Project, or which would be in violation of any applicable governmental laws, ordinances, rules or regulations.

#### 8.35 Rules and Fines

The Board may adopt, clarify, promulgate and/or enforce Rules and Regulations that further address the use of any portion of the Project in order to ensure compliance with the general guidelines of this <u>Article 8</u> and other provisions of the Governing Documents. The Board must follow the procedures set forth under <u>Section 1.49</u> prior to adopting, clarifying or promulgating any such Rules and Regulations.

Violations of any provisions of this <u>Article 8</u>, the Rules and Regulations or any other provisions of the Governing Documents may result in the imposition of a fine or the suspension of such Owner's right to have access to or use the Clubhouse (including the fitness room), volleyball court, swimming pool/hot tub, sauna or other amenities. Each Owner is accountable and responsible for the behavior of his or her tenants, family members, guests, invitees and/or any other occupants of such Owner's Unit. Fines levied against such tenants, family members, guests, invitees and/or any other occupants are the responsibility of the Owner.

8.35.1 Procedures for Assessment of Fines

As set forth under Section 57-8-37 of the Condominium Act, the Board shall assess or impose fines in the following manner:

(a) Before assessing a fine, the Board must first give the Owner and/or a written warning that:

(i) describes the violation;

(ii) states the rule or provision of the Governing Documents that the Owner's conduct (or the conduct of the Owner's family members, tenants or guests) violates or has violated;

(iii) states the Board may, without further warning, assess an initial fine (as set forth in the List of Fines) against the Owner if the violation is not cured within the time period stated in the written warning;

(iv) states the Board may, without any further warnings, assess additional and recurring fines against the Owner each time the Owner, or the Owner's family member, tenant or guest (1) commits a violation of the same rule at any time within one (1) year after the day on which the Board assessed the initial fine for violation of the same rule; or (2) allows the violation to continue; and

(v) states the amount of the initial fine and each additional or recurring fine that will be imposed for any continuing violations.

(b) As set forth under Section 57-8-37(2)(b) of the Condominium Act, the Board may, without any further warnings, assess a fine against an Owner if:

(i) at any time within one year after the day on which the Board gives the Owner a written warning described under <u>Subsection 8.35.1(a)</u>, the Owner commits another violation of the same rule or provision identified in the written warning; or

(ii) for a continuing violation, the Owner does not cure the violation within the time period that is stated in the written warning described under <u>Subsection 8.35.1(a)</u>.

(c) As permitted under Section 57-8-37(2)(c) of the Condominium Act, after the Board assesses a fine against any Owner under this <u>Section 8.35</u>, the Board may, without any further warnings, assess an additional fine against the Owner each time the Owner:

(i) commits a violation of the same rule or provision at any time within one (1) year after the day on which the Board assesses a fine for a violation of the same rule or provision; or

(ii) allows a violation to continue for ten (10) days or longer after the day on which the Board assesses the fine. For certain violations that, as determined by the Board, must be immediately corrected or cured, the Board may immediately assess additional fines for violations that continue for as short of a time period as 24 hours after the Association has given the Owner notice of the violation and/or previously imposed a fine for the violation (*e.g.* violations of rules regarding pets, noise, etc.).

(d) The provisions of this <u>Subsection 8.35.1</u> shall apply to any Owner who owns multiple Units in which continuing violations, similar violations and/or violations of the same rule or provision have occurred even if such violations have been committed by different individuals (*e.g.* tenants or guests at different Units that are owned by the same Owner).

### 8.35.2 Limitations Regarding Dollar Amount of Fines

(a) The aggregate amount of fines assessed against any Owner for violations of the same rule or provision of the Governing Documents may not exceed \$500 in any one calendar month.

### (b) Any fine assessed by the Board shall:

(i) be made only for a violation of a rule, covenant, condition, or restriction that is set forth in the Governing Documents;

(ii) be in the amount provided for in the List of Fines and in accordance with <u>Subsection 8.35.2(a)</u>; and

(iii) accrue interest and late fees as provided in the Governing Documents.

### 8.35.3 Informal Hearing

(a) Any Owner who is assessed a fine under this <u>Section 8.35</u> may request an informal hearing before the Board to dispute the fine no later than thirty (30) days after the day on which the Owner receives notice that the fine is assessed.

(b) At any hearing described under this <u>Subsection 8.35.3</u>, the Board shall:

(i) provide the Owner with a reasonable opportunity to present the Owner's position to the Board; and

(ii) allow the Owner, any member of the Board, or any other person involved in the hearing to participate in the hearing by means of electronic communication.

(c) As used in this <u>Section 8.35</u>, the phrase "means of electronic communication" means an electronic system that allows individuals to communicate orally in real time. Such means of electronic communication includes (i) web conferencing, (ii) video conferencing; and (iii) telephone conferencing.

(d) If an Owner timely requests an informal hearing under this <u>Subsection 8.35.3</u>, no interest or late fees may accrue until after the Board conducts the hearing and the Owner receives a final decision.

### 8.35.4 Appeal

(a) An Owner may appeal any fine assessed under this <u>Subsection 8.35</u> by initiating a civil action no later than one hundred eighty (180) days after:

(i) if the Owner timely requests an informal hearing under <u>Subsection 8.35.3</u>, the day on which the Owner receives a final decision from the Board; or

(ii) if the Owner does not timely request an informal hearing under <u>Subsection 8.35.3</u>, the day on which the time to request an informal hearing under <u>Subsection 8.35.3</u> expires.

### 8.35.5 Delegation of Board Authority

(a) Subject to <u>Subsection 8.35.5(b)</u>, the Board may delegate the Board's rights and responsibilities under this <u>Section 8.35</u> to the Manager.

(b) The Board may not delegate the Board's rights or responsibilities described in <u>Subsection 8.35.3(b)</u>.

### 8.35.6 Delivery of Written Warnings

The written warnings referred to under this <u>Section 8.35</u> shall be delivered to Owners in the same manner as any "notices" must be delivered as set forth under <u>Section 19.3</u>.

### 8.35.7 Fees, Costs and Expenses

The Association shall be entitled to recover reasonable attorney fees, costs and expenses incurred in the enforcement of the Governing Documents, including the enforcement and collection of fines. In the event of litigation in connection with this <u>Section 8.35</u>, the prevailing party shall be entitled to reasonable attorney fees.

#### 8.35.8 Consistency with Condominium Act Requirements

The procedures set forth under this <u>Section 8.35</u> are intended to be consistent with the requirements of Section 57-8-37 of the Condominium Act as of the date this Declaration is recorded in the Recorder's Office. The Association and the Board must at all times comply with any amendments to the Condominium Act that may govern the manner in which fines are assessed, imposed and/or collected.

#### **ARTICLE 9 – BUDGET AND EXPENSES**

#### 9.1 Association Budget and Estimated Expenses

9.1.1 <u>Annual Budget</u>. Annual Assessments shall be determined on the basis of a fiscal year that begins on January 1 of each calendar year and ends on the subsequent December 31<sup>st</sup> of that same year. No later than thirty (30) days prior to the annual Owners' meeting, the Board (or the Manager, if so requested by the Board) shall prepare and deliver to the Owners an operating budget (the "**Annual Budget**") which shall set forth an itemization of expenditures for the upcoming fiscal year. At the same time the Annual Budget is provided to the Owners, the Board may also provide the Owners with information concerning the Reserve Fund, including current balance, anticipated disbursements from the Reserve Fund for the next fiscal year (including the purpose for such disbursements), anticipated deposits to the Reserve Fund for the next fiscal year, and such other matters concerning the Reserve Fund as the Board deems appropriate. Except as otherwise provided herein, disbursements from the Reserve Fund shall be generally consistent with the most recent reserve analysis, as reviewed and updated by the Board. The Board may furnish the Annual Budget and information concerning the Reserve Fund and the reserve Fund and the reserve analysis to the Owners by posting copies on the Association's website.

The Annual Budget shall be based upon the Board's estimates for the payment of all expenses connected with the administration, operation and maintenance of the Project during such fiscal year. The Annual Budget shall itemize by line item or category the estimated Operating Expenses, anticipated receipts (if any), any deficit or surplus from prior operating periods, and shall also include the Reserve Fund Line Item for such fiscal year as described under Section 9.2 of this Declaration. The Annual Budget shall serve as the supporting document for the Annual Assessments for the fiscal year to which the Annual Budget applies, and as a major guideline under which the Project shall be operated and managed during such fiscal year.

The Annual Budget, and each line item therein, is intended as a management tool for the Board to meet the Operating Expenses and cash needs of the Association for the applicable fiscal year. The actual amount of any given line item or category may exceed or be less than the amount that is set forth in the Annual Budget. Nothing herein or in the Annual Budget shall prevent the Board from reallocating funds from one line item or category in the Annual Budget to another line item or category in order to meet actual expenses as they are incurred. Any such reallocation shall not require the Board to give prior notice to the Owners or obtain the Owners' approval.

9.1.2 <u>Annual Budget Shortfall</u>. If, at any time and for any reason, the total sum estimated and budgeted for the Annual Budget proves inadequate to pay any Operating Expenses ("**Annual Budget Shortfall**") the Board may utilize Reserve Fund monies pursuant to <u>Section 9.5</u> and/or impose a Special Assessment pursuant to <u>Section 10.3.1</u> in order to cover the Annual Budget Shortfall.

An Annual Budget Shortfall may not be caused by the Board having added new items or expenses to the Annual Budget, unless such addition is necessary in order to address an emergency situation or unexpected expenses that are directly related to the maintenance, repair and/or replacement of items that were already addressed under the Annual Budget. An Annual Budget Shortfall could be caused by an unanticipated increase in Operating Expenses due to, for example, increased snow removal costs caused by rising fuel costs or exceptionally heavy snowfall. An Annual Budget Shortfall could also be caused by the failure of any individual Owner (or group of Owners) to pay their Annual or Special Assessment(s). The Board must provide the Owners with a report of the emergency situation or unexpected expenses that caused the Annual Budget Shortfall, including a summary of the previously estimated expenses and the revised expenses. Such report shall be posted on the Association's website.

9.1.3 <u>Annual Budget Excess</u>. If the actual Operating Expenses for any fiscal year is less than the Annual Budget amount for such fiscal year, the Association may, by majority vote of the Board (or by a majority vote of those Owners present at the Annual Meeting if required by any governmental tax agency or authority): (A) deposit all or any part of such excess into the Reserve Fund or (B) deposit all or any part of such excess into a separate special fund (*e.g.* a special capital improvement fund or a fund the Board may establish in order to cover the maintenance, repair, replacement or acquisition of specific Common Improvements, etc.) to be included in the next fiscal year's Annual Budget.

# 9.2 Reserve Fund Line Item

The purpose of this <u>Section 9.2</u> is to comply with Section 57-8-7.5 of the Condominium Act, as the same may be periodically amended.

9.2.1 <u>Determination of Reserve Fund Line Item</u>. In calculating, formulating or determining its Annual Budget, the Association must include a "**Reserve Fund Line Item**" which shall be used to fund the Reserve Fund. The Reserve Fund Line Item shall be in: (A) an amount the Board determines, based upon the reserve analysis, to be prudent; or (B) a higher amount if the Board reasonably determines that such higher amount is required in order to properly maintain or replenish the Reserve Fund as a result of, for example and without limitation, an unexpected depletion of the Reserve Fund due to the repair, replacement, or restoration of Common Areas and/or Common Improvements that were not anticipated or accounted for as part of the Association's most recent reserve analysis.

9.2.2 <u>Veto of Reserve Fund Line Item</u>. Per Subsection 57-8-7.5(7) of the Condominium Act, no later than forty-five (45) calendar days after the day on which the Association adopts the Annual Budget, the Reserve Fund Line Item may be vetoed by a Majority of the Owners (at a special meeting called by the Owners for the purpose of voting whether to veto the Reserve Fund Line Item).

If a Majority of the Owners veto the Reserve Fund Line Item as provided under this <u>Subsection 9.2.2</u>, and a Reserve Fund Line Item exists in a previously approved Annual Budget that was <u>not</u> vetoed, the Association shall fund the Reserve Account in accordance with such prior Reserve Fund Line Item.

9.2.3 <u>Owner Legal Action</u>. If the Association fails to comply with the requirements of Section 57-8-7.5 of the Condominium Act and/or any provisions of this Declaration pertaining to the Reserve Fund Line Item, and the Association fails to remedy such noncompliance within the time period specified under Section 57-8-7.5 of the Condominium Act, any Owner may file an action in state court for damages or remedies pursuant to the Condominium Act.

# 9.3 Operating Fund

With the exception of those amounts that may be set aside and deposited into the Reserve Fund, or any amounts the Board may elect to deposit into a similar separate special fund (*e.g.* a special capital improvement fund, or any fund the Board may establish in order to cover the maintenance, repair, replacement or acquisition of specific Common Improvements, etc.), the total amount of any and all Assessments paid by the Owners shall be deposited into the Operating Fund.

# 9.4 Reserve Analysis

9.4.1 <u>Reserve Analysis Frequency</u>. As required by Section 57-8-7.5, the Condominium Act, the Board shall cause a reserve analysis to be conducted not less frequently than once every six (6) years (or such other period as may be specified by the Condominium Act); and subsequently review and, if necessary, update a previously conducted reserve analysis no less frequently than once every three (3) years (or such other period as may be specified by the Condominium Act).

9.4.2 <u>Reserve Analysis Purpose</u>. As set forth under Section 57-8-7.5 of the Condominium Act, the purpose of the reserve analysis is to determine: (a) the need for a Reserve Fund to accumulate money to cover the cost of repairing, replacing, or restoring Common Areas and/or Common Improvements that have a useful life of three (3) years or more and a remaining useful life of less than thirty (30) years, if the cost cannot reasonably be funded from the Annual Budget (including the Operating Fund) or other funds of the Association; and (b) the appropriate amount of the Reserve Fund.

9.4.3 <u>Reserve Analysis Contents</u>. The contents of the reserve analysis, and the manner in which the reserve analysis is reported to the Owners, must comply with the requirements of the Condominium Act, as the same may be periodically amended. The Board may conduct a reserve analysis itself or may engage a reliable person or organization, as determined by the Board and as may be required by the Condominium Act, to conduct the reserve analysis.

## 9.5 Reserve Fund

9.5.1 <u>Purpose of Reserve Fund</u>. In addition to the purposes for which a Reserve Fund is to be established as described under this Declaration, and subject to the restrictions of <u>Subsection 5.3.1(k)</u>, the Reserve Fund may also be used to pay for certain capital improvements, provided the costs for such capital improvements cannot reasonably be funded through the Annual Budget or from the Operating Fund or other funds of the Association.

9.5.2 <u>Funding of Reserve Fund</u>. The Reserve Fund shall be funded via the Reserve Fund Line Item described under <u>Section 9.2</u>. The Reserve Fund may also be funded via Special Assessment(s) pursuant to <u>Section 10.3.3</u>, below.

9.5.3 <u>Use of Reserve Funds to Cover Annual Budget Shortfall</u>. As provided under Subsection 57-8-7.5(9) of the Condominium Act, the Board may use Reserve Fund monies for daily maintenance expenses provided a Majority of the Owners has approved such use of the Reserve Fund. Accordingly, the Board may use all or any portion of the Reserve Fund to cover

an Annual Budget Shortfall (as defined under <u>Section 9.1.2</u>) provided a Majority of the Owners has approved such use of the Reserve Fund. The Board may choose to cover an Annual Budget Shortfall by using Reserve Fund monies (as described under this <u>Section 9.5.3</u>) and/or via Special Assessment (as described under <u>Section 10.3.1</u>).

9.5.4 <u>Delivery of Reserve Fund Analysis to Owners</u>. As required under Subsection 57-8-7.5(5) of the Condominium Act, the Association shall (A) annually provide the Owners with a summary of the most recent reserve analysis or update; and (B) provide a copy of the complete reserve analysis or update to any Owner who requests a copy. The Association may provide such annual summary to the Owners by posting a summary of the most recent reserve analysis or update on the Association's website.

## 9.6 Funds to be Maintained Separately

The Operating Fund and the Reserve Fund shall be kept in separate accounts, and shall be established and deposited with a federally-insured bank or credit union, and shall be deposited into a checking, savings or certificate of deposit account. In the event the Board elects to establish and maintain any separate fund (*i.e.* special capital improvement fund or fund to cover the maintenance, repair, replacement or acquisition of specific Common Improvements, etc.), a separate account shall be established for each such fund and deposited with a federally-insured bank or credit union.

# 9.7 Recordkeeping

As required under Section 57-8-17 of the Condominium Act (Records – Availability for Examination) the Board shall keep and make certain Association documents and records available to Owners in accordance with provisions of the Nonprofit Corporation Act. The documents include a copy of this Declaration, the Bylaws, the approved minutes from the most recent annual Owners meeting, and the most recent Annual Budget (collectively, the "**Primary Association Documents**"). The records include all Association expenditures (and receipts substantiating such expenses) including, without limitation, expenditures set forth in the Annual Budget and any expenditures affecting the Common Areas, specifying and itemizing the maintenance and repair expenses of the Common Areas and any other expenses incurred.

Association records shall be available for examination by any Owner at convenient hours of weekdays no later than five (5) calendar days after the Owner makes a written request to examine such records. As required under Subsection 57-8-17(2), the Primary Association Documents must be made available to the Owners, free of charge, through the Association's website.

#### **ARTICLE 10 – ASSESSMENTS**

#### **10.1** Owner Payment of Assessments

10.1.1 <u>Assessments</u>. Each Owner shall pay Assessments subject to and in accordance with the procedures set forth in this <u>Article 10</u> or any other applicable provisions of the Governing Documents. As used in this Declaration, the term "**Assessments**" shall include Annual Assessments, Special Assessments, Reimbursement Assessments and any other assessments as may be permitted under the Acts or the Governing Documents.

10.1.2 <u>Purpose of Assessments</u>. Any and all Assessments provided for under this Declaration shall be used for the general purpose of operating the Project, promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners, including the maintenance of any real and personal property owned by the Association, and regulating the Project, all as may be more specifically authorized from time to time by the Board.

10.1.3 <u>Obligation to Pay Assessments</u>. Each Assessment made with respect to a Unit shall be joint and several personal debts and obligations of the Owner(s) of such Unit as of the time the Assessment is made and shall be collectible as such. Each Owner, by acceptance of a deed or as a party to any other type of conveyance of any Unit, vests in the Association or its agents the right and power to (a) bring all actions against him or her personally for the collection of any debts arising out of or related to any Assessments, or any other charges related to such Assessments, including without limitation Additional Charges; or (b) foreclose any lien arising out of or related to any Assessments, or any other charges related to such Assessments, in the same manner as mortgages, trust deeds or similar encumbrances may be foreclosed or as otherwise provided or permitted under the Condominium Act.

10.1.4 <u>No Waiver</u>. No Owner may waive or otherwise exempt himself or herself from liability for any Assessments due to the Owner's non-use of Common Areas, non-use of any Common Improvements, and/or decreased use or abandonment of his or her Unit.

10.1.5 <u>Duty to Pay Independent</u>. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association, the Board, or the Manager to take some action or perform some function required to be taken or performed by the Association, the Board, or the Manager pursuant to the Governing Documents, or for any inconvenience to any Owner arising from or related to any maintenance or repairs occurring or not occurring anywhere within the Project, or from any action taken by the Association to comply with any law, ordinance, or with any 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.

10.1.6 <u>Imposition of Assessments</u>. The dollar amount of, and the purpose for, any Assessment shall be determined pursuant to the procedures set forth in the Condominium Act and/or the Governing Documents. However, the Board shall determine how and when any Assessment will be imposed upon, paid by and/or collected from the Owners.

10.1.7 <u>Application of Payments</u>. All payments received by the Association from any Owner shall be applied in the following order: (i) Additional Charges, (ii) past due Assessments, (iii) currently due Assessments; (iv) any remaining charges.

10.1.8 <u>Account Status</u>. The Association shall provide an Owner with a timely accounting of the status of their accounts with the Association upon receiving a written request for such accounting from such Owner.

10.1.9 <u>Statement of Assessments Due</u>. Upon written request by any Owner, the Board shall furnish to such Owner a statement of Assessments due, if any, on his or her Unit. The Association may require the advance payment of a processing charge not to exceed \$25.00 for the issuance of such statement. This written statement of Assessments due shall be conclusive in favor of any person who relies on such statement in good faith.

10.1.10 <u>Superiority of Assessments</u>. All Assessments and liens created to secure the obligation to pay Assessments are superior to any homestead exemptions to which an Owner may be entitled which, insofar as it adversely affects the Association's lien for unpaid Assessments, each Owner by accepting a deed or other document of conveyance to a Unit hereby waives.

### **10.2** Annual Assessments

10.2.1 <u>Use of Annual Assessments</u>. Annual Assessments shall be levied by the Board against each Unit and its Owner in order to pay the Operating Expenses, fund the Reserve Fund and for any other purposes as permitted by the Acts or the Governing Documents.

10.2.2 <u>Based on Percentage</u>. All Annual Assessments shall be assessed to each Unit and the Owners thereof in an amount equal to the Percentage Interest for such Unit.

10.2.3 <u>Notice of Annual Assessments and Time for Payment</u>. The Board shall notify each Owner in writing as to the amount of the proposed Annual Assessment against such Owner's Unit for the upcoming fiscal year not later than thirty (30) calendar days prior to January 1<sup>st</sup> of such upcoming fiscal year. Each Annual Assessment shall be payable in twelve (12) equal monthly installments, with each such installment due on the first day of each calendar month during the fiscal year to which the Annual Assessment relates.

The monthly installment of the proposed Annual Assessment shall become due and payable by each Owner on the first day of January of the fiscal year to which the proposed Annual Assessment relates, and shall continue to be due and payable on the first day of each subsequent calendar month until the Annual Assessment that is due and payable by such Owner for that fiscal year has been paid in full. The Board shall determine the manner in which any discrepancies in monthly installments due and payable by each Owner for a particular fiscal year, if any, will be resolved.

The failure of the Board to timely deliver notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, nor a release of any Owner from the obligation to pay such Annual Assessment or any other Assessment; provided, however the date when the payment shall become due in such case shall be deferred to a date fifteen (15) calendar days after notice of such Assessment shall have been given to the Owner, and until such time, Owners shall continue to pay monthly installments of the Annual Assessment as last approved.

### **10.3** Special Assessments

In addition to the Annual Assessments authorized by <u>Section 10.2</u>, the Board may, on behalf of the Association, periodically impose special assessments ("**Special Assessments**") pursuant to this <u>Section 10.3</u>.

10.3.1 <u>Annual Budget Shortfall</u>. The Board may impose a Special Assessment to cover an Annual Budget Shortfall (as defined under <u>Section 9.1.2</u>). Any Special Assessment deemed by the Board as necessary to remedy an Annual Budget Shortfall may be imposed by the Board without the Owners' prior approval provided the Special Assessment does not exceed twenty percent (20%) of the Annual Assessment for the same fiscal year in which the Special Assessment is imposed. Owners shall be given not less than forty-five (45) calendar days' written notice of any such Special Assessment caused by an Annual Budget Shortfall.

If the Board determines an Annual Budget Shortfall may only be adequately remedied by a Special Assessment that <u>exceeds</u> twenty percent (20%) of the Annual Assessment for the same fiscal year in which the Special Assessment is to be imposed, such Special Assessment shall require an affirmative vote or written consent of at least a Majority of the Owners.

Any Special Assessment that is imposed to cover an Annual Budget Shortfall shall be assessed to each Unit and the Owner(s) thereof in an amount equal to the Percentage Interest for such Unit.

The Board may choose to cover an Annual Budget Shortfall via Special Assessment (as described under this <u>Section 10.3.1</u>) and/or the use of Reserve Fund monies (as described under <u>Section 9.5.3</u>).

10.3.2 <u>No Board Majority</u>. If the Board is unable to obtain a majority vote of the Board members (as required under <u>Section 5.2</u>) to approve any Special Assessment that the Board is otherwise authorized to approve without the Owners' prior approval, the Board may present such Special Assessment to a vote of the Owners, and the Special Assessment must be approved by at least a Majority of the Owners.

10.3.3 <u>Reserve Fund Shortfall</u>. In the event of any shortfall in the Reserve Fund, including insufficient funds to cover necessary Reserve Fund expenditures, the Board may impose a Special Assessment to remedy such shortfall, provided such Special Assessment has been approved by at least a Majority of the Owners. Such Special Assessment shall be assessed to each Unit and the Owner(s) thereof in an amount equal to the Percentage Interest for such Unit.

10.3.4 <u>New Capital Improvement</u>. As set forth under <u>Subsection 5.3.1(k)</u>, Special Assessments may be used to pay the cost of constructing or installing certain capital improvement that exceed the Capital Improvement Ceiling. Any such Special Assessment must be approved by at least a Majority of the Owners.

10.3.5 <u>No Authority to Incur Expenses</u>. This <u>Section 10.3</u> shall not be construed as an independent source of authority for the Association or the Board to incur expenses, but shall only be construed to prescribe the manner for addressing any Annual Budget Shortfall or Reserve Fund shortfall.

10.3.6 <u>Notice and Payment</u>. Special Assessments shall be payable on such date(s) and over such time periods as the Board may determine. The Board may allow any Special Assessment to be paid in installments. Notice in writing of the amount of each such Special Assessment and the time for payment thereof shall be promptly given to the Owners. However, no payment of any Special Assessment, or any portion of any Special Assessment, shall be due less than forty-five (45) calendar days after such notice shall have been given. The failure of the Board to deliver prompt notice of any Special Assessment shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, nor a release of any Owner from the obligation to pay such Special Assessment or any other Assessment.

### 10.4 Reimbursement Assessments

The Association may levy a Reimbursement Assessment against a particular Owner or group of Owners, and his or her or their Unit(s), in order to reimburse the Association for any expense the Association may incur due to the acts or omissions of such Owner(s) or his, her or their family members, tenants, guests or invitees.

The Association may impose a Reimbursement Assessment if, for example:

- (a) the Association provides services or materials that were requested by a particular Owner (or group of Owners) for the sole benefit of that Owner (or group of Owners);
- (b) an Owner or his or her family member, tenant, guest or invitee destroys or damages (beyond normal wear and tear) any Common Improvement, any portion of any Common Area or any Limited Common Improvement;
- (c) an Owner or his or her family member, tenant, guest or invitee fails to comply with any provision of any Governing Documents (*i.e.* permitting, causing or creating a nuisance, failure to timely pay Assessments, etc.) causing the Association to incur expenses in order to cause compliance, such as hiring monitor/security personnel or retaining the services of a collection agency or legal counsel;
- (d) the Association incurs expenses due to an Owner's failure to repair or replace that Owner's Exterior Unit Doors or Exterior Unit Windows as may be reasonably required by the Board;
- (e) the Association incurs expenses related to any emergency or non-emergency maintenance, repair or replacement of Common Area or Common Improvements resulting from the actions or inactions of the Owner, tenant or occupant of a particular Unit or Limited Common Area as described under <u>Section 6.6</u>; or

(f) the Association incurs any other expenses due to the actions or inactions of an Owner or his or her family member, tenant, guest or invitee.

10.4.1 Unexpected Association Expenses. Prior to imposing a Reimbursement Assessment against any Owner for any unexpected or unanticipated expense (*e.g.* delinquent Assessment collection, destruction of or damage to Common Improvement or Common Area, hiring monitor/security personnel to manage noise or other disruptions caused by an unexpected event or group in the Project, etc.) the Association must first deliver to such Owner written notice describing why the Association incurred the expense and the total amount of such expense. The Owner shall have thirty (30) days following the Owner's receipt of such written notice to deliver to the Board a written request to meet with the Board to discuss what caused the unexpected/unanticipated expense and whether the Owner should reimburse the Association for that expense. No later than five (5) days following such meeting, the Board shall issue a final written decision (by a majority vote of the Board) as to whether or not a Reimbursement Assessment will be imposed against the Owner in order to reimburse the Association. If the Owner fails or refuses to meet with the Board to discuss the unexpected/unanticipated expense, the Board shall immediately impose the Reimbursement Expense.

10.4.2 Expected Association Expenses. Prior incurring any expense that will result in a Reimbursement Assessment being imposed against any Owner for expected or anticipated expenses (*e.g.* repair or replacement of Exterior Unit Doors or Exterior Unit Windows, hiring monitor/security personnel for an upcoming event or group in the Project, etc.) the Association must first deliver to such Owner written notice describing the reason for the expected/anticipated expense and the total estimated amount of such expense. The Owner shall have thirty (30) days following the Owner's receipt of such written notice to deliver to the Board either (A) a written request to meet with the Board to discuss the reason for the expected/anticipated expense or (B) written notice that the Owner has agreed to pay for the required work. If the Owner fails or refuses to pay for the required work, the Association may proceed with incurring the expense and the Board may subsequently impose the Reimbursement Expense.

10.4.3 <u>Reimbursement Assessment vs. Fine</u>. The purpose of a Reimbursement Assessment is to reimburse the Association for any expense reasonably incurred by the Association due to the acts or omissions of an Owner or his or her family members, tenants, guests or invitees as described under this <u>Section 10.4</u>. Meanwhile, the purpose of a fine is to penalize an Owner for his or her actions (*e.g.* violation of a Rule). Because a Reimbursement Assessment is not a fine, the imposition of a Reimbursement Assessment is not subject to the provisions of <u>Section 8.35</u> regarding fines, including the procedure for assessing fines, limitations regarding the dollar amount of fines, informal hearings or appeals. The Association may elect to separately impose both a Reimbursement Assessment and a fine in connection with the same incident or circumstances.

### 10.5 Collection of Assessments / Failure to Pay

Each Owner shall be obligated to pay his or her Assessments to the Association on or before the due date as set forth under the Governing Documents or as determined by the Board.

10.5.1 <u>Delinquent Assessments</u>. Any Assessment not paid when due shall be immediately deemed as delinquent for the purposes of assessing fines, and a lien securing the obligation to pay such Assessment shall automatically attach to the Unit of the Owner(s) failing to timely pay such Assessment, including the appurtenant Limited Common Area and the exclusive use thereof, regardless of whether a written notice is recorded.

10.5.2 Late Fees and Accruing Interest. Unless prohibited by applicable law, all delinquent Assessment payments shall bear interest at the rate of one percent (1.0%) per month or twelve percent (12%) per annum from the date each such payment becomes due until paid. In addition, unless prohibited by applicable law, a late fee of fifty dollars (\$50.00) or five percent (5%) of the delinquent amount, whichever is greater, shall be assessed on all late Assessment payments. The Association's policies regarding late fees and/or accruing interest may be further addressed by the Board as part of the Association's Rules and Regulations, in order to account for rising administrative costs related to the collection of such delinquent Assessment payments.

10.5.3 <u>Suspension of Right to Vote</u>. The right of an Owner to vote on issues concerning the Association may be suspended if that Owner (A) is delinquent in the payment of more than two (2) months of Annual Assessments or any amount of Special Assessment or Reimbursement Assessment, and (B) has failed to cure or make satisfactory arrangements to pay such delinquent amount(s) after the Board has provided written notice pursuant to <u>Subsection 10.5.6</u>. The right of an Owner to vote on issues concerning the Association may not be suspended pending the outcome of any hearings or appeal as described under <u>Subsection 10.5.6</u>.

10.5.4 <u>Suspension of Right to Use Certain Amenities</u>. An Owner's right to use certain Common Improvements (*e.g.* the Clubhouse, fitness room, swimming pool, community hot tub, sauna, etc.) may be suspended if that Owner is delinquent in the complete payment of any Assessments, and has failed to cure or make satisfactory arrangements to cure the default after the Board has provided written notice pursuant to <u>Subsection 10.5.6</u>. Suspension of any Owner's right to use certain Common Improvements will be extended to include such Owner's tenants, family members, guests and/or invitees.

10.5.5 <u>Delinquency of Assessments</u>. For the purposes of <u>Subsections 10.5.3</u> and <u>10.5.4</u>, an Owner will be deemed delinquent if he or she has failed to completely pay any Assessments within forty-five (45) calendar days after the date upon which the Assessments are due. For all other purposes, including, by example and without limitation, the assessment of fines or imposition of liens, an Owner will be immediately deemed as delinquent if the Assessment not paid when due.

10.5.6 <u>Notice of Suspension</u>. Before suspending any Owner's right to vote, or before suspending any Owner's right to access or use certain Common Improvements, the Board shall give written notice to such Owner via regular mail and via email (at the email address provided to the Association by the Owner, if any). The notice shall state: (A) voting rights and/or right to access or use certain Common Improvements will be suspended if payment of the Assessment is

not received within three (3) business days; (B) the amount of the Assessment due, including any late fees, interest, and costs of collection; and (C) that the Owner has a right to request a hearing before the Board by submitting a written request to the Board within thirty (30) calendar days from the date the notice is received. If a hearing before the Board is requested, the Owner's right to vote or access or use certain Common Improvements may not be suspended until after the hearing has been conducted and a final decision has been reached by the Board.

10.5.7 <u>Security Deposit</u>. Any Owner who has been late in delivering payment of his or her Assessments more than twice during any given twelve (12) month period may be required by the Board to deliver to the Association and maintain a security deposit not in excess of three (3) months of estimated Assessments, which may be collected in the same manner as, and in addition to, the monthly payment of Assessments. Such deposit shall be held in a separate fund, credited to such Owner, and such deposit monies may be used by the Board whenever such Owner is more than ten (10) calendar days delinquent in paying his or her monthly installment of the Annual Assessment or any other Assessment.

## 10.6 Lien / Foreclosure

10.6.1 Lien. The Association shall have a lien on the interest of the Owner(s) of the Unit for (A) any delinquent Assessment, (B) fees, charges, and costs associated with collecting any delinquent Assessment, including, court costs and reasonable attorney fees, late charges, interest, and any other amount the Association is entitled to recover under the Governing Documents, the Acts, or an administrative or judicial decision, and (C) any fine the Association may impose against the Owner of such Unit. The recording of this Declaration constitutes record notice and perfection of the lien described in this <u>Subsection 10.6.1</u>. A lien under this Subsection is not subject to Utah Code Annotated Title 78B, Chapter 5, Part 5, Utah Exemptions Act, as may be amended or supplemented. If an Assessment is payable in installments, the lien described in this Subsection is for the full amount of the Assessment from the time the first installment is due, unless the Association otherwise provides in the notice of Assessment. A lien under this Subsection has priority over each other lien and encumbrance on a Unit except:

(1) a lien or encumbrance recorded before this Declaration was recorded;

(2) a first or second security interest on the Unit secured by a deed of trust or mortgage that is recorded before a recorded notice of lien by or on behalf of the Association; or

(3) a lien for real estate taxes or other governmental assessments or charges against the Unit.

10.6.2 <u>Foreclosure of Lien and/or Collection Action</u>. If the delinquent Assessments remain unpaid, the Association may, as determined by the Board and in addition to any other rights, remedies or actions permitted herein or under applicable law, institute suit to collect the amounts due and/or to foreclose the lien on the applicable Unit. Suit to recover a money judgment for the unpaid Assessments may be maintainable without foreclosure or waiving the lien securing the same.

10.6.3 Foreclosure of Lien as Mortgage or Trust Deed. In order to enforce a lien for any delinquent Assessment, or any of the other fees, charges, costs or fines described under Subsection 10.6.1, the Association may cause a Unit to be sold through nonjudicial foreclosure as though the lien were a deed of trust, in the manner provided by Utah Code Annotated §57-1-24 through §57-1-27 or any other applicable law, or foreclose the lien through a judicial foreclosure in the manner provided by law for the foreclosure of a Mortgage. For purposes of a nonjudicial or judicial foreclosure, the Association is considered to be the beneficiary under a trust deed and the Owner of the Unit being foreclosed is considered to be the trustor under a trust deed. An Owner's acceptance of the Owner's interest in a Unit constitutes a simultaneous conveyance of the Unit in trust, with power of sale, to the trustee designated as provided in this Section for the purpose of securing payment of all amounts due under this Declaration and the Acts. In any such judicial or nonjudicial 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 which shall become due during the period of any such judicial or nonjudicial foreclosure, and all such Assessments shall be secured by the lien being foreclosed. The Board shall have the right and power in behalf of the Association to bid in at any foreclosure sale, and to hold, lease, mortgage, or convey the subject Unit in the name of the Association.

10.6.4 <u>Appointment of Trustee</u>. If the Board elects to foreclose the lien in the same manner as foreclosures in deeds of trust, then the Owner by accepting a deed to the Unit hereby irrevocably appoints the attorney of the Association, provided that he or she is a member of the Utah State Bar, as Trustee, and hereby confers upon said Trustee the power of sale set forth with particularity in Utah Code Annotated, Section 57-1-23 (1953), as amended or supplemented. In addition, each Owner hereby transfers in trust to said Trustee all of his or her right, title and interest in and to the Unit for the purpose of securing his or her performance of the obligations set forth herein.

10.6.5 <u>Notice of Foreclosure</u>. At least thirty (30) calendar days before initiating a nonjudicial foreclosure, the Association shall provide written notice to the Owner of the Unit that is the intended subject of the nonjudicial foreclosure. The written notice shall be sent by certified mail, return receipt requested, and shall (A) notify the Owner that the Association intends to pursue nonjudicial foreclosure with respect to the Owner's Unit to enforce the Association's lien for an unpaid Assessment; (B) notify the Owner of the Owner's right to demand judicial foreclosure in the place of nonjudicial foreclosure; (C) be sent to the Owner by certified mail, return receipt requested; and (D) be in substantially the following form (or other form as the Condominium Act may recommend or require):

NOTICE OF NONJUDICIAL FORECLOSURE AND RIGHT TO DEMAND JUDICIAL FORECLOSURE, Moose Hollow Homeowners Association, Inc., a Utah nonprofit corporation, the Association for the project in which your Unit is located, intends to foreclose upon your Unit and allocated interest in the common areas and facilities using a procedure that will not require it to file a lawsuit or involve a court. This procedure is being followed in order to enforce the Association's lien against your Unit and to collect the amount of an unpaid assessment against your Unit, together with any applicable late fees and the costs, including attorney fees, associated with the foreclosure proceeding. Alternatively, you have the right to demand that a foreclosure of your property be conducted in a lawsuit with the oversight of a judge. If you make this demand and the Association prevails in the lawsuit, the costs and attorney fees associated with the lawsuit will likely be significantly higher than if a lawsuit were not required, and you may be responsible for paying those costs and attorney fees. If you want to make this demand, you must state in writing that "I demand a judicial foreclosure proceeding upon my Unit," or words substantially to that effect. You must send this written demand by first class and certified U.S. mail, return receipt requested, within 15 days after the date of the postmark on the envelope in which this notice was mailed to you. The address to which you must mail your demand is [insert the current address of the Association for receipt of a demand].

The Association may not use a nonjudicial foreclosure to enforce a lien if the Owner mails the Association a written demand for judicial foreclosure (x) by U.S. mail, certified with return receipt requested; (y) to the address of the Association stated in the notice sent to the Owner as provided above, and (z) within fifteen (15) days after the date of the postmark on the envelope of the Association's written notice.

10.6.6 <u>One-Action Rule Inapplicable</u>. As provided under the Condominium Act, the "one-action-rule" provided in Utah Code Annotated Subsection 78B-6-901(1) shall not apply to the Association's judicial or non-judicial foreclosure of a lien for Operating Expenses and/or any Assessment.

## **10.7** Future Lease Payments

As set forth under Section 57-8-53 of the Condominium Act, if the Owner of a Unit who is leasing the Unit fails to pay an Assessment for more than sixty (60) calendar days after the Assessment is due, the Board, upon compliance with this Section and the Condominium Act, may demand that the tenant pay to the Association all future lease payments due to the Owner, beginning with the next monthly or other periodic payment, until the amount due to the Association is paid.

10.7.1 <u>Notice to the Owner</u>. The Manager or Board shall give the Owner written notice of its intent to demand full payment from the tenant. The notice shall: (A) provide notice to the tenant that full payment of the remaining lease payments, beginning with the next monthly payment unless the Assessment is received within fifteen (15) days from the date of the notice, must be paid directly to the Association at the following address: (address to which payment should be mailed, payment must go to the attorney if the account has been turned over for collection); (B) state the amount of the Assessment due, including any interest or late payment fee; and (C) state that any costs of collection, and other Assessments that become due, may be added to the total amount due.

10.7.2 <u>Notice to the Tenant</u>. If the Owner fails to pay the Assessment due by the date specified in the notice described in <u>Subsection 10.5.6</u>, the Manager or Board may deliver written notice to the tenant that demands future payments due to the Owner be paid to the Association. The Manager or Board shall mail a copy of the notice to the Owner. The notice shall state: (A) that due to the Owner's failure to pay the Assessment within the time period allowed, the Owner has been notified of the intent of the Board of Directors to collect all lease payments due to the Association; (B) that until notification by the Association that the Assessment due, including any interest, collection cost, or late payment fee, has been paid, the tenant shall pay to the Association all future lease payments due to the Owner; and (C) that payment by the tenant to the Association in compliance with this Section will not constitute a default under the terms of the lease agreement.

10.7.3 All funds paid to the Association pursuant to this Section shall be deposited in a separate account and disbursed to the Association until the Assessment due is paid in full. Any remaining balance shall be paid to the Owner within five (5) Business Days after payment in full of all amounts owed by the Owner to the Association.

10.7.4 Within five (5) Business Days after payment in full of the Assessment, including any interest, late payment fee, costs of collection and other Additional Charges, the Manager or Board shall notify the tenant in writing that future lease payments are no longer due to the Association. The Association shall mail a copy of the notification to the Owner.

10.7.5 If, as described under this <u>Section 10.7</u>, the Association receives lease payments for a particular Unit that are otherwise due and payable to the Owner of that Unit, the Association shall <u>not</u> assume any obligations, responsibilities or liabilities as the "landlord" of the Unit. The Owner shall continue to assume any and all of the Owner's obligations, responsibilities or liabilities as the Owner/landlord of the Unit.

#### 10.8 Reassessment of Delinquent Assessments

In the event that all or part of any Assessment (including any Annual Assessment or Special Assessment) or any other expenses of the Board cannot be promptly collected from the Owners or any other persons or entities liable for the payment of such Assessments or expenses pursuant to the Acts or the Governing Documents, the Board shall have the right and authority to apply and reassess and reallocate such uncollected Assessments or expenses to all Owners as an Operating Expense, without prejudice to the Board's right and authority to the collection of such uncollected Assessments or expenses from the Owners or any other persons or entities liable for their payment.

#### **10.9** Remedies Cumulative

The remedies provided to the Association under this <u>Article 10</u> are cumulative and the Association may pursue any such rights and remedies concurrently, as well as any other rights or remedies which may be available under law although not expressed herein.

## **ARTICLE 11 – COMPLIANCE AND ENFORCEMENT**

#### 11.1 Enforcement

Each Owner shall comply with the provisions of the Governing Documents, as the same may be lawfully amended from time to time, and with all decisions adopted pursuant to the Governing Documents. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board on behalf of the Owners, or by the aggrieved Owner on his or her own. Reasonable fines may be levied by the Board and collected as an Assessment for violations of the Governing Documents, provided such fines are consistent with the List of Fines and any other provisions or procedures of the Governing Documents related to the levying of fines.

The Association shall be entitled to an award of its reasonable 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.

#### 11.2 Remedies

Violation of any provisions of the Governing Documents, or of any decision of the Association made pursuant to such Governing 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 the Governing Documents, or under law, to do, any or all of the following after giving notice:

(a) To enjoin, abate, or remedy any hazardous or dangerous thing or condition by appropriate legal proceeding (this <u>Subsection 11.2(a)</u> shall not require that the Board or the Manager pursue judicial proceedings prior to accessing a Unit or Limited Common Area to perform emergency or non-emergency maintenance, repair or replacement of Common Area or Common Improvements as provided under <u>Section 6.6</u>);

(c) To levy reasonable fines pursuant to the List of Fines;

(d) To terminate the right of access to and use of certain Common Improvements (including, for example and without limitation, recreational Common Improvements) until correction of the violation has occurred (provided, however, that a defaulting Owner may not be prohibited from using parking areas located within the Project);

(e) To suspend the voting rights of any Owner, after notice and an opportunity to request a hearing, for any infraction of any of the published Rules and Regulations of the Association or the Governing Documents, including failure to timely pay an Assessment; and/or

(f) 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.

### 11.3 Action by Owners

Subject to any limitations that may be imposed under this Declaration, the Bylaws or applicable Utah law, an aggrieved Owner may bring an action against any other Owner or the Association to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

### 11.4 No Waiver of Strict Performance

The failure of the Board in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of the Governing Documents, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of any Assessment from an Owner, with knowledge of any such breach shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in a writing that has been signed by the Board.

# **ARTICLE 12 – INSURANCE**

### 12.1 Association Insurance Coverage

The Association shall maintain, to the extent reasonably available using typical insurance carriers and markets, (a) property insurance on the physical structures in the Project, including the Common Areas, Limited Common Areas, and the Units, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils, and (b) liability insurance, including medical payments insurance covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Areas. If the Association becomes aware that property insurance or liability insurance is not reasonably available, the Association shall, within seven (7) calendar days after becoming aware, give all Owners notice that the insurance is not reasonably available.

12.1.1 <u>Property Insurance</u>. The Association shall at all times maintain in force property insurance meeting the following requirements:

(a) <u>Hazard Insurance</u>. A multi-peril type policy shall be maintained by the Association covering the entire Project (including both Units and Common Areas), including, without limitation, all fixtures, machinery, equipment and supplies maintained for the service of the Project, and all fixtures, improvements, alterations, equipment and betterments within the individual Units and the Common Areas, including, without limitation, those installed by any Owner. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage blanket "all risk" endorsement and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage specified in the policy, but not less than one hundred percent (100%) of the full insurable value of the Project (based upon replacement cost). At the option of the Association, funds for insurance deductibles may be included in the Association's Reserve Fund and, if included, shall be so designated. Such policy shall include an "Agreed Amount Endorsement" or its equivalent and, if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent. As required under Section 57-8-43(9)(c) of the Condominium Act, such policy shall include coverage for any fixture, improvement, or betterment installed by an Owner to a Unit or to a Limited Common Area, including: floor covering, cabinetry, light fixture, electrical fixture, heating or plumbing fixture, paint, wall covering, window, and any other item permanently part of or affixed to a Unit or to appurtenant Limited Common Area. As set forth under Section 57-8-43(9)(e) of the Condominium Act, Each Owner shall be an insured person under the policy of property insurance.

(b) <u>Flood Insurance</u>. If any part of the Condominium Project is or comes to be situated in a Special Flood Hazard Area as designated on a Flood Insurance Rate Map, a policy of flood insurance shall be maintained covering the Project, or, at a minimum, that portion of the Condominium Project located within the Special Flood Hazard Area. That policy shall cover any machinery and equipment that are not part of a building and all Common Area within the Condominium Project ("**Insurable Property**") in an amount deemed appropriate, but not less than the lesser of: (i) the maximum limit of coverage available under the National Flood Insurance Program for the Insurable Property within any portion of the Project located within a designated flood hazard area; or (ii) one hundred percent (100%) of the insurable value of the Insurable Property. If the Condominium Project is not situated in a Special Flood Hazard Area, the Association may nonetheless, in the discretion of the Board, purchase flood insurance to cover water and flooding perils not otherwise covered by blanket property insurance.

(c) <u>Name of the Insured</u>. The named insured under each policy required to be maintained under <u>Subsections 12.1.1(a)</u> and <u>12.1.1(b)</u> shall be in form and substance essentially as follows: "Moose Hollow Homeowners Association, Inc. a Utah nonprofit corporation, for the use and benefit of the individual Owners." Each Owner shall also be an insured under all property and Comprehensive General Liability ("**CGL**") insurance policies.

(d) <u>Election to Restore in Lieu of Cash Settlement</u>. Each such policy shall provide that, notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it is in conflict with any requirement of law or without the prior written approval of the Association.

(e) <u>Association's Policy to Provide Primary Coverage</u>. As set forth under Section 57-8-43(9)(f) of the Condominium Act, if a loss occurs that is covered by a property insurance policy in the name of the Association and another property insurance policy in the name of an Owner, the Association's policy shall provide primary insurance coverage. Notwithstanding the previous sentence, and subject to <u>Subsection 12.1.1(f)</u>, the Owner is responsible for the Association's policy deductible and the Owner's policy and building property coverage, often referred to as coverage A, of the Owners' policy applies to that portion of the loss attributable to the deductible of the Association's policy.

(f) <u>Covered Loss/Unit Damage</u>. As set forth under Section 57-8-43(9)(g) of the Condominium Act, An Owner that has suffered damage to any combination of a Unit or a Limited Common Area appurtenant to a Unit ("**Unit Damage**") as part of a loss, resulting from a single event or occurrence, that is covered by the Association's property insurance policy ("**Covered Loss**") is responsible for an amount calculated by applying the percentage of total damage resulting in a Covered Loss that is attributable to Unit Damage ("**Unit Damage Percentage**") for that Unit to the amount of the deductible under the Association's property insurance policy. If an Owner does not pay the amount equal to the Unit Damage Percentage within thirty (30) days after substantial completion of the repairs to, as applicable, the Unit or the appurtenant Limited Common Area, the Association may levy a Reimbursement Assessment against the Owner for such amount.

(g) <u>Association's Reserve Fund</u>. As set forth under Section 57-8-43(9)(h) of the Condominium Act, the Association shall set aside in the Association's Reserve Fund an amount equal to the amount of the Association's property insurance deductible or \$10,000, whichever is less.

(h) <u>Notice Requirement for Deductible</u>. As set forth under Section 57-8-43(9)(i) of the Condominium Act, the Association shall provide notice (in accordance with Section 57-8-42 of the Condominium Act) to each Owner of the Owner's obligations under <u>Section 12.1.1(f)</u> of this Declaration regarding to the Association's policy deductible and of any change in the amount of the deductible. If the Association fails to provide such notice of any increase in the deductible, it shall be responsible for paying any increased amount that would otherwise have been assessed to the Owner but only to the extent that the unit owner does not have insurance coverage that would otherwise apply. If the Association provides an Owner with notice of the Association's policy deductible, the Association shall only be responsible for the amount of the increase for which notice was not provided. The Association's failure to provide notice shall not invalidate or affect any other provision in this Declaration.

(g) <u>Association's Right to Not Tender Claims that are Under the Deductible</u>. As set forth under Section 57-8-43(9)(j) of the Condominium Act, if, in the exercise of its business judgment, the Board determines that a claim is likely not to exceed the Association's property insurance policy deductible: (a) an Owner's policy is considered the policy for primary coverage for a loss occurring to the Owner's Unit or to any appurtenant Limited Common Area or Limited Common Improvements; (b) the Association is responsible for any covered loss to any Common Areas and Common Improvements; (c) an Owner who does not have a policy to cover the Association's property insurance policy deductible is responsible for the loss to the amount of the Association's policy deductible; and (d) the Association need not tender the claim to the Association's insurer. (i) <u>Insurance Trustee</u>. As set forth under Section 57-8-43(9)(k) of the Condominium Act, an insurer under a property insurance policy issued to the Association shall adjust with the Association a loss covered under the Association's policy. Notwithstanding the above, the insurance proceeds for a loss under a property insurance policy of the Association are payable to an Insurance Trustee that the Association designates or, if no Insurance Trustee is designated, to the Association, and may not be payable to a holder of a security interest. An Insurance Trustee or the Association shall hold any insurance proceeds in trust for the Association, the Owners, and lien holders. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property. After such disbursements are made and the damaged property has been completely repaired or restored or the project terminated, any surplus proceeds are payable to the Association, the Owners, and lien holders.

(j) <u>Certificate of Insurance</u>. As set forth under Section 57-8-43(9)(1) of the Condominium Act, an insurer that issues a property insurance policy under this Section, or the insurer's authorized agent, shall issue a certificate or memorandum of insurance to the Association, an Owner, and a holder of a security interest, upon the Association's, an Owner's or the holder's written request.

(h) <u>Cancellation or Nonrenewal Subject to Procedures</u>. As set forth under Section 57-8-43(9)(m) of the Condominium Act, A cancellation or nonrenewal of a property insurance policy under this Paragraph is subject to the procedures stated in Utah Code Annotated § 31A-21-303.

(i) <u>Waiver of Liability</u>. As set forth under Section 57-8-43(9)(n) of the Condominium Act, The Association and Board that acquires from an insurer the property insurance required in this Section is not liable to Owners if the insurance proceeds are not sufficient to cover 100% of the full replacement cost of the insured property at the time of the loss.

12.1.2 <u>Fidelity Insurance</u>. The Association shall obtain insurance covering the theft or embezzlement of funds that shall: (1) provide coverage for an amount of not less than the sum of three (3) months' regular Assessments in addition to the prior calendar year's highest monthly balance on all operating and reserve funds, and (2) provide coverage for acts of theft or embezzlement of funds by: (a) officers and Board Members of the Association, (b) employees and volunteers of the Association, (c) any manager of the Association, (d) officers, directors, the Manager and any employees of the Manager, and (e) any other parties coverage for various including cybercrimes, theft or embezzlement of funds.

12.1.3 Insurance Coverage for Forgery, Alteration and Computer Crime. The Association shall also maintain in force coverage against forgery and alteration and computer crime insurance with a limit to be reasonably determined by the Board. The discovery period for all claims under such insurance policy shall be when the wrongful acts covered by such insurance policy are discovered by the Association unless otherwise disclosed and approved by the Board.

12.1.4 <u>Directors and Officers Insurance</u>. The Association shall obtain Directors' and Officers' liability insurance protecting the Board, the officers and their spouses, and the Association against claims of wrongful acts or prior acts, mismanagement, failure to maintain adequate reserves, failure to maintain books and records, failure to enforce the Governing Documents, and breach of contract (if available). This policy shall: (1) include coverage for volunteers and employees, (2) include coverage for monetary and non-monetary claims, and (3) provide for the coverage of claims made under any fair housing act or similar statute or that are based on any form of discrimination or civil rights claims. In the discretion of the Board, the policy may also include coverage for the Manager and any employees of the Manager.

12.1.5 <u>Comprehensive General Liability Insurance</u>. The Association shall obtain CGL insurance insuring the Association, the agents and employees of the Association, and the Owners, against liability incident to the use, ownership or maintenance of the Common Area or membership in the Association. The coverage limits under such policy shall not be less than Two Million Dollars (\$2,000,000.00) covering all claims for death of or injury to any one person or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which should preclude the insurer from denying the claim of an Owner because of the negligence acts of the Association or another Owner.

12.1.6 <u>Worker's Compensation</u>. The Association shall purchase and maintain in effect workers' compensation insurance for all employees of the Association to the extent that such insurance is required by law and as the Board deems appropriate.

12.1.7 <u>Association Personal Property</u>. The Association may, as reasonably determined by the Board, elect to maintain insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable.

12.1.8 Insurance Trustees; Power of Attorney. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Insurance proceeds for a loss under the Association's property insurance policy are payable to an Insurance Trustee if one is designated, or to the Association, and shall not be payable to a holder of a security interest. An Insurance Trustee, if any is appointed, or the Association shall hold any insurance proceeds in trust for the Association, Owners, and lien holders. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property, if the property is to be repaired and restored as provided for in this Declaration. After any repair or restoration is complete and if the damaged property has been completely repaired or restored, any remaining proceeds shall be paid to the Association. If the property is not to be repaired or restored, then any remaining proceeds after such action as is necessary related to the property has been paid for, shall be distributed to the Owners and lien holders, as their interests remain with regard to the Units. Each Owner hereby appoints the Association, or any Insurance Trustee, or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of negotiating all losses related thereto, including the collection, receipt of, and

appropriate disposition of all insurance proceeds; the execution of releases of liability; and the execution of all documents and the performance of all other acts necessary to administer such insurance and any claim. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors, or assigns of the Owner.

12.1.9 Qualifications of Insurance Carriers & General Coverage Requirements. The Association shall use generally acceptable insurance carriers that meet the specific requirements of FHLMC and FNMA if such corporations are holders of Mortgages on Units within the Project (See the FNMA Conventional Home Mortgage Selling Contract Supplement and the FHLMC Sellers Guide for specific requirements regarding the qualifications of insurance carriers). Notwithstanding anything herein contained to the contrary, insurance coverages required to be obtained hereunder must be in such amounts and meet other requirements of FNMA, FHLMC, FHA and the Department of Veterans Affairs if such entities are holders of Mortgages on Units within the Project.

12.1.10 <u>Waivers of Subrogation</u>. As set forth under Section 57-8-43(7) of the Condominium Act, an insurer under a property insurance policy or liability insurance policy obtained under this Article waives the insurer's right to subrogation under the policy against any person residing with the Owner, if the Owner resides in the Unit, and the Unit Owner. All property and CGL policies must contain a waiver of subrogation by the insurer as to any claims against the Association and the Owners and their respective agents and employees.

12.1.11 <u>Owner Act Cannot Void Coverage Under Any Policy</u>. As set forth under Section 57-8-43(6) of the Condominium Act, unless an Owner is acting within the scope of the Owner's authority on behalf of the Association and under direct authorization of the Association, an Owner's act or omission may not void any insurance policy obtained by the Association or be a condition to recovery under such policy.

12.1.12 <u>Additional Coverage</u>. The provisions of this Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required by this Declaration, in such amounts and in such forms as the Association may deem appropriate from time to time.

12.1.13 <u>Review of Insurance</u>. The Board shall annually review (or cause a review) of the coverage and policy limits of all insurance on the Project and adjust the same at its discretion. Such annual review may include an appraisal of the improvements in the Project by a representative of the insurance carrier or carriers providing the policy or policies on the Project, or by such other qualified appraisers as the Association may select.

12.1.14 <u>Applicable Law</u>. This Declaration is specifically subjecting the Association to the insurance requirements required by Utah Code Section 57-8-43, and any amendments thereto and thereafter enacted by law. It is the intent of this provision that the Association and the Owners shall comply with any future changes to the insurance requirements of Utah Code Section 57-8-43.

# 12.2 Owner Insurance Coverage

12.2.1 <u>Owner Insurance</u>. Each Owner shall obtain additional insurance covering such Owner's Unit at his or her own expense; no Owner shall, however, be entitled to exercise his or her right to maintain insurance coverage in any manner which would decrease the amount which the Board, or any trustee for the Board, on behalf of all of the Owners, will realize under any insurance policy which the Board may have in force on the Unit at any particular time. Each Owner is required to and agrees to notify the Board of all improvements by the Owner to his Unit the value of which is in excess of One Thousand Dollars (\$1,000). Any Owner who obtains individual insurance policies covering any portion of the Unit other than personal property belonging to such Owner is hereby required to file a copy of such individual policy or policies with the Board within thirty (30) calendar days after purchase of such insurance, whereupon the Board may review its effect with the Board's insurance broker, agent or carrier.

12.2.2 <u>Homeowner's Policy</u>. The Owner of each Unit must maintain a homeowner's policy (commonly referred to as an HO6 policy) or other appropriate liability policy for such Unit in addition to the coverage provided by the Association. Each Owner is primarily responsible to maintain, repair, replace and insure items that are a part of his or her Unit. Claims for damage from loss caused by fire, water damage or other hazards that: (A) originate within the Unit, (B) are caused by accident or negligence of the Unit's Owner, including his or her tenants, family members, guests or invitees and/or (C) are caused by items that are the Owner's responsibility to maintain, repair or replace are the Owner's responsibility to insure. Each Owner is required to maintain hazard insurance for such events.

12.2.3 <u>Coverage Details</u>. Insurance coverage for each Owner should include but is not limited to the following:

(1) Anything to the contrary notwithstanding, the insurance coverage of any Unit shall be primary for any covered loss and the insurance of the Association shall be secondary for a loss that originates within the Unit, or is caused by accident or negligence of the Unit's Owner, their renters or guests, or caused by items that are the responsibility of the Unit's Owner(s) to maintain, repair or replace. All Owners shall have on their personal homeowner's policy (or other applicable coverage if Unit is rented to others or is vacant, etc.) a minimum of \$20,000 for COVERAGE "A" (BUILDING) added to their individual insurance policy and not less than \$100,000 for liability coverage (each Owner should consult with his or her insurance agent regarding the amount of coverage needed above the minimum for his or her individual situation).

If an Owner fails to maintain insurance on his or her Unit, such Owner will still be responsible for any claim arising from losses that originate within their Unit and/or from items that are their responsibility to maintain, repair or replace, including any improvement which is a permanent part of their Unit. In the event a claim is filed on the Association policy involving a Unit, the Owner(s) of such Unit shall be solely responsible to pay the Association deductible. If a Unit is owned by more than one Owner, the Owners shall be jointly and severally responsible for the payment of such deductible. (2) Insurance protection for Personal Property (Contents), Personal Liability, Loss Assessment, Loss of Use, Flood, Earthquake and other applicable coverage is the sole responsibility of the Unit's Owner. Insurance coverage for the Unit is commonly obtained by purchasing a Homeowners Form 6 (HO6) policy. However, each Owner is solely responsible for ensuring that such policy provides adequate insurance coverage. Such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Section.

12.2.4 <u>Changes to Owner Insurance Requirements</u>. The Board may (but shall not be obligated to) periodically review the coverage and policy recommendations and requirements for Owners, including such recommendations and requirements as may be set forth under any amendments to the Condominium Act, and notify the Owners of any changes to such coverage or policy recommendations or requirements. However, each Owner shall at all times be solely responsible for maintaining the appropriate insurance coverage on his or her Unit including, without limitation, any changes to such insurance coverage as may be recommended or required pursuant to any amendments to the Condominium Act.

### **ARTICLE 13 – EASEMENTS**

# 13.1 In General

It is intended that in addition to rights under the Condominium Act, each Unit has an easement in and through each other Unit and the Common and Limited Common Areas for all support elements and permitted utility, wiring, heat/air conditioning and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation and maintenance of the Project. Without limiting the generality of the foregoing, each Unit and all Common Areas (including Limited Common Areas) are specifically subject to an easement for the benefit of each of the other Units in the Building for the ductwork of any Units. In addition, the Association and each Unit and all the Common Areas (including Limited Common Areas) are specifically subject to easements as required for the permitted electrical wiring and plumbing, for the heating/air conditioning lines and equipment, if any, for each Unit, and for any master antenna, satellite or cable system for use by more than one Owner. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common facilities reserved by law. The language of this Section 13.1 shall not replace, supersede or negate any other provisions of this Declaration under which an Owner is required to obtain written approval from the Association (or from the Board on behalf of the Association) prior to installing, outside of his or her Unit, any Communications Device, any portion of any HVAC system, and element of any utility system, or any other wiring, conduit, pipes and/or equipment of any kind whatsoever.

### **13.2** Association Functions

There is hereby reserved to the Association, or the Association's duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as set forth in the Governing Documents.

### 13.3 Encroachments

Each Unit and all Common Areas (including Limited Common Areas) are hereby declared to have an easement over all adjoining Units, Common Areas and Limited Common Areas for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the Building, or any other similar cause, and any encroachments due to Building overhang or projection. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of any Owner(s) if said encroachment occurred due to the willful act or acts with full knowledge of said Owner(s). In the event a Unit or Common Area or Limited Common Area is partially or totally destroyed, and then repaired or rebuilt, the Owners agree that minor encroachments over adjoining Units, Common Areas and Limited Common Areas shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any Unit.

# **ARTICLE 14 – DESTRUCTION, CONDEMNATION, AND OBSOLESCENCE**

The provisions of this <u>Article 14</u> shall apply with respect to the destruction, condemnation, or obsolescence of the Project.

# 14.1 Definitions

For the purposes of this <u>Article 14</u>, each of the following terms shall have the meaning indicated:

(a) "Available Funds" shall mean any proceeds of insurance, condemnation awards, payments in lieu of condemnation, and any uncommitted funds of the Board or Association including amounts contained in any reserve or contingency fund. Available Funds shall not include that portion of insurance proceeds legally required to be paid to any party other than the Association, including a Mortgagee, or that portion of any condemnation award or payment in lieu of condemnation payable to the Owner or Mortgagee of a Unit for the condemnation or taking of the Unit in which they are interested.

(b) "Estimated Costs of Restoration" shall mean the estimated costs of Restoration.

(c) "Excess Insurance Funds" has the meaning given in <u>Section 14.5</u> below.

(d) **"Partial Destruction**" shall mean any other damage or destruction to the Project or any part thereof.

(e) "**Partial Condemnation**" shall mean any other such taking by eminent domain or grant or conveyance in lieu thereof.

(f) "**Partial Obsolescence**" shall mean any state of obsolescence or disrepair which does not constitute Substantial Obsolescence.

(g) "**Restoration**," in the case of any damage or destruction, shall mean restoration of the Project to a condition that is the same or substantially the same as the condition in which it existed prior to the damage or destruction concerned; in the case of condemnation "Restoration" shall mean restoration of the remaining portion of the Project to an attractive, sound, and desirable condition; and, in the case of obsolescence, "Restoration" shall mean restoration of the Project to an attractive, sound and desirable condition .

(h) "**Restored Value**" shall mean the value of the Project after Restoration as determined by a MAI or other qualified appraisal.

(i) **"Substantial Condemnation**" shall exist whenever a complete taking of the Project or a partial taking of the Project has occurred under eminent domain or by grant or conveyance in lieu of condemnation, and the excess of the Estimated Costs of Restoration over Available Funds is fifty percent (50%) or more of the estimated Restored Value of the Project.

(j) "**Substantial Destruction**" shall exist whenever, as a result of any damage or destruction to the Project or any part thereof, the excess of Estimated Costs of Restoration over Available Funds is fifty percent (50%) or more of the estimated Restored Value of the Project.

(k) "**Substantial Obsolescence**" shall exist whenever the Project or any part thereof has reached such a state of obsolescence or disrepair that the excess of the Estimated Costs of Restoration over Available Funds is fifty percent (50%) or more of the estimated Restored Value of the Project.

# 14.2 Determination by Board

Upon the occurrence of any damage or destruction to the Project or any part thereof, or upon a complete or partial taking of the Project under the power of eminent domain or by grant or conveyance made under the threat of the exercise of the power of eminent domain, the Board shall make a determination as to whether the excess of Estimated Costs of Restoration over Available Funds is fifty percent (50%) or more of the estimated Restored Value of the Project. In addition, the Board shall, from time to time, review the condition of the Project to determine whether Substantial Obsolescence exists. In making such determinations the Board may retain and rely upon one or more qualified appraisers or other professionals.

# 14.3 Restoration of the Project

Restoration of the Project shall be undertaken by the Board promptly without a vote of the Owners in the event of Partial Destruction, Partial Condemnation, or Partial Obsolescence and shall be undertaken in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence only with the consent of Owners collectively holding at least seventy-five percent (75%) of the Percentage Interest and with the consent of at least seventy-five percent of the Mortgagees (based upon one vote for each Mortgage).

#### 14.4 Notices of Destruction or Obsolescence

Within thirty (30) calendar days after the Board has determined that Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence exists, it shall send to each Owner and Mortgagee a written description of the destruction, condemnation, or state of obsolescence involved, shall take appropriate steps to ascertain the preferences of the Mortgagees concerning Restoration, and shall, with or without a meeting of the Owners (but in any event in accordance with the applicable provisions of this Declaration), take appropriate steps to determine the preferences of the Owners regarding Restoration.

# 14.5 Excess Insurance

In the event insurance proceeds, condemnation awards, or payments in lieu of condemnation actually received by the Board or Association (collectively, the "Excess Insurance Funds") exceed the cost of Restoration when Restoration is undertaken, the Excess Insurance Funds shall be paid and distributed to the Owners in proportion to their Percentage Interest. Payment to any Owner whose Unit is the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.

### 14.6 Inadequate Insurance

In the event the cost of Restoration exceeds Available Funds, all of the Units shall be assessed for the deficiency on the basis of their respective Percentage Interest.

#### 14.7 Sale of Project

The Project shall be sold in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence unless the consents required by <u>Section 14.3</u> have been obtained within six (6) months after the Board sends the written description contemplated by said <u>Section 14.3</u>. In the event of such sale, condominium ownership under this Declaration and the Plat Maps shall terminate and the proceeds of sale and any Available Funds shall be distributed by the Board to the Owners in proportion to their respective Percentage Interest. Payment to any Owner whose Unit is then the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.

### 14.8 Authority of Board to Represent Owners in Condemnation or to Restore or Sell

The Board, as attorney-in-fact for each Owner, shall have and is hereby granted full power and authority to restore or to sell the Project and each Unit therein whenever Restoration or sale, as the case may be, is undertaken as hereinabove provided. Such authority shall include the right and power to enter into any contracts, deeds or other instruments which may be necessary or appropriate for Restoration or sale, as the case may be.

# **ARTICLE 15 – LIMITATION OF LIABILITY**

#### 15.1 Liability for Utility Failure, etc.

Except to the extent covered by insurance obtained by the Board pursuant to this Declaration, neither the Association nor the Board shall be liable for: any failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, snow, ice, dust or sand which may lead or flow from outside or from any parts of the Buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

#### 15.2 No Personal Liability

So long as a Board member, or Association committee member, or Association officer has acted in good faith, without willful or intentional misconduct, upon the basis of any information as may be possessed by such person, or has acted upon the advice of legal counsel or other professional retained by the Board or the Association, then no such person shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of such person; provided, however, that this <u>Section 15.2</u> shall not apply where the consequences of such act, omission, error or negligence are covered by insurance obtained by the Board pursuant to this Declaration.

### 15.3 Indemnification of Board Members

Each Board member or Association committee member, or Association officer shall be indemnified by the Association and the Owners against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of holding or having held such a position, or any settlement thereof, whether or not he or she holds such position at the time such expenses or liabilities are incurred except in such cases wherein such person is adjudged (by a court of competent jurisdiction) guilty of willful misfeasance, malfeasance or nonfeasance in the performance of his or her duties; provided, however, that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association.

# **ARTICLE 16 – MORTGAGEE PROTECTION**

#### 16.1 Notice to Mortgagee – Owner's Failure to Perform Obligations

From and after the time a Mortgagee makes written request to the Board or the Association therefor, the Board or the Association shall notify such Mortgagee in writing in the event the Owner of the Unit encumbered by the Mortgage held by such Mortgagee neglects for a period of thirty (30) days to cure any failure on his or her part to perform any of his or her obligations under this Declaration.

### 16.2 **Priority of Mortgages**

The lien or claim against a Unit for any unpaid Assessments or other charges that may be levied by the Board or by the Association pursuant to this Declaration or the Acts shall be subordinate to the Mortgage affecting such Unit, and the Mortgage thereunder which comes into possession of or which obtains title to the Unit shall take the same free of such lien or claim for unpaid Assessments or other charges, but only to the extent of Assessments or other charges which accrue prior to foreclosure of the Mortgage, exercise of a power of sale available thereunder, or deed or assignment in lieu of foreclosure (expect for claims for a pro rata share of such prior Assessments or charges resulting from a pro rata share of such prior Assessments or charges resulting from a pro rata share of such prior to foreclosure). No Assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a Mortgage or as not to burden a Mortgagee which comes into possession or which obtains title shall be collected or enforced by either the Board or the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned.

### 16.3 Prohibited Actions

Unless at least seventy-five percent (75%) of the Mortgagees (based upon one vote for each Mortgage) or Owners of the individual Unit have given their prior written approval, neither the Board nor the Association shall be entitled by act, omission, or otherwise:

(a) To abandon or terminate the Project or to abandon or terminate the arrangement which is established by this Declaration and the Plat Maps;

(b) To partition or subdivide any Unit;

(c) To abandon, partition, subdivide, encumber, sell, or transfer all or any part of the Common Areas or Common Improvements (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Project;

(d) To use hazard insurance proceeds resulting from damage to any part of the Project (whether to Units or to the Common Areas) for purposes other than the repair, replacement or reconstruction of such improvements, except as provided in <u>Article 14</u> in the event of Substantial Destruction; or

(e) To change the pro rata interests or obligations of any Unit which apply for
(i) purposes of levying Assessments or charges or allocating distributions of hazard insurance
proceeds or condemnation awards and for (ii) determining the Percentage Interest of the Owners.

# 16.4 Insurance

Neither the Board nor the Association shall: (i) alter the provisions of <u>Article 12</u> in such a way as to diminish the insurance protection required to be afforded the parties designed to be protected thereby; or (ii) fail to maintain the insurance coverage described in such <u>Article 12</u>.

# 16.5 Examination of Books

Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Board, of the Association, or of the Project.

# 16.6 Maintenance of Common Areas / Common Improvements

The Board and the Association shall establish an adequate reserve to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Common Improvements and shall cause such reserve to be funded by regular monthly or other periodic Assessments against the Units as more particularly set forth in this Declaration and as may be further required by the Condominium Act.

# 16.7 Management Contracts

Any agreement for professional management of the Project which may be entered into by the Board or the Association shall call for a term not exceeding three (3) years and shall provide that either party, with or without cause and without payment of any termination fee, may terminate such contract upon no less than thirty (30) days and no more than ninety (90) days advance written notice.

# 16.8 Notice to Mortgagee – Common Area Damage or Loss

From and after the time a Mortgagee makes written request to the Board or the Association therefor, the Board or the Association shall notify such Mortgagee in writing in the event there occurs any damage or loss to, or taking or anticipated condemnation of: (i) the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000) or (ii) any Unit encumbered by the Mortgage held by such Mortgagee, if the amount involved in such damage, loss or taking is in excess of One Thousand Dollars (\$1,000). Said notice shall be given within ten (10) days after the Board or the Association learns of such damage, loss, taking or anticipated condemnation.

# 16.9 No Owner Priority for Insurance Proceeds or Condemnation Awards

No provision of this Declaration gives or may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of Units and/or the Common Areas or Common Improvements.

### 16.10 Right of First Refusal Exemption

Any Mortgagee which obtains title to the Unit encumbered by its Mortgage pursuant to the remedies provided for in said Mortgage, pursuant to foreclosure of said Mortgage, pursuant to deed or assignment in lieu of foreclosure, shall be exempt from and shall in no way be governed by or subject to any "right of first refusal" which may or may not be contained in or provided for in this Declaration.

# 16.11 Maximum Mortgagee Protection

In the event another provision or clause in this Declaration deals with the same subject matter as is dealt with in any provision or clause of this <u>Article 16</u>, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority, as the case may be, applicable to the Board and Association with respect to the subject matter concerned.

# 16.12 Effect of Declaration Amendments

No amendment to this <u>Article 16</u> which has the effect of diminishing the rights, protection, or security afforded to Mortgagees shall be accomplished or effective unless all of the Mortgagees of the individual Units have given their prior written approval to such instrument. Any amendment to this <u>Article 16</u> shall be accomplished by an instrument executed by the Board and filed for record in the Office of the Weber County Recorder. In any such instrument an officer of the Board shall certify that any prior written approval of Mortgagees required by this <u>Article 16</u> as a condition to amendment has been obtained.

### 16.13 Certification of Mortgagee Protection

The Board of Directors has been advised by the Association's legal counsel that this <u>Article 16</u> does not diminish the rights, protection, or security afforded to any Mortgagees under the provisions of the Original Declaration. Consequently, as required by Section 41 of the Original Declaration, those members of the Board signing this Declaration hereby certify that no prior written approval of Mortgagees are required by such Section 41. Such certification is the result of a reasonable reading and interpretation of the Original Declaration, including said Section 41. Accordingly, notwithstanding such required certification, those members of the Board signing this Declaration shall in no manner whatsoever be held personally responsible or liable to any Mortgagees for any claims, actions, damages, liability, costs or expenses that may ever be allegedly suffered or experienced by such Mortgagees.

# **ARTICLE 17 – EXPANSION / CONTRACTION**

The Project has been completed in its entirety. Accordingly, any provisions of the Original Declaration or any other declarations, or any supplements or amendments thereto, related to expansion of the Project, no longer apply to or govern the Project. As such, the Project may not be contracted or expanded in any manner whatsoever unless this Declaration is properly amended to allow for such contraction or expansion.

#### **ARTICLE 18 – AMENDMENT TO DECLARATION**

Amendments to this Declaration shall be made by a written instrument entitled "Amendment to Declaration" which sets forth the entire amendment. Any proposed amendment to this Declaration must be approved by a majority of the Board prior to being presented to the Owners for review and approval. No later than forty-five (45) days prior to the date the Owners are provided with a written ballot regarding any proposed amendment to this Declaration, the Board must (A) post a complete copy of any such proposed amendment on the Association's website, and (B) deliver to each Owner, via both email and regular mail, a notice of such proposed amendment.

Any amendment to this Declaration must be approved by Owners holding no less than sixty-seven percent (67%) of the Percentage Interest. The Owner may vote upon such amendment <u>only</u> by means of a written ballot that has been mailed or emailed to each Owner. As provided under <u>Section 4.3.2</u>, there shall be one vote and one "voting representative" for each Unit. Each ballot must be signed by the Owner or the person the Owner(s) of a particular Unit have named as the voting representative for that Unit. Owners may mail to the Association a signed copy of their ballot, or may email to the Association a scanned copy of their signed ballot. No amendment to this Declaration may be voted upon at any meeting of the Owners including, without limitation, the annual Owners' meeting or any special meeting of the Owners.

Any amendment to this Declaration must be signed by the President of the Association and attested by the Secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by the President and Secretary as officers of the Association. Amendments once properly adopted shall be effective upon recording in the Recorder's Office and any other appropriate governmental offices. Any decision changing the Percentage Interest shall require the unanimous consent of the Owners and their Mortgagees. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions and restrictions contained herein which may be affected and any or all clauses of this Declaration unless otherwise specifically provided in the Section being amended or the amendment itself.

### **ARTICLE 19 – MISCELLANEOUS**

#### **19.1** Service of Process

Service of process for the purposes provided in the Acts may be made upon the offices of the Manager of the Association or upon the President of the Association. The Board may at any time designate a new or different person, entity or agency for such purposes by filing an amendment to this Declaration limited to the sole purpose of making such change, and such amendment need only be signed and acknowledged by the then President of the Association.

#### **19.2** Delivery of Notices to the Association

Any notices that may be delivered to the Association or the Board shall be sent in care of the Manager or, if there is no Manager, to the principal office of the Association or to such other address as the Board may hereafter designate from time to time. Mailed notices must be sent either via (A) first-class mail or (B) registered mail with signature required upon delivery.

Notices may also be (but are not required to be) sent to the Association via the Manager's email address or, if there is no Manager, to the Association's email address, if any. Notices may not be delivered to the Association solely via email. Any notices must be mailed to the Association as set forth above.

The current mailing address and email address of the Association and the Manager shall at all times be posted on the Association's website.

#### **19.3** Delivery of Notices to the Owners

Pursuant to Section 57-8-42 of the Condominium Act, except as otherwise specifically required under any provision of this Declaration or the Bylaws or except as otherwise required under the Acts, the Association must send notices to Owners either via (A) first-class mail, (B) registered mail or (C) email.

The Association may post notices on the Association's website, but only if such notice has also been delivered to the Owners via first-class mail, registered mail or email. The Association may <u>not</u> utilize the Association's website as the <u>sole</u> means of delivering notices to the Owners. Aside from the use of email, the Association is prohibited from utilizing text messaging or any other electronic transmission (as that term is defined under Section 16-6a-102 of the Nonprofit Corporation Act) to deliver any notices. The Association shall refrain from posting on the Association's website any notice that may cause embarrassment to, or violate the privacy of, any particular Owner or group of Owners. The Association shall deliver such notice only via (A) first-class mail, (B) registered mail or (C) email.

Each Owner must provide the Secretary of the Association with an email address which the Association may use for the delivery of certain notices that may be electronically delivered as provided in the Governing Documents. Each Owner shall also provide the Secretary of the Association with a mailing address at which the Association may mail any notices that, pursuant to the provisions of the Governing Documents or the Acts, may not be electronically delivered. The Secretary of the Association shall maintain each Owner's email address and mailing address in the Association's records.

Any notice that is sent via first-class mail or registered mail shall be sent to the mailing address that is on file with the Association. Any notice that is delivered via first-class mail shall be deemed to have been delivered three (3) business days after a copy has been deposited in the United States mail, postage prepaid.

If an Owner has not provided the Association with a mailing address, any notices the Association wishes to mail to that Owner shall be delivered via first-class mail or registered mail to <u>both</u> (A) the mailing address for such Owner that is published on the Weber County Assessor's Office website <u>and</u> (B) the physical address of such Owner's Unit (if the two addresses are different).

An Owner may, by written demand to the Board, require that the Association abstain from delivering any notices to such Owner via email or any other electronic means and require that the Association only deliver notices to such Owner via first-class mail or registered mail.

If a Unit is jointly owned, notices shall be sent to a single mailing address, of which the Board has been notified in writing by such parties. If no mailing address has been given to the Board in writing, notices shall be sent to <u>both</u> (A) the mailing address for such Owner that is published on the Weber County Assessor's Office website <u>and</u> (B) the physical address of such Owner's Unit (if the two addresses are different).

# 19.4 Delivery of Notices to Mortgagees

Upon written request to the Secretary of the Association, a Mortgagee, or deed of trust beneficiary of any Unit shall be entitled to be sent a copy of any notices respecting the Unit covered by his or her security instrument until the request is withdrawn or the security right discharged. Notices will only be sent to those Mortgagees on record with the Association as requesting such notifications. The Association is not responsible to search for entities that may be entitled to receive notification.

# 19.5 Conveyances.

Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering a Unit shall describe the interest or estate involved substantially as follows:

Unit No. \_\_\_\_\_ contained within the Moose Hollow Condominium Project as the same is identified in the Record of Survey Map recorded in Weber County, Utah as Entry No. \_\_\_\_\_ in Book \_\_\_\_\_ at Page \_\_\_\_\_ (as said Record of Survey Map may have hereafter been amended or supplemented) and in the Amended and Restated Declaration of Condominium of the Moose Hollow Condominium Project recorded in Weber County, Utah as Entry No. \_\_\_\_\_ in Book \_\_\_\_\_ at Page

(as said Declaration may have heretofore been amended or supplemented). TOGETHER WITH the undivided ownership interest in said Project's Common Areas and Common Improvements which is appurtenant to said Unit (the referenced Declaration of Condominium providing for periodic alteration both in the magnitude of said undivided ownership interest and in the composition of the Common Areas and Common Improvements to which said interest relates).

# **19.6 Security Disclaimer**

The Association may, but shall not be obligated to, maintain or support certain activities within the Project designed to make the Project safer than it otherwise might be. Neither the Association, nor the Board shall in any way be considered insurers or guarantors of security within the Project, however; and neither the Association, nor the Board shall be held liable for any loss or damage by reason or failure to provide adequate security or ineffectiveness of security measures undertaken. All Owners and their tenants, family members, guests, invitees and any other occupants of any Unit, acknowledge and understand that the Association and Board have made no representations or warranties, nor have they relied upon any representations or warranties, expressed or implied, including any warranty or merchantability or fitness for any particular purpose, relative to any security measures undertaken within the Project.

## 19.7 Owner Joint and Several Responsibility

If any Unit is owned by more than one Owner ("**Multi-Owner Unit**"), the Owners of such Multi-Owner Unit shall be "jointly and severally" responsible and liable for the performance and fulfillment of any Owner responsibilities, obligations and/or liabilities associated with such Multi-Owner Unit as set forth under the Governing Documents. By example, and without limitation of the previous sentence, if the Association were to impose a fine or any Assessment against a Multi-Owner Unit, the Association may proceed to collect payment of such fine or Assessment from (A) any one Owner, (B) all Owners, or (C) less than all of the Owners of that Multi-Owner Unit.

# **19.8** Mechanics Liens

Liens for materials, labor or money against any Owner or the Association are to be indexed in the public records under the name of the Unit and the Unit's Owner(s). With regard to a lien on multiple Units for materials, labor or money provided to the Association or affecting the Common Areas, an Owner may pay his or her pro rata share of the amount of any lien and that shall be sufficient to release the lien as to his Unit. Any person, entity or organization that elects to provide materials or perform labor at the Project shall do so subject to the terms, covenants, and conditions of this Section 19.8.

# 19.9 Severability

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof, if the remainder complies with the Acts or as covenants affect the common plan.

# 19.10 Effective Date

This Declaration shall take effect upon recording.

# **19.11** Liberal Construction

The provisions of the Governing Documents shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and operation of the Project consistent with applicable Utah law. It is intended and covenanted also that, insofar as it affects the Governing Documents and the Project, the provisions of the Acts referenced herein shall be liberally construed to effectuate the intent of the Governing Documents insofar as reasonably possible. In the event any provision of the Governing Documents is deemed as inconsistent with or illegal under any provision of the Acts (or any other applicable Utah law, rule or regulation) then the applicable provision(s) of the Acts (or any other applicable Utah law, rule or regulation) shall govern.

# 19.12 Consistent with Acts

The terms such as, but not limited to, "Owner," "Unit," "Unit Owner," "Association of Unit Owners," "Building," "Common Areas," "Operating Expenses," "Limited Common Areas" and "Property," used herein are intended to have the same meaning given in the Acts unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.

# 19.13 Covenant Running with Land

It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, supplementing and interpreting the Acts, and operating independently of the Acts should the Acts be, in any respect, inapplicable.

### 19.14 Unit and Building Boundary

In interpreting the Survey Map and Plans, the existing physical boundaries of each Building and each Unit as constructed shall be conclusively presumed to be its boundaries.

# 19.15 "Person," etc.

When interpreting this Declaration, the term "person" may include natural persons, partnerships, corporations, associations, and personal representatives. The term "mortgage" may be read to include deeds of trust. The singular may include the plural and the masculine may include the feminine, or vice versa, where the context so admits or requires.

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## **19.16** Captions and Exhibits

Captions given to the various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of the substantive provisions hereof. The various exhibits referred to herein by reference are hereby incorporated herein as though fully set forth where such reference is made.

IN WITNESS WHEREOF, the Association has caused this Declaration to be executed by its duly authorized officers on the 9<sup>th</sup> day of October, 2019.

MOOSE HOLLOW HOMEOWNERS ASSOCIATION, INC., a Utah nonprofit corporation

By: Name: Alan Stanley Title: President By: Name: Joe Buchanan Title. Secretary

### Exhibit "A" to Amended and Restated Declaration of Covenants, Conditions, and Restrictions of the Moose Hollow & Cascades at Moose Hollow Condominium Project

# Legal Description

### The real property that is subject to and burdened by this Declaration is described as follow:

Any and all real property, easements, right of ways, improvements, fixtures and infrastructure that encompass and are included within that certain residential condominium project commonly known as "Moose Hollow Luxury Condominiums" and "The Cascades at Moose Hollow" located in Eden, Utah, including, without limitation, any and all Buildings, Units, Common Areas and Common Improvements located in such project as those terms are more particularly defined and described in that certain "Amended and Restated Declaration of Covenants, Conditions and restrictions for the Moose Hollow Condominium Project" to which this <u>Exhibit "A"</u> is attached and incorporated.

Without in any way limiting the broad scope and generality of the previous paragraph, the real property that is subject to and burdened by this Declaration includes any and all real property, easements, right of ways, improvements, fixtures and infrastructure located on the real property that is included in each of the following Plat Maps, as such Plat Maps may be substituted or amended:

Record of Survey Map for Moose Hollow Condominium Phase 1, which was recorded on February 25, 1999, as Entry No. 1615983 beginning at Page 9 of Book 49 of the Official Records of the Recorder's Office of Weber County, State of Utah.

Record of Survey Map for Moose Hollow Condominium Phase 2, which was recorded on August 7, 2000, as Entry No. 1719847 beginning at Page 74 of Book 52 of the Official Records of the Recorder's Office of Weber County, State of Utah.

Record of Survey Map for Moose Hollow Condominium Phase 3, which was recorded on August 6, 2001, as Entry No. 1787248 beginning at Page 43 of Book 54 of the Official Records of the Recorder's Office of Weber County, State of Utah.

Record of Survey Map for Moose Hollow Condominium Phase 4, which was recorded on April 1, 2004, as Entry No. 2021504 beginning at Page 51 of Book 59 of the Official Records of the Recorder's Office of Weber County, State of Utah.

Record of Survey Map for Moose Hollow Condominium Phase 5, which was recorded on April 25, 2005, as Entry No. 2098850 beginning at Page 56 of Book 61 of the Official Records of the Recorder's Office of Weber County, State of Utah.

Record of Survey Map for Moose Hollow Condominium Phase 6, which was recorded on May 11, 2006, as Entry No. 2179205 beginning at Page 82 of Book 63 of the Official Records of the Recorder's Office of Weber County, State of Utah.

Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 1, which was recorded on October 4, 2002, as Entry No. 1879867 beginning at Page 56 of Book 56 of the Official Records of the Recorder's Office of Weber County, State of Utah.

Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 2, which was recorded on October 22, 2002, as Entry No. 1883548 beginning at Page 81 of Book 56 of the Official Records of the Recorder's Office of Weber County, State of Utah.

Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 3, which was recorded on February 9, 2005, as Entry No. 2084828 beginning at Page 99 of Book 60 of the Official Records of the Recorder's Office of Weber County, State of Utah.

Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 4, which was recorded on February 9, 2005, as Entry No. 2084831 beginning at Page 1 of Book 61 of the Official Records of the Recorder's Office of Weber County, State of Utah.

Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 5, which was recorded on March 29, 2005, as Entry No. 2093634 beginning at Page 27 of Book 61 of the Official Records of the Recorder's Office of Weber County, State of Utah.

Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 6, which was recorded on December 29, 2005, as Entry No. 2151468 beginning at Page 10 of Book 63 of the Official Records of the Recorder's Office of Weber County, State of Utah.

Record of Survey Map for The Cascades at Moose Hollow Condominium Phase 7, which was recorded on September 25, 2007, as Entry No. 2294173 beginning at Page 1 of Book 67 of the Official Records of the Recorder's Office of Weber County, State of Utah.

# Exhibit "B"

to Amended and Restated Declaration of Covenants, Conditions, and Restrictions of the Moose Hollow & Cascades at Moose Hollow Condominium Project

# Association Bylaws

[see Amended and Restated Bylaws of the Moose Hollow Homeowners Association consisting of twenty-one (21) pages]