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SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS LEGACY BEACH AT BEAR LAKE HOA

Lots 1 through 15, inclusive, Lots 17 and 18, Lot 18A, and Lots 19 through 34, inclusive, of Legacy Beach, PUD, as shown on the "LEGACY BEACH, PUD – FINAL PLAT," recorded November 3, 2016, as Filing No. 90456 in the office of the Recorder of Rich County, Utah, as amended by the "LEGACY BEACH, PUD, 2017 AMENDMENT – FINAL PLAT," recorded January 11, 2018, as Filing No. 92534 in the office of the Recorder of Rich County, Utah.

And Lots 38 through 49, inclusive, of Legacy Beach, PUD, Phase 2, as shown on the "LEGACY BEACH, PUD, PHASE 2 – FINAL PLAT," recorded August 3, 2021, as Filing No. 100888 in the office of the Recorder of Rich County, Utah.

<u>Lot No.</u>	<u>Parcel No.</u>	<u>Lot No.</u>	<u>Parcel No.</u>	<u>Lot No.</u>	<u>Parcel No.</u>
1	41-21-312-0001	18	41-21-312-0018	33	41-21-312-0033
2	41-21-312-0002	18A	41-21-312-0038	34	41-21-312-0034
3	41-21-312-0003	19	41-21-312-0019	38	41-21-313-0038
4	41-21-312-0004	20	41-21-312-0020	39	41-21-313-0039
5	41-21-312-0005	21	41-21-312-0021	40	41-21-313-0040
6	41-21-312-0006	22	41-21-312-0022	41	41-21-313-0041
7	41-21-312-0007	23	41-21-312-0023	42	41-21-313-0042
8	41-21-312-0008	24	41-21-312-0024	43	41-21-313-0043
9	41-21-312-0009	25	41-21-312-0025	44	41-21-313-0044
10	41-21-312-0010	26	41-21-312-0026	45	41-21-313-0045
11	41-21-312-0011	27	41-21-312-0027	46	41-21-313-0046
12	41-21-312-0012	28	41-21-312-0028	47	41-21-313-0047
13	41-21-312-0013	29	41-21-312-0029	48	41-21-313-0048
14	41-21-312-0014	30	41-21-312-0030	49	41-21-313-0049
15	41-21-312-0015	31	41-21-312-0031		
17	41-21-312-0017	32	41-21-312-0032		

**SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS**

**LEGACY BEACH AT BEAR LAKE
HOA**

Garden City, Rich County, Utah

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**SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

This Declaration is made on the date executed below by the Association, and is effective on the date of recording in the recorder's office of the County.

1. RECITALS

A. WHEREAS, the real property subject to this Declaration is located in Garden City, Rich County, Utah, and is commonly known as Legacy Beach PUD, as shown and described on the recorded plats for the Project, including the original Legacy Beach, PUD Final Plat, recorded November 3, 2016, as Filing No. 90456, as amended by the Legacy Beach, PUD, 2017 Amendment Final Plat, recorded January 11, 2018, as Filing No. 92534, and the Legacy Beach, PUD, Phase 2 Final Plat, recorded August 3, 2021, as Filing No. 100888, each in the official records of the Rich County Recorder, as more particularly described or depicted in **Exhibit A**; and

B. WHEREAS, the Project is a lot-based planned unit development governed by the Utah Community Association Act, Utah Code § 57-8a-101 *et seq.*, and is not intended to be, and shall not be construed as, a condominium, cooperative, or other form of common-interest ownership involving undivided fractional interests in real property; and

C. WHEREAS, Legacy Beach at Bear Lake HOA was organized as a Utah nonprofit corporation by Articles of Incorporation filed with the Utah Division of Corporations and Commercial Code on January 22, 2016, for purposes including management of the Association, collection of fees and assessments, maintenance of Association property, and other lawful activities related to the Project; and

D. WHEREAS, the Project is currently subject to that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Legacy Beach at Bear Lake, recorded April 18, 2024, as Filing No. 107087 in the official records of the Rich County Recorder (the "2024 Declaration"), which amended and restated the prior covenants, conditions, and restrictions applicable to the Project; and

E. WHEREAS, the Association desires to amend, restate, replace, and supersede the 2024 Declaration in its entirety in order to clarify, modernize, and better administer the governance, maintenance, insurance, assessment, rental, enforcement, risk-allocation, and operational provisions applicable to the Project; and

F. WHEREAS, the Association intends by this Declaration to preserve the Project's lot-based ownership and governance structure, including the allocation of one Voting Interest to each Lot, while clarifying the relationship between Lots, Units, Dwellings, Combined Dwellings, Common Area, Limited Common Area, Assessment Districts, and the Association's maintenance, insurance, assessment, enforcement, and operational obligations; and

G. WHEREAS, the Association further intends by this Declaration to establish and clarify Assessment Districts for the allocation of certain expenses based on the use, Dwelling status, Unit type, Improvement configuration, benefits received, or other objective characteristics of Lots, without creating separate associations, separate governing bodies, separate voting groups, separate legal entities, separate ownership interests, or separate governance authority; and

H. WHEREAS, the Association intends that the term "Lot" shall serve as the primary legal, ownership, governance, membership, voting, assessment, lien, eligibility, notice, enforcement, insurance, risk-allocation, account status, and transfer reference under this Declaration, while the term "Unit" shall remain a physical, structural, maintenance, insurance, use, or classification term where the context requires reference to an Improvement, Dwelling, attached or detached structure, Party Wall, building envelope, or other physical component located on or associated with a Lot; and

I. WHEREAS, the Association further intends that the existence or recognition of a Combined Dwelling shall not merge, consolidate, subdivide, reduce, reallocate, or otherwise alter the separate legal existence of the underlying Lots for purposes of ownership, membership, voting, assessment, lien rights, insurance allocation, Association expense allocation, enforcement, risk allocation, or transfer, except as expressly provided in this Declaration; and

J. WHEREAS, the Association intends that this Declaration, together with the Plat and the other Governing Documents, shall run with the land and shall bind and benefit the Association, all Owners, and their respective heirs, successors, personal representatives, and assigns;

K. NOW THEREFORE, the Association hereby adopts this Second Amended and Restated Declaration of Covenants, Conditions, and Restrictions, including these Recitals and all exhibits attached hereto, which shall amend, restate, replace, and supersede the 2024 Declaration in its entirety upon recording, and declares that the Project shall be held, conveyed, transferred, sold, leased, occupied, used, maintained, and governed subject to the following covenants, conditions, restrictions, easements, assessments, liens, charges, rights, obligations, and provisions, all of which shall run with the land and be binding upon and inure to the benefit of the Association, each Owner, and their respective heirs, successors, personal representatives, and assigns.

2. DEFINITIONS

Capitalized terms used in this Declaration shall have the following meanings. Additional or further explanation of a defined term elsewhere in this Declaration, including in the Recitals, shall be construed as supplemental and not limiting unless expressly stated otherwise. Other terms may be defined in other articles of this Declaration.

A. **Act.** "Act" means the Utah Community Association Act, Utah Code §§ 57-8a-101 *et seq.*, as amended from time to time.

B. **Act, Nonprofit.** "Nonprofit Act" means the Utah Revised Nonprofit Corporation Act, Utah Code §§ 16-6a-101 *et seq.*, as amended from time to time.

C. **Amenities.** "Amenities" means Common Area facilities or improvements, whether existing at the time of recording of this Declaration or added thereafter, that are primarily intended for recreational, leisure, or community-use purposes, including, without limitation, parks, play areas, clubhouses, pools, and similar facilities. Amenities do not include Common Area streets, sidewalks, utilities, or other improvements primarily intended to provide access to or serve Lots, nor do they include Limited Common Area appurtenant to one or more Lots.

D. **Articles of Incorporation.** "Articles of Incorporation" means the Association's articles of incorporation filed with the state of Utah pursuant to the Nonprofit Act, as the same may be amended or restated from time to time. A copy of the Articles of Incorporation as in effect on the date of recording of this Declaration is attached hereto as **Exhibit C** for reference.

E. **Assessment.** "Assessment" means a monetary charge levied by the Association against a Lot and Owner(s) pursuant to this Declaration for Common Expenses, District Common Expenses, Reserve funding, Capital Improvements, or the recovery of costs properly assessed as an Individual Assessment, including Regular Assessments, Special Assessments, Capital Assessments, District Assessments, and Individual Assessments. The term "Assessment" does not include a Fine or Penalty imposed solely for a violation of the Governing Documents unless and to the extent expressly provided elsewhere in this Declaration and permitted by applicable law.

F. **Assessment, Capital.** "Capital Assessment" means a separately stated Assessment levied against each Lot, upon approval of the membership as required by this Declaration and applicable law, for the purpose of funding a specific Capital Improvement approved or authorized in accordance with this

Declaration.

G. **Assessment, Individual.** "Individual Assessment" means an amount levied or imposed against a particular Lot, Owner, and/or Resident.

H. **Assessment, Regular.** "Regular Assessment" means, for a given fiscal year, an amount based on the Budget that is levied against the Lots sufficient to cover the applicable Common Expenses, District Common Expenses, Reserve Fund components, and required Insurance Deductible Fund contributions allocated under this Declaration.

I. **Assessment, Special.** "Special Assessment" means an amount levied from time to time against Lots for the purpose of defraying, in whole or in part, any expenses not reasonably capable of being fully paid from the Regular Assessment or, as applicable, the Insurance Deductible Fund or Reserve Fund, including expenses related to emergencies, but not for Capital Improvements.

J. **Association.** "Association" means **Legacy Beach at Bear Lake HOA**, a Utah nonprofit corporation organized under the Nonprofit Act, and any successor nonprofit corporation or other successor legal entity or unincorporated association, however denominated, that lawfully succeeds to the Association's rights and obligations under this Declaration and applicable law. The Association shall continue to exist and function for all purposes of this Declaration and the other Governing Documents regardless of its corporate status, including during any period of administrative dissolution, winding up, reinstatement, or reincorporation, as further provided in Article 3 (Homeowners Association) of this Declaration.

K. **Attorney-in-Fact.** "Attorney-in-Fact" and "attorney-in-fact" mean an individual authorized to act as the agent of a Person or an estate, as evidenced by a duly executed power of attorney, designation of agent, letters testamentary, letters of administration, a court order appointing a personal representative, or other comparable authorizing document. An Attorney-in-Fact may act as the Owner on behalf of such Owner, or, if acting on behalf of a deceased Owner's estate, with respect to the deceased Owner's Lot, for purposes of notices, meetings, proxies, and voting under the Governing Documents, but not for purposes of eligibility requirements.

L. **Board.** "Board" and "Board of Directors" mean the entity, regardless of name, with primary authority to manage and govern the affairs of the Association.

M. **Budget.** "Budget" means, for a given fiscal year, an expense-based estimate of the anticipated Common Expenses of the Association and District Common Expenses.

N. **Bylaws.** "Bylaws" mean the bylaws of the Association adopted pursuant to the Articles of Incorporation, the Nonprofit Act, and Section 216 of the Act, as the same may be amended or restated from time to time and as required to be recorded in the recorder's office of the County. A copy of the Bylaws as in effect on the date of recording of this Declaration is attached hereto as **Exhibit B**.

O. **City.** "City" means the incorporated municipality or municipalities within which any portion of the Project is located, including **Garden City, Utah**, together with any successor municipality; provided, however, that with respect to any portion of the Project located in unincorporated territory, "City" shall mean the County acting as the primary land-use authority over such portion of the Project.

P. **Commercial.** "Commercial" means the use of a Unit, Lot, or any portion of the Project for the on-site provision of goods or services to the public or to other businesses, including retail, office, professional, service, or other customer- or client-facing activities conducted from or regularly operating within a Dwelling or on a Lot. "Commercial" does not include: (1) leasing or renting a Dwelling as permitted under this Declaration; (2) a home-based occupation that complies with Section 9.4 (Business Use); or (3) incidental personal or remote work activity that does not involve on-site customer, client, employee, vendor, or delivery traffic beyond normal residential use.

Q. **Committee, Architectural.** “Architectural Committee” means a committee established by the Board, subject at all times to the Board’s authority and oversight, for the purpose of administering and overseeing exterior architectural characteristics within the Project in accordance with this Declaration and the Governing Documents.

R. **Common Area.** “Common Area” means all real property, personal property, or interests therein within the Project that are: (1) designated as common area in the Plat or this Declaration; or (2) owned, controlled, or maintained by the Association for the common use, benefit, enjoyment, or protection of the Project and its Owners, whether or not record title is vested in the Association.

S. **Common Area, Limited.** “Limited Common Area” means those portions of the Common Area that are: (1) designated as limited common area in the Plat, this Declaration, or another recorded Governing Document; and (2) reserved for the exclusive use or benefit of one or more, but fewer than all, Lots within the Project. Unless expressly provided otherwise, all Limited Common Area remains part of the Common Area and is appurtenant to the Lot or Lots it benefits. A Limited Common Area may be physically associated with a Unit, Dwelling, patio, deck, exterior area, building component, or other Improvement, but such physical association does not alter the Lot-based ownership, assessment, voting, lien, or governance structure established by this Declaration. Limited Common Area includes the Lots 1–5 Exclusive-Use Limited Common Area described in Section 6.2.2 (Lots 1–5 Exclusive-Use Limited Common Area).

T. **Component, Common Reserve.** “Common Reserve Component” means the portion of the annual Budget representing reserve contributions attributable to Common Areas or Limited Common Areas for which the Association has a Maintenance Obligation and that do not constitute a District Reserve Component.

U. **Component, District Reserve.** “District Reserve Component” means the portion of the annual Budget representing reserve contributions attributable to Common Areas or Limited Common Areas for which the Association has a Maintenance Obligation and that are classified under Article 6 (Operation and Maintenance) of this Declaration as serving exclusively one or more, but fewer than all, Assessment Districts.

V. **Corporation.** “Corporation” means the Association in its capacity as a Utah nonprofit corporation organized under the Nonprofit Act.

W. **County.** “County” means the county or counties within which any portion of the Project is located, including **Rich County, Utah**, together with any successor county or other governmental entity having recording or judicial jurisdiction over such portion of the Project.

X. **Declaration.** “Declaration” means this document, including all covenants, conditions, and restrictions as contained herein, as duly amended or restated from time to time and as duly recorded in the recorder’s office of the County.

Y. **District, Assessment.** “Assessment District” means a classification category of one or more Lots, but fewer than all Lots in the Project, determined in accordance with this Declaration and **Exhibit D** based on the Lot’s use, Dwelling status, Unit type, Improvement configuration, benefit received, insurance treatment, maintenance treatment, or other classification criteria established in this Declaration, that shares District Common Expenses.

Z. **Dwelling.** “Dwelling” means a Unit that is approved and permitted for human residential occupancy under applicable governmental regulations.

AA. **Dwelling, Combined.** “Combined Dwelling” means a Dwelling that consists of one continuous building extending across two or more abutting Lots, where the Dwelling is lawfully configured for use as a single integrated residential household, provided that all Lots beneath or physically supporting any portion of the entire continuous building are under common ownership and unified operation. If any Lot beneath or physically supporting any portion of the entire continuous building is not under common ownership and unified operation, no Combined Dwelling shall exist. Formation of a Combined Dwelling does not merge,

consolidate, subdivide, reduce, reallocate, or otherwise alter the separate legal existence of the underlying Lots for purposes of ownership, membership, voting, assessment, lien rights, insurance allocation, Association expense allocation, enforcement, risk allocation, or transfer unless otherwise expressly provided in this Declaration. The presence of internal lock-off configurations, multiple kitchens, multiple rental agreements, or occupancy by multiple unrelated persons, households, tenants, or occupant groups shall not, by itself or in combination, cause a structure otherwise meeting this definition to be treated as more than one Dwelling.

BB. **Expenses, Common.** "Common Expenses" means operating, administrative, maintenance, repair, and management expenses incurred by the Association that are common to and benefit the entire Project. Common Expenses do not include contributions to any Reserve Fund, Capital Fund, or Insurance Deductible Fund, which are governed separately by this Declaration and applicable law.

CC. **Expenses, District Common.** "District Common Expenses" means operating, administrative, maintenance, repair, insurance, management, reserve, or other expenses incurred by or on behalf of the Association that are common to and benefit only the Lots within a particular Assessment District and not the Project as a whole. District Common Expenses do not include contributions to any Reserve Fund, Capital Fund, or Insurance Deductible Fund, except to the extent this Declaration expressly provides for district-specific reserve, capital, or insurance-deductible funding.

DD. **Fee.** "Fee" means a monetary charge imposed by the Association for a specific service, activity, transaction, administrative action, or use right, including charges for document preparation, disclosures, account setup, administrative processing, late payment processing, or similar items. A Fee is not an Assessment, does not constitute a Fine or Penalty, and does not create a lien against a Lot unless and only to the extent expressly authorized by this Declaration and permitted by applicable law.

EE. **Fine.** "Fine" means a monetary penalty imposed for a violation of the Governing Documents. A Fine is not an Assessment and does not constitute a lien against a Lot unless and only to the extent that this Declaration expressly characterizes the Fine as an Individual Assessment and such characterization and enforcement are permitted by applicable law.

FF. **Fully Funded Balance.** "Fully Funded Balance" means the Reserve Fund balance calculated in a Reserve Study that represents one hundred percent (100%) funding of the reserve components identified in that Reserve Study as of a given point in time, based on the assumptions, projections, and methodology used in such Reserve Study.

GG. **Fund, Capital.** "Capital Fund" means money or other highly liquid assets set aside for funding a Capital Improvement, but not for operating expenses, maintenance or repair expenses, or projects intended to be funded by the Reserve Fund. Capital Funds shall be maintained in an account separate from other Association funds.

HH. **Fund, Insurance Deductible.** "Insurance Deductible Fund" means a fund established by the Association and funded in an amount equal to a property insurance deductible applicable to property that the Association is responsible to insure under this Declaration or, if such deductible exceeds \$10,000, in an amount not less than \$10,000, as required by Section 405(8) of the Act.

II. **Fund, Reserve.** "Reserve Fund" means money or other highly liquid assets set aside to fund the cost of repairing, replacing, or restoring Common Area and Association-maintained facilities that have a useful life of three (3) years or more and a remaining useful life of less than 30 years, in accordance with a Reserve Study conducted pursuant to Section 211 of the Act. A Reserve Fund is not intended to fund operating expenses, ordinary or routine maintenance expenses, or discretionary Capital Improvements that create new assets or materially expand or enhance existing Improvements beyond their original design, unless otherwise approved in accordance with this Declaration and applicable law. Nothing in this definition shall be construed to prohibit the Association from identifying, planning for, or voluntarily funding components with a longer remaining useful life, provided such funding complies with this Declaration and applicable law.

JJ. **Good Standing.** "Good Standing" means: (1) free of any delinquent Assessments, Fines, Fees, or other amounts due and payable to the Association under the Governing Documents or applicable law; (2) free of any unresolved violations of the Governing Documents for which written notice has been issued by the Association, the notice has become effective, and the time stated in the notice for resolving the violation has expired without resolution; and (3) in compliance with the duty to provide and maintain current contact information with the Association under Section 3.6 (Current Owner and Resident Contact Information; Continuing Duty; Good Standing). Each Owner, each Resident, and each Lot must separately satisfy the foregoing requirements in order to be in Good Standing. A Member is in Good Standing only if the Member's Lot, all Owner(s) of that Lot, and all Resident(s) of that Lot are in Good Standing.

KK. **Governing Documents.** "Governing Documents" means the written instruments by which the Association may exercise its powers or manage, maintain, or otherwise affect the property under its jurisdiction, including this Declaration, the Plat, the Articles of Incorporation, the Bylaws, any duly adopted Resolutions and Rules, and any formal written decisions or determinations adopted by the Board or Members pursuant to authority expressly granted by the Governing Documents, as each may be amended, restated, or supplemented from time to time.

LL. **Improvements.** "Improvements" means all buildings, structures, fixtures, appurtenances, and other improvements of any kind, whether temporary or permanent, now or hereafter located on a Lot, within a Unit, or within the Common Area or Limited Common Area, including without limitation Dwellings, accessory structures, garages, patios, decks, fences, mechanical systems, utility facilities, landscaping, paving, and any replacements, repairs, expansions, additions, or reconstructions thereof. Improvements include both those originally constructed as part of the development of the Project and those constructed, modified, replaced, or reconstructed thereafter in accordance with this Declaration and applicable law.

MM. **Improvement, Capital.** "Capital Improvement" means an Improvement that constitutes (1) a new Improvement, or (2) a material replacement, reconstruction, expansion, upgrade, or enhancement of an existing Improvement, in each case that (a) materially extends the useful life of the Improvement, materially increases its capacity, efficiency, or functionality, or results in a new or materially enhanced asset of the Association as distinguished from expenditures intended solely to preserve existing condition, and (b) is reasonably expected to provide benefits beyond the current budget year, as determined by the Board in good faith. Capital Improvements do not include routine maintenance, ordinary repairs, or replacement in kind performed solely to maintain an existing Improvement in its ordinary operating condition without material enhancement or life extension.

NN. **Indemnitees.** "Indemnitees" means the Association, each current or former Director, officer, committee member, volunteer, employee, agent, representative, trustee, Manager, and any director, officer, member, manager, employee, agent, or representative of a Manager, and any other Person entitled to indemnification, defense, limitation of liability, release, waiver, or similar protection under this Declaration, the Articles of Incorporation, the Bylaws, a Board-approved contract, or applicable law.

OO. **Land.** "Land" means the real property comprising all phases and portions of the Project, whether now or hereafter platted, as described or depicted in the Plat.

PP. **Living Area.** "Living Area" means the habitable interior space within a Dwelling, excluding any area or structure that, at the time of original construction, was designed or intended primarily for storage or other non-habitable use, including but not limited to garages, attics, patios, and utility rooms. Any excluded area shall become Living Area only if and when all permits or approvals required by the applicable governmental authority for lawful residential occupancy of that area have been issued. Any such area shall thereafter be considered Living Area for all purposes under the Governing Documents.

QQ. **Lot.** "Lot" means any lot designated on the Plat or otherwise expressly designated as a Lot in this Declaration, together with any Unit or other appurtenant Improvements thereon, whether or not a Unit has been constructed thereon, and regardless of the Lot's configuration, classification, permitted use, construction

status, occupancy status, or Assessment District classification. For purposes of this Declaration, Lot is the legal, ownership, governance, membership, voting, assessment, lien, eligibility, notice, enforcement, insurance, risk-allocation, account status, and transfer reference for the property interest subject to the Governing Documents.

RR. **Maintenance Obligation.** "Maintenance Obligation" means the duty of a specified party, at that party's own expense, to: (1) reasonably clean, care for, inspect, test, operate, manage, maintain, repair, and replace the designated property, system, or component as necessary; and (2) perform preventive, risk-based, and corrective maintenance in accordance with generally accepted community association and building-industry standards. A Maintenance Obligation applies to the Association, to an Owner, or to another party as expressly allocated by this Declaration or other Governing Documents, and does not apply where such obligation is explicitly excluded or otherwise reassigned by specific provisions.

SS. **Majority.** "Majority" means at least fifty-one percent (51%).

TT. **Manager.** "Manager" means any Person engaged by the Board to act as the Association's managing agent to manage all or part of the Association, its operations, records, enforcement, finances, communications, Common Area, Maintenance Obligations, or other Association functions, subject to the authority and control of the Board and pursuant to a written agreement. Acts of a Manager within the scope of authority delegated by the Board and in the performance of its duties as such shall be deemed acts of the Association (and, as applicable, the Board) solely for purposes of governance, enforcement, and liability allocation under the Governing Documents and applicable law, and shall not be construed to expand any authority that may not be delegated under applicable law.

UU. **Member.** "Member" means the Owner of a Lot or, in the case of multiple Owners of the same Lot, all such Owners collectively. There shall be one (1) Member per Lot, regardless of the number of co-Owners. Notice given to any one Owner of a Lot shall constitute notice to the Member and to all co-Owners of that Lot for all purposes under the Governing Documents.

VV. **Owner.** "Owner" means a Person holding a Present Ownership Interest in a Lot. For purposes of exercising rights under the Governing Documents, an Owner may act through an Attorney-in-Fact or an Owner Representative, as applicable.

WW. **Owner Representative.** "Owner Representative" means a natural person who is a director, officer, member, manager, trustee, beneficiary with present occupancy rights, or other authorized representative of an Owner that is a legal entity or trust, as such Owner may appoint from time to time. For purposes of notices, meetings, proxy appointments, written ballots, votes, and eligibility to act on behalf of an Owner under the Governing Documents, an Owner Representative shall be treated as the Owner. An Owner Representative shall not be considered the Owner for purposes of assessment liability, enforcement liability, or legal title unless the Person is otherwise an Owner under this Declaration and applicable law.

XX. **Party Wall.** "Party Wall" means any portion of a wall, foundation wall, ceiling, floor, roof, structural support, or other shared building component, including those of an attached garage or similar structure or other non-Living Area, that is located on or constructed along the boundary between adjoining Lots or adjoining Units and that is shared by or serves two or more adjoining Units.

YY. **Penalty.** "Penalty" means any punitive monetary charge imposed for noncompliance with the Governing Documents, regardless of the label applied to such charge. Unless expressly characterized as a Fine or as an Individual Assessment in accordance with this Declaration and applicable law, a Penalty is not collectible as an Assessment and does not give rise to a lien against a Lot.

ZZ. **Person.** "Person" means an individual, corporation, partnership, company, association, trust, or other legal entity of any kind whatsoever.

AAA. **Plat.** "Plat" means one or more subdivision plat maps, together with any replats, amendments, or supplements thereto, depicting all or any portion of the Project, as such plats may be duly recorded from time to time in the official records of the County. One or more plats comprising the Plat may be attached to this Declaration as **Exhibit A**, as updated or supplemented from time to time.

BBB. **Present Ownership Interest.** "Present Ownership Interest" means, with respect to a Lot: (1) a fee simple interest; (2) a joint tenancy, tenancy in common, or tenancy by the entirety; (3) a life estate; (4) the legal interest of a trustee holding title to the Lot in trust; or (5) the beneficial interest of a beneficiary who holds present occupancy rights in the Lot under the trust instrument or by consent of the trustee. A Present Ownership Interest does not include a security interest in the Lot, such as a mortgage, deed of trust, or similar instrument.

CCC. **Project.** "Project" means the real property development known as Legacy Beach at Bear Lake HOA, consisting of all phases of development from time to time, as depicted on the Plat and as otherwise described in this Declaration, including without limitation the Land, Lots, Units and other Improvements located on Lots, Common Area, Limited Common Area, easements, rights, and Association-owned articles of personal property intended for use in connection therewith.

DDD. **Properly Allocable.** "Properly Allocable" means, with respect to an expense, cost, reserve contribution, deductible obligation, insurance premium, or other Association expenditure or funding obligation, reasonably attributable to the ownership, use, operation, maintenance, repair, replacement, insurance, administration, or benefit of a Lot, Assessment District, group of Lots, Common Area, Limited Common Area, Improvement, or other portion of the Project under this Declaration. An expense is not Properly Allocable to all Lots merely because the Association incurs the expense, pays the expense, administers the work, or includes the expense in the Association's Budget or a District Budget.

EEE. **Reserve Study.** "Reserve Study" means an analysis consistent with the minimum requirements of Section 211 of the Act that is performed by a competent third-party provider experienced in conducting such analyses and that includes a recommended reserve allocation amount for 100% funding of the Reserve Fund.

FFF. **Resident.** "Resident" means any natural person, other than a transient guest or invitee, who lawfully resides in a Dwelling on a Lot with the permission of the Owner or a lawful tenant, including without limitation an Owner, tenant, family member, or other lawful occupant residing in the Dwelling.

GGG. **Resolution.** "Resolution" means a formal written action adopted by the Board or the Members of the Association, acting in the Association's capacity as a nonprofit corporation, that establishes policy, authorizes or implements Association action, or governs the internal affairs, procedures, or delegation of authority of the Association. A Resolution is adopted pursuant to applicable authority under the Nonprofit Act, this Declaration, the Articles of Incorporation, or the Bylaws, as applicable, and is a Governing Document of the Association. A Resolution is void and of no effect to the extent it conflicts with applicable law, this Declaration, the Articles of Incorporation, or the Bylaws, or to the extent a matter is required by applicable law or this Declaration to be adopted or governed by a Rule or by a different Governing Document. A Resolution does not include a Rule, except to the extent expressly stated in the Resolution. The Association may not avoid the procedural, notice, approval, posting, distribution, disapproval, or other requirements applicable to Rules by adopting, labeling, or enforcing a Rule as a Resolution. A Resolution is not subject to the requirements of Section 217 of the Act unless the substance of the Resolution constitutes a "Rule" as defined in this Declaration and applicable law.

HHH. **Rule.** "Rule" means a duly adopted policy, guideline, restriction, procedure, or regulation of the Association that: (1) is not set forth in a contract, easement, Articles of Incorporation, Bylaws, or this Declaration; and (2) governs: (a) the conduct of Persons; or (b) the use, quality, type, design, or appearance of real property or personal property. A policy, guideline, restriction, procedure, regulation, standard, or other action that satisfies this definition is a Rule regardless of the title, label, form, or document type used by the Association. A Rule does not include a Resolution or the internal business operating procedures of the Board.

III. **Section, Common Budget.** “Common Budget Section” means the portion of the annual Budget reflecting the anticipated Common Expenses and Common Reserve Component of the Association that benefit the Project as a whole and are allocated among all Lots.

III. **Section, District Budget.** “District Budget Section” means the portion of the annual Budget reflecting the anticipated District Common Expenses and any District Reserve Component attributable solely to a particular Assessment District and allocated only among the Lots within that Assessment District.

KKK. **Unit.** “Unit” means the principal Improvement situated on a Lot, or the principal separately identifiable portion thereof, that is associated with the occupancy, use, maintenance classification, insurance classification, or lease of that Lot, regardless of type, configuration, physical attachment, or permitted use. A Unit may exist as an Attached Unit, Detached Unit, Townhome Unit, or Single-Family Unit, as those terms are defined in this Declaration. The existence, nonexistence, damage, destruction, uninhabitability, alteration, or removal of a Unit shall not alter the separate legal existence of the Lot on which the Unit is or was located, nor shall it affect the Lot’s membership, voting, assessment, lien, enforcement, insurance, risk-allocation, or transfer status except as expressly provided in this Declaration.

LLL. **Unit, Attached.** “Attached Unit” means a Unit originally intended and constructed to share one or more Party Walls with one or more adjoining Units. An Attached Unit shall be deemed to constitute or include an “attached dwelling” under the Act to the extent the Unit includes a Dwelling that is physically attached to another dwelling.

MMM. **Unit, Detached.** “Detached Unit” means a Unit originally intended and constructed not to share a Party Wall with another Unit. A Detached Unit shall be deemed to constitute or include a “detached dwelling” under the Act to the extent the Unit includes a Dwelling that is not physically attached to another dwelling.

NNN. **Unit, Single-Family.** “Single-Family Unit” means a Detached Unit originally designed and approved as a single Dwelling.

OOO. **Unit, Townhome.** “Townhome Unit” means an Attached Unit originally designed and approved as a single Dwelling.

PPP. **Voting Interest.** “Voting Interest” means the voting power allocated to a Lot for purposes of Member voting under this Declaration, the Bylaws, and applicable law. Each Voting Interest shall at all times remain appurtenant to and inseparable from the Lot to which it is allocated. The exercise of Voting Interests, including any limitations or suspensions, shall be governed exclusively by Article 4 (Membership Classes and Voting Interests) and other applicable provisions of this Declaration.

3. HOMEOWNERS ASSOCIATION

3.1. Planned Unit Development

The Project is a lot-based planned unit development (“PUD”) for all purposes of applicable law and mortgage underwriting. Each Lot is a separate platted lot and, together with any Unit and other appurtenant Improvements thereon, constitutes the Lot-based property interest governed by this Declaration.

No Owner holds any undivided fractional interest in the Common Area or other Association-owned real property as part of Lot ownership, and no portion of the Project is intended to be or shall be construed as a condominium, cooperative, or similar form of common-interest ownership involving undivided fractional interests in real property.

Assessments levied by the Association constitute obligations appurtenant to ownership of a Lot and shall not be construed as creating any partnership, joint venture, tenancy in common, or shared ownership interest among Owners.

3.2. Organization

The Association is, or shall be, organized as a Utah nonprofit corporation subject to the Nonprofit Act and is governed by the Act. The Association is a homeowner association within the meaning of Section 102(2)(a) of the Act, the jurisdiction of which is described in this Declaration and the Plat, and the Members of which are Owners of Lots within such jurisdiction, including Owners of residential Lots who, by virtue of such ownership and membership, are obligated to pay at least real property taxes on the Lots they own. The Association is not an association created under the Utah Condominium Ownership Act, as provided in Section 102(2)(b) of the Act.

All Lots, Common Area, Limited Common Area, Units, and other Improvements within the Project, as shown on the Plat or designated in this Declaration, are subject to the authority of the Association and its Governing Documents.

3.3. Property Submitted to Declaration

The real property subject to this Declaration consists solely of the real property located in Garden City, Rich County, Utah, more particularly described in **Exhibit A** attached hereto and incorporated herein by reference, including the recorded plats described therein, as the same exist as of the date of recording of this Declaration.

No additional real property may be annexed to the Project except by amendment to this Declaration approved pursuant to Section 20.10 (Amendment) of this Declaration.

This Declaration does not reserve any right to annex, expand, withdraw, or otherwise alter the boundaries of the Project without amendment approved by the Members as provided herein.

3.4. No Partition

Except as expressly permitted by this Declaration or required by law, no Owner shall bring any action for partition of the Common Area or any interest therein, and each Owner waives any right to partition such property.

3.5. Membership

Membership in the Association is appurtenant to each Lot and shall automatically transfer with title to the Lot. There shall be one membership per Lot, regardless of the number of Owners of that Lot. The Owner of a Lot, or if a Lot has multiple Owners, all Owners of that Lot collectively, shall constitute the Member of the Association with respect to that Lot for so long as a Present Ownership Interest in the Lot is held. Membership is not optional and may not be separated from ownership of a Lot, nor may it be waived, transferred, or terminated independently of such ownership. The rights of membership shall be exercised only as provided in this Declaration, the Bylaws, and applicable law.

Notice to any one Owner of a Lot shall constitute notice to the Member and all co-Owners of that Lot.

3.6. Current Owner and Resident Contact Information; Continuing Duty; Good Standing

Upon becoming an Owner or Resident, and upon reasonable request of the Association, each Owner and Resident shall provide the Association with current contact information, including: (1) the Owner's or Resident's full legal name and, if the Owner is a legal entity, the state in which the legal entity was formed; (2) the address of the Owner's or Resident's primary residence or, if the Owner is a legal entity, the address of its principal office; (3) the address of the Lot by which the Person is an Owner or Resident; (4) the Owner's or Resident's email address; and (5) the Owner's or Resident's telephone number.

EACH OWNER AND RESIDENT HAS A CONTINUING DUTY TO KEEP THE OWNER'S OR RESIDENT'S CONTACT INFORMATION CURRENT WITH THE ASSOCIATION. The Association may rely on the contact information shown in the Association's records for purposes of delivering notices, violation notices, fine notices, meeting notices, written ballots, statements, invoices, records, and other Association communications. An Owner's or Resident's failure to provide or maintain

current contact information does not invalidate any notice or communication delivered in accordance with the contact information then shown in the Association's records.

AN OWNER OR RESIDENT WHO FAILS TO PROVIDE OR MAINTAIN CURRENT CONTACT INFORMATION IS NOT IN GOOD STANDING AND IS IN VIOLATION OF THIS DECLARATION FOR SO LONG AS THE FAILURE CONTINUES.

3.7. Governing Document Applicability and Binding Effect

The following provisions govern the applicability and binding effect of this Declaration and the Governing Documents:

3.7.1. Covenants Run with the Land

The covenants, conditions, restrictions, and obligations set forth in this Declaration, together with all other Governing Documents (including recorded Bylaws and any duly adopted Rules and Resolutions), are hereby declared to be covenants that touch and concern the land, shall run with and bind title to all property within the Project, and shall inure to the benefit of and be binding upon all current and future Owners, Residents, tenants, occupants, guests, invitees, successors, and assigns who hold or acquire any interest in any Lot within the Project.

3.7.2. Binding Upon All Owners and Successors

Without limitation, these covenants and Governing Documents shall be binding upon and enforceable against all current and future Owners of any Lot within the Project, and against their respective heirs, successors, personal representatives, tenants, occupants, guests, and invitees, and shall inure to the benefit of all other Owners and the Association. By the acceptance of a deed, lease, or any other instrument conveying an interest in any Lot, each grantee, tenant, occupant, or successor shall be deemed to have agreed to and accepted the burdens and benefits of this Declaration and the Governing Documents.

3.7.3. Independence from Corporate Status

Without limitation, the covenants, conditions, restrictions, and obligations set forth in this Declaration, together with all other Governing Documents, are covenants running with the land and shall remain in full force and effect regardless of the existence, status, dissolution, reinstatement, or reincorporation of the Association as a corporate entity. Such covenants and obligations set forth in this Declaration and the Governing Documents, including without limitation the obligation of Owners to pay Assessments and the Association to perform its Maintenance Obligations, shall remain binding and enforceable during any period in which the Association exists solely for purposes of winding up under Section 1405 of the Nonprofit Act or successor statute, and actions necessary to carry out covenant-based obligations and operations shall be deemed proper and not ultra vires. The validity, enforceability, and continuity of the Governing Documents, and the obligations of the Association, the Owners, and their respective successors and assigns, shall not be affected or impaired by any change in the Association's corporate status.

3.7.4. Constructive Notice

Pursuant to Utah Code Ann. § 57-3-102, all Owners, Residents, tenants, occupants, guests, invitees, successors, and assigns are deemed to have constructive notice of this Declaration, the Bylaws, and any other Governing Documents that are recorded in the real property records of the County, and are legally obligated to comply with their terms.

3.7.5. Owner Responsibility

Each Owner shall be responsible for ensuring that their Residents, tenants, guests, and invitees comply with all Governing Documents, whether or not recorded, and each Owner may be held liable for any violation thereof.

3.8. Governing Body

The governing body of the Association shall be the Board of Directors. Members of the Board shall be elected in accordance with the procedures outlined in the Bylaws. Except as otherwise limited by the Act, this Declaration, or the Bylaws, the Board acts in all instances on behalf of the Association pursuant to Section 501(5) of the Act.

3.9. Registration

The Board shall cause the Association to be timely registered in the Utah Department of Commerce Homeowner Associations Registry, and shall cause such registration to be timely updated, in accordance with Section 105 of the Act.

3.10. Power of Sale

The Association's lien and enforcement rights with respect to Assessments and other amounts owed under this Declaration shall be as provided in Section 301 of the Act and related provisions of the Act, and any successor or other applicable statutes. Nothing in this Declaration is intended to create a deed of trust or convey a power of sale separate from the statutory lien provided by law.

3.11. Duties, Powers, and Obligations

The Association shall have, exercise, and perform all of the duties, powers, and obligations granted to it under the Nonprofit Act, the Act, other applicable law, this Declaration, the Articles of Incorporation, the Bylaws, and its other Governing Documents. Notwithstanding the foregoing, the powers of the Association, exercised through the Board, Members, or otherwise, shall be limited and restricted as provided herein.

In general, it is the intent of this Declaration that the Association shall have all duties and powers reasonably necessary to regulate and operate the Common Area and the Project as a whole for the use, enjoyment, and benefit of the Owners, Residents, and their guests and invitees. The Association shall manage these areas in a manner reasonably designed to promote safe and accessible use by such persons.

Except as required by law, this Declaration, or the Bylaws, the Association is expressly prohibited from regulating or attempting to control the personal health, safety, or welfare of Owners, Residents, their guests, invitees, or any other individuals beyond its obligations pertaining to the Common Area and Limited Common Area.

The Association is further prohibited from donating or otherwise providing Association funds to Persons, organizations, causes, advocacies, campaigns, candidates, initiatives, or otherwise, except to legitimate service providers in payment for Common Expenses, Capital Improvements, or uses of the Reserve Fund made pursuant to Section 211(9) of the Act or other applicable law.

Board members acting in their official capacity shall be individually and personally liable to the Association and its Members for acts of willful misconduct or fraud that result in violations or attempted violations of the Association's limitations, restrictions, and prohibitions enumerated in this paragraph. Such Board members shall be responsible for any attorney fees and costs incurred by the Association or its Members in enforcing this provision.

3.12. Professional Management Requirement

3.12.1. Mandatory Engagement of Professional Manager

The Association shall at all times retain a professional managing agent (the "Manager") pursuant to a written management agreement approved by the Board, except as provided in Section 3.12.3 (Temporary Board Administration Upon Contract Termination). The Manager shall be an independent third party regularly engaged in the business of community association management.

The purpose of this requirement is to promote consistent administration, financial accountability, regulatory compliance, and operational continuity for the Project.

3.12.2. Scope of Delegated Authority

Subject to the Board's ongoing oversight and fiduciary duties, the Board shall delegate to the Manager such administrative and ministerial authority as is reasonably necessary to enable the Manager to perform the management services contemplated by the management agreement: (1) preparation of proposed Budgets and administration of Assessments; (2) coordination of maintenance and vendor contracts; (3) administration of insurance procurement, claims processing, and related documentation; (4) collection and enforcement administration, subject to Board direction; (5) maintenance of Association records; and (6) such other administrative functions as are customary for professional community association management.

Delegation pursuant to this Section shall be effected through approval of the management agreement and shall be limited to the scope of services described therein.

Any delegation shall not relieve the Board of its ultimate fiduciary responsibility under the Governing Documents and applicable law.

3.12.3. Temporary Board Administration Upon Contract Termination

If a management agreement terminates and no replacement Manager is immediately available, the Board may temporarily administer the affairs of the Association without a professional Manager for a period not to exceed one hundred twenty (120) days.

The Board may extend this temporary period once, for an additional period not exceeding 120 days, upon adoption of a written resolution documenting active efforts to secure a replacement Manager.

Under no circumstance shall the Association operate without a professional Manager for more than two consecutive 120-day periods without engagement of a professional Manager.

3.13. Powers Limitations and Restrictions

In addition to limitations imposed by applicable law, this Declaration, the Articles of Incorporation, or the Bylaws, the powers of the Association are further restricted as follows. These restrictions are intended to limit the Association's authority over certain personal matters, leaving them to individuals and applicable laws and authorities.

Any exercise of power or action taken by the Association or the Board outside the authority granted by this Declaration, the Plat, Articles of Incorporation, Bylaws, or applicable law is ultra vires and unenforceable. Nothing herein limits any remedy otherwise available at law or in equity, including recovery of reasonable attorney fees and costs where authorized by this Declaration or applicable law.

3.13.1. Inconsistent Actions

Except as required by applicable law, the Association shall not act inconsistently with this Declaration, the Articles of Incorporation, or the Bylaws.

3.13.2. Conflicting Rules

The Association shall not establish any Rule or Resolution that conflicts with applicable law, this Declaration, the Articles of Incorporation, or the Bylaws. Any conflicting Rule or Resolution is void and unenforceable.

3.13.3. Owner Easements

Except as provided by applicable law, this Declaration, the Articles of Incorporation, or the Bylaws, or for purposes of reasonable maintenance or repairs, the Association shall not unreasonably limit or restrict an Owner's right to use and enjoy the Common Area or any Limited Common Area appurtenant to the Owner's Lot.

Notwithstanding the above, the Association may temporarily close any portion of the Common Area or Amenities for purposes of reservations, inclement weather, hazardous conditions, its Maintenance Obligations, or to comply with governmental regulations, or the Limited Common Area for purposes of its Maintenance Obligations.

3.13.4. Personal Property

Except as provided by this Declaration, the Association shall not unreasonably interfere with personal property kept at, or transported to and from, a Dwelling, provided such personal property complies with applicable laws and regulations. The Association shall not discriminate against any Person regarding such personal property.

3.13.5. Religion

Except as provided by this Declaration, the Association shall not interfere with any Person's free exercise of religion, nor discriminate against any Person in relation to the free exercise of religion, provided that such activities do not unreasonably disturb other Residents. Religious beliefs or practices shall not be a subject or condition of any Rule or Resolution.

3.13.6. Speech

Except as provided by this Declaration or the Bylaws, the Association shall not interfere with any Person's right of free speech, nor discriminate against any Person in relation to free speech, provided that such speech complies with applicable laws and does not infringe upon the rights of others.

3.13.7. Assembly

Except as provided by this Declaration, the Association shall not interfere with any Owner's or Resident's right to peaceably assemble at a Dwelling, virtually, or outside the Project, including with guests and invitees, nor discriminate against any Person in relation to peaceably assembling at a Dwelling, virtually, or outside the Project, provided that such activities comply with applicable laws and do not unreasonably disturb other Residents. This right shall not be a subject or condition of any Rule or Resolution.

3.13.8. Association

Except as provided by this Declaration, the Association shall not interfere with any Person's right to associate or their right to privacy in relation thereto, nor discriminate against any Person in relation to these rights, provided that such activities do not unreasonably disturb other Residents. These rights shall not be a subject or condition of any Rule or Resolution.

3.13.9. Arms

The Association shall not interfere with an individual's legal right to keep, bear, and lawfully use arms (including firearms, ammunition, and appurtenances to such), nor discriminate against any individual in relation to this right, provided that such activities comply with applicable laws. This right shall not be a subject or condition of any Rule or Resolution.

3.13.10. Units

Except as provided by applicable law, this Declaration, or the Bylaws, or in cases of emergency, the Association and its representatives shall not enter a Unit without the express permission of the Owner of the Lot on which the Unit is located.

3.13.11. Working from Home

Except as provided by this Declaration, including the Business Use limitation herein, the Association shall not interfere with any Resident's right to work from home at their Dwelling, nor discriminate against any individual in relation to working from home. Working from home shall not be a subject or condition of any Rule or Resolution. As used herein, "working from home" means working from home for or on behalf of a business rather than working at an office, facility, or other location of the company.

3.13.12. Fines and Punishments

The Association shall not impose excessive fines or inflict cruel or unusual punishments. Fines may only be imposed for violations of the Governing Documents as provided in this Declaration, the Bylaws, and the Act, and must be reasonable and supported by proper notice.

Notwithstanding the foregoing, the Association may impose fines and limit the use of Common Area and Limited Common Area as provided in this Declaration, the Bylaws, and the Act.

3.13.13. Household Composition

Except as provided by applicable law or this Declaration, the Association shall not interfere with any Owner's or Resident's right to determine the composition of their households, nor discriminate against any Person in relation to household composition, provided that occupancy complies with applicable laws.

3.13.14. Privacy

Except as provided by this Declaration, the Articles of Incorporation, or the Bylaws, the Association shall not violate any Person's right to privacy or conduct unreasonable searches and seizures of persons, vehicles, Dwellings, offices, private property, papers, or effects (whether electronic or otherwise).

Except as required of the Association by applicable law or this Declaration, the Association shall not mandate or forbid any medical treatments or procedures for any individual, including vaccinations, nor require personal health information without consent. The Association shall not discriminate against any Person in relation to these matters, nor shall they be a subject or condition of any Rule or Resolution.

Except as required of the Association by applicable law or this Declaration, the Association shall not mandate or forbid the use of any medical device or health-related device by any individual, including face coverings and social distancing, nor require evidence or verification of the foregoing. The Association shall not discriminate against any Person in relation these matters, nor shall they be a subject or condition of any Rule or Resolution.

Except as required of the Association by applicable law or this Declaration, the Association shall not require any individual to provide or disclose any health-related information, nor discriminate against any Person in relation to such information or the lack thereof. The Association shall not collect or maintain any such information without consent, which may be withdrawn in writing at any time, and shall handle any such collected information in compliance with privacy laws. Health-related information shall not be a subject or condition of any Rule or Resolution.

3.13.15. Activism

Except as authorized in this Declaration or the Bylaws, the Association shall not promote, fund, or otherwise engage in any form of political, social, or other forms of activism or advocacy, nor shall any Common Area, Limited Common Area, or other Association property be used for such.

3.14. No Fiduciary Relationship

Except as expressly provided by applicable law, nothing in this Declaration shall be construed to create or expand any fiduciary relationship between the Association or the Board and any Owner with respect to matters beyond the Association's duties concerning its Maintenance Obligations, the Common Area, and enforcement of the Governing Documents.

3.15. Reinstatement or Reincorporation of the Association Upon Dissolution

In the event the Association, a Utah nonprofit corporation, is administratively or voluntarily dissolved, it shall be reinstated in accordance with Section 1412 of the Nonprofit Act or any applicable successor statute. If reinstatement is not available or permitted, the Association shall be reincorporated in accordance with Section 221 of the Act or other applicable law. To preserve or restore the Association's legal existence and its authority under this Declaration, the Board of Directors—or, if necessary, any Owner—may take all actions necessary and proper to effectuate such Reinstatement.

As used in this Section, the term "Reinstatement" means either: (1) reinstatement under Section 1412 of the Nonprofit Act or any successor statute; or (2) reincorporation under Section 221 of the Act or other applicable law, as the case may be.

3.15.1. Authority to Reinstate by Board of Directors

Upon dissolution of the Association's corporate status, the Board of Directors shall take all necessary and proper actions to effectuate the Reinstatement of the Association, including reinstatement under Section 1412 of the Nonprofit Act or, if reinstatement is not available or permitted, reincorporation under Section 221 of the Act or other applicable law. The Board shall preserve, to the extent practicable, the Association's original name, corporate powers, and governing documents.

3.15.2. Authority to Reinstate by Any Owner

If, following the dissolution of the Association's corporate status, no functioning Board of Directors exists, or if the Board fails to timely effectuate Reinstatement, any one or more Owner (hereafter, "Owner(s)") is hereby authorized to take all necessary and proper actions to complete the Reinstatement of the Association.

If Reinstatement is accomplished through reincorporation under Section 221 of the Act or other applicable law, such Owner(s) is hereby deemed the "acting directors" for purposes of executing the reincorporation, and may prepare and file Articles of Incorporation substantially similar to those in effect at the time of dissolution. If required under the Utah Revised Nonprofit Corporation Act, such Owner(s) may also act as incorporator for purposes of signing and submitting the Articles.

Upon successful filing, the Owner(s) shall call a meeting of the members pursuant to the Bylaws for the purpose of electing a new Board of Directors. Once elected, the Board shall resume all powers, duties, and responsibilities under the Governing Documents.

3.15.3. Protection of Reinstating Parties

In the event that the Board of Directors or any Owner(s) takes good-faith steps to effectuate the Reinstatement of the Association in accordance with this Section, the following protections shall apply to any such party (the "Reinstating Party").

1. **Indemnification:** The Association shall indemnify, defend, and hold harmless the Reinstating Party from and against any and all claims, liabilities, damages, or expenses—including reasonable attorney's fees and court costs—incurred in connection with the Reinstatement of the Association, to the extent arising from good-faith actions consistent with this Declaration and applicable law.
2. **No Personal Liability:** The Reinstating Party shall not be personally liable for any actions taken in good faith and consistent with this Declaration and applicable law to effectuate the Reinstatement of the Association, including but not limited to preparing and filing Articles of Incorporation or applications for reinstatement, submitting required documentation, or calling a meeting of the members to elect Directors.
3. **Reimbursement of Legal Fees and Costs:** The Association shall reimburse the Reinstating Party for all reasonable and documented expenses related to the Reinstatement, including filing fees, attorney's fees, and other costs incurred in obtaining legal advice or responding to claims from other Owners or third parties, provided such expenses were reasonably incurred in good faith and consistent with this Declaration and applicable law.
4. **Waiver of Claims by Owners:** By accepting title to a Lot, each Owner agrees that this covenant shall run with the land and shall be binding on all current and future Owners. Each Owner expressly waives any claim, lawsuit, or other proceeding against a Reinstating Party arising from good-faith efforts consistent with this Declaration and applicable law to restore the Association's legal status. Any such action shall be subject to immediate dismissal.
5. **Judgment for Fees and Costs:** If any Owner or other party—including the Association—files a legal action against a Reinstating Party in violation of this Section, the Reinstating Party shall be entitled to: (a) immediate dismissal of the action, provided the Reinstating Party acted in good faith and consistent with this Declaration and applicable law; (b) judgment for all reasonable

attorney's fees, court costs, and enforcement expenses incurred in defending the action; (c) post-judgment collection costs, including garnishment, execution, or attachment; and (d) interest on the judgment at the maximum rate permitted by Utah law from the date of entry until paid in full.

6. **Association Responsibility:** If the Association lacks sufficient insurance coverage at the time Reinstatement is undertaken, the Association shall remain financially responsible for all indemnifiable expenses reasonably incurred in good faith and consistent with this Declaration and applicable law, and shall take prompt steps to secure adequate coverage thereafter.

3.15.4. Continuity of the Association

Reinstatement of the Association, whether by reinstatement or reincorporation as defined in this Section, shall not impair or affect the continuity of the Association's existence. As further provided in Section 3.7.3 (Independence from Corporate Status), the covenants and obligations of this Declaration and the other Governing Documents remain binding regardless of the Association's corporate status. Upon Reinstatement, the Association shall retain and continue to exercise all rights, powers, duties, and obligations it held immediately before dissolution of its corporate status—including, without limitation, the authority to manage and maintain the Common Area, enforce the Governing Documents, levy and collect Assessments, and perform all other Association functions as if no dissolution had occurred.

The administrative or voluntary dissolution of the Association's corporate entity shall not create, and shall not be construed to create, any tenancy in common, partnership, joint venture, or other shared ownership interest among Owners, nor shall it alter the lot-based ownership structure of the Project as established in Section 3.1 (Planned Unit Development).

3.15.5. Filing and Recording

The Board or any Owner is authorized to prepare, file, and/or record all documents necessary to effectuate the Reinstatement of the Association, including, without limitation, any applications for reinstatement, articles of incorporation, reinstatement certificates, and notices to government agencies or the public. Upon Reinstatement by reincorporation, the Bylaws in effect at the time of dissolution shall be deemed readopted in accordance with Section 221(2)(a) of the Act, or any successor statute.

3.15.6. No Dissolution of the Association

The administrative or voluntary dissolution of the Association's corporate entity, or its failure to maintain corporate status, shall neither dissolve the Association as an unincorporated entity, nor shall it impair its continued existence, purpose, or authority under this Declaration and the other Governing Documents. All rights, duties, powers, and obligations of the Association, the Board of Directors, and the Owners shall remain in full force and effect and shall be subject to Reinstatement as provided in this Section. As further provided in Section 3.7.3 (Independence from Corporate Status), all such rights, duties, powers, and obligations remain in full force and effect and are subject to Reinstatement under this Section.

3.15.7. Binding Effect

To ensure enforceability and continuity, the provisions of this Section shall run with the land and shall be binding upon, and enforceable by, the Association (whether incorporated or unincorporated), the Board of Directors, and all current and future Owners, together with their respective heirs, successors, assigns, personal representatives, and any party claiming through them. This binding effect expressly includes the rights and responsibilities related to the Reinstatement of the Association and the protections afforded to any Reinstating Party as limited to good-faith actions consistent with this Declaration and applicable law. As further provided in Section 3.7 (Governing Document Applicability and Binding Effect), this binding effect includes the perpetual enforceability of the Governing Documents regardless of corporate status.

4. MEMBERSHIP CLASSES AND VOTING INTERESTS

The Association shall have one class of voting members—Class A Members. The Association shall also have one class of nonvoting members—Class B Members. Voting Interests under this Article are allocated to Members in accordance with the classes of membership defined herein.

4.1. Class A Members

All Owners are Class A Members, except as otherwise provided in this Article. Each Class A Member is allocated a single Voting Interest, being one (1) vote for each Lot owned. The Voting Interest allocated to a Lot shall at all times remain tied to the Lot; however, the right to exercise that Voting Interest is suspended during any period in which the Member, any co-Owner, any Resident of the Member's Lot, or the Lot itself is not in Good Standing, as defined in this Declaration.

4.2. Class B Members

Class B Members shall be nonvoting Members of the Association. Any Owner shall be reclassified as a Class B Member if the Owner, individually or in concert with others, acquires or holds a Present Ownership Interest in at least six (6) Lots (the "Ownership Threshold"). Such reclassification shall occur automatically upon acquisition of the Ownership Threshold and shall not require Board action.

4.2.1. Individual Ownership

Any Owner, other than the Association itself acting in its ordinary capacity under this Declaration and the Governing Documents, who individually acquires or holds an Ownership Threshold shall be reclassified as a Class B Member.

4.2.2. Collective Ownership

Two or more Owners who act in concert pursuant to any agreement, arrangement, or understanding outside of the normal governance of the Association and collectively acquire or hold an Ownership Threshold shall each be reclassified as Class B Members. "Act in concert" means any agreement, arrangement, or understanding, whether formal or informal, to coordinate actions for the purpose of acquiring, holding, voting, or disposing of ownership interests in Lots, other than actions taken solely through participation in the Association's ordinary governance as provided in this Declaration and the Governing Documents. Ownership interests acquired or held by Persons directly or indirectly controlled by the same Person or group of Persons shall be aggregated for purposes of this Section.

4.2.3. Disclosure Requirement

Any Owner who individually or collectively acquires, holds, or changes an Ownership Threshold shall provide written notice to the Association within thirty (30) days, disclosing: (a) the identities of all involved Owners; and (b) the total number of Lots owned.

4.2.4. Waiver of Confidentiality

By acquiring or holding an Ownership Threshold, Owners consent to the Association's use of the disclosed information for purposes of enforcing this Section and other lawful Association purposes, including disclosure as required under the Act or the Nonprofit Act. Owners waive any claim of confidentiality with respect to such disclosures.

4.2.5. Verification Rights

The Association may verify the accuracy of Owner disclosures through public records or other lawful means.

4.2.6. Purpose of Nonvoting Class B Membership

The purpose of the nonvoting Class B Membership is to preserve balanced governance of the Association and to prevent any Person or group of Persons from obtaining disproportionate control through the ownership or acquisition of multiple Lots.

4.2.7. Sole Ownership Exception.

Notwithstanding anything in this Article, if a single Owner acquires and holds one hundred percent (100%) of the Lots in the Project, that Owner shall be classified solely as a Class A Member, not a Class B Member, and shall be entitled to exercise all Voting Interests in the Association.

4.3. One Vote per Lot

Each Lot is allocated a single, indivisible Voting Interest equal to one (1) vote. Regardless of the number of Owners of a Lot, only one (1) vote may be cast for that Lot. If co-Owners cannot agree on how to cast their Lot's Voting Interest, the right to vote for that Lot is deemed forfeited on that matter unless such co-Owners designate a voting representative in writing prior to the vote. If more than one (1) vote is attempted to be cast for a Lot, all such votes shall be deemed void and disregarded in their entirety.

The Voting Interest allocated to each Lot is appurtenant to ownership of the Lot and shall not be separately conveyed or transferred. The allocation of one (1) Voting Interest per Lot shall not be eliminated or reallocated except by an amendment of this Declaration adopted in accordance with Section 20.10 (Amendment). Member classification under Section 4.2 (Class B Members) may affect the exercise of Voting Interests as provided therein but shall not alter the appurtenant allocation of one (1) Voting Interest to each Lot. Nothing in this Article shall be construed to affect the lien rights of the Association or the rights of holders of first priority mortgages on Lots.

4.4. No Fractional, Cumulative, or Other Unauthorized Voting

Except as expressly authorized in this Declaration or required by applicable law, each Lot shall be entitled to cast the number of votes allocated to it in Section 4.3 (One Vote per Lot), and no more. Any form of fractional, cumulative, ranked-choice, weighted, proxy-stacked, or other unauthorized voting method is prohibited. Any votes attempted to be cast using such methods, or any variation thereof, shall be null, void, and of no effect, and shall be disregarded in their entirety for purposes of determining the outcome of any Association action.

4.5. No Secret Ballots

Ballots and votes cast by ballot shall not be secret, except to the extent required by applicable law. The use of secret ballots is prohibited for all meetings of the Members, meetings of the Board, and any other action conducted by or on behalf of the Association.

All written ballots—whether cast at a meeting or in an action by written ballot without a meeting—shall be preserved in their original form, together with a true and complete record of the votes cast, in the Association's official records as part of the Minutes of the corresponding meeting or action.

The Association, whether by its Board or any other agent, shall not redact, conceal, or otherwise obscure any portion of any written ballot in a manner that prevents or impairs identification of the ballot, the voter, or the vote cast, except to the extent otherwise required by applicable law. Copies of written ballots shall be made available in accordance with the Association's record inspection policies and applicable law, and shall be full and unaltered except to the extent otherwise required by applicable law.

5. OWNERSHIP AND EASEMENTS

All easements described in this Declaration shall run with the land to which they are appurtenant.

5.1. Common Area

The Association shall own all Common Area.

Common Area includes all areas designated as such on the Plat, except that any area labeled as Common Area on the Plat may be designated as Limited Common Area in this Declaration, and any such designation in this Declaration shall control.

Each Owner shall have, in common with all other Owners, a nonexclusive right and easement of use and enjoyment in and to the Common Area. This right and easement shall be appurtenant to, and shall pass with title to, each Lot, and in no event shall be separated from it or encumbered, pledged, assigned, or otherwise alienated by an Owner. An Owner may temporarily delegate such rights to the Resident(s) of the Owner's Lot.

Notwithstanding the foregoing, all such rights and easements—whether exercised by Owners or Residents—shall be limited as provided in this Declaration and, to the extent permitted, subject to all Resolutions and Rules duly adopted by the Association.

5.2. Limited Common Area

The Association shall own all Limited Common Area.

Limited Common Area includes all areas designated as such on the Plat or in this Declaration. Any area designated as Common Area on the Plat may be designated as Limited Common Area in this Declaration, and any such designation in this Declaration shall control.

The Owner(s) of a Lot shall have an exclusive right and easement of use and enjoyment in and to any Limited Common Area that is appurtenant exclusively to that Lot. If Limited Common Area is appurtenant to more than one Lot but fewer than all Lots, the Owners of those Lots shall hold the exclusive right and easement of use and enjoyment in common with one another and to the exclusion of Owners of other Lots, subject to this Declaration. Such rights and easements shall be appurtenant to and shall pass with title to each benefited Lot and in no event shall be separated therefrom, or encumbered, pledged, assigned, or otherwise alienated by an Owner. Any Owner may temporarily delegate such rights and easements to the Resident(s) of the Owner's Lot. Notwithstanding the foregoing, such rights and easements, whether delegated or otherwise, shall be limited as provided in this Declaration and, to the extent permitted by this Declaration, subject to all Resolutions and Rules duly adopted by the Association.

5.3. Lots

Each Lot is owned by its Owner(s). Any Unit or other Improvement located on a Lot is appurtenant to and part of that Lot except as expressly provided in this Declaration. The Association may own one or more Lots.

The Association shall have a perpetual nonexclusive easement in and to each Lot for purposes of: (1) reasonable access to and installation, inspection, maintenance, repair, replacement, and improvement of Common Area, Limited Common Area, and other property owned by the Association or for which the Association has an operation, maintenance, repair, or replacement obligation, but only to the extent that such Common Area, Limited Common Area, or other property is located within or is only reasonably accessible from within a Lot; (2) mitigation of emergency conditions impacting or imminently threatening to impact Common Area, Limited Common Area, Units, Improvements, or other Lots; and (3) maintenance, repair, and replacement of the exterior components of Attached Units and any other Units or Improvements for which the Association has an exterior maintenance, repair, or replacement obligation. This easement is a nonpossessory interest appurtenant to the Association's duties and rights under this Declaration and the Act, limited to the purposes stated in this Section.

5.4. Utility Easements

In addition to other easements granted in favor of the Association and other easements shown on the Plat, each Lot is hereby made subject to nonexclusive utility easements in favor of the Association for reasonable access to and installation, inspection, maintenance, repair, replacement, and improvement of utilities that run through, across, under, or over any Lot, Unit, Improvement, Common Area, or Limited Common Area, including but not limited to electrical, gas, water, sewer, drainage, phone, cable, satellite, and internet utilities.

Further, the Association shall have the right to grant such utility easements to any governmental entity, quasi-governmental entity, or utility, provided that such easements must be used in a manner that does not unreasonably interfere with the Association, the Lots, the easements of the Owners in, or the Owners' and

Residents' right of use and enjoyment of, the Common Area and Limited Common Area. By accepting a deed to a Lot, each Owner expressly consents to such utility easements and authorizes and appoints the Association as its attorney-in-fact to execute any and all instruments conveying or creating such easements.

5.5. Encroachment Easements

A nonexclusive encroachment easement is hereby granted in favor of the Association for purposes of encroachment and the maintenance of such encroachment in the event that any Common Area, Limited Common Area, or Improvement of the Association unintentionally encroaches at any time on any Lot, Unit, or other Improvement due to the manner of its construction or due to settling, shifting, repair, restoration, alteration, or replacement. Such encroachment easement shall continue for the duration of the encroachment. An equivalent easement is hereby granted in favor of the Owner(s) of a Lot for the same purposes in the event that any Unit or other Improvement located on the Lot unintentionally encroaches at any time on Common Area, Limited Common Area, another Lot, or another Unit or Improvement due to the same causes and for the same duration. Such encroachment easements shall run with the land to which they are appurtenant.

An encroachment easement shall not exist if the encroachment results from willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

5.6. Party Wall Easements

Each Owner grants to the Owner(s) of any adjoining Lot whose Unit shares a Party Wall with the Owner's Unit a nonexclusive easement over, under, and upon the portion of the Owner's Lot, Unit, and other Improvements occupied by or reasonably necessary to access such Party Wall, as reasonably necessary for the inspection, maintenance, repair, and replacement of the Party Wall, including any structural elements or shared systems contained therein. This easement includes access by the Owner's contractors, insurers, or other authorized agents acting for such purposes.

This Party Wall easement shall be appurtenant to the affected Lots, shall run with the land, and shall pass with title to each affected Lot.

5.7. Easement Limitations

An Owner's right and easement of use and enjoyment in the Common Area, delegated or not, shall be subject to the limitations in the following subsections:

5.7.1. Association Rules

The Association may adopt, amend, and repeal Rules governing the use of the Common Area and Amenities, and the conduct of Owners, Residents, guests, and invitees within the Project, consistent with this Declaration and applicable law.

Pursuant to Section 218(1) of the Act, a Rule may apply differently to Lots within different Assessment Districts, to Lots containing Combined Dwellings, to Lots containing Attached Units, to Lots containing Detached Units, or to Lots without a Dwelling, provided that the affected Lots are not in the same situation with respect to the subject matter of the Rule.

Without limitation, the Board may adopt Rules addressing Amenity access, parking, occupancy limits, short-term rental activity, noise, lake access, dock use, and similar matters in a manner that reasonably reflects differences in building type, intensity of use, location within the Project, or risk exposure.

5.7.2. Suspension of Rights

The Association may suspend an Owner's and/or Resident's rights to use the Common Area, Limited Common Area, or Amenities, to the extent permitted by this Declaration and applicable law, for any period during which the Owner, any Resident of the Owner's Lot, or the Lot itself is not in Good Standing or is in violation of the Governing Documents; provided, however, that the Association shall not suspend reasonable access to a Lot by means of Common Area or Limited Common Area streets, sidewalks, driveways, or other

access facilities, or access reasonably necessary to obtain utilities or other public services for the Lot or any Unit located thereon.

5.7.3. Government Access

Governmental and quasi-governmental entities and utilities having jurisdiction over the Project shall have the right to access and use the Common Area for purposes including but not limited to providing police and fire protection, transporting school children, installing and maintaining utilities, and providing any other governmental or municipal service.

5.7.4. Dedication or Conveyance

The Association may dedicate or convey, in accordance with applicable law, any portion of the Common Area or Limited Common Area for such purposes and subject to such conditions as may be approved by Members representing at least sixty-seven percent (67%) of the Voting Interests. In addition, the dedication or conveyance by the Association of any Limited Common Area shall require the written approval of the Members representing all Lots to which such Limited Common Area is appurtenant, but only to the extent that such dedication or conveyance materially limits the use and enjoyment of such Limited Common Area.

5.7.5. Views

Views from Lots, Units, Common Area, or any portion of the Project are not assured or guaranteed in any way, and there is no warranty concerning the preservation of any view or view plane from any Lot, Unit, Common Area, or other portion of the Project. There are not and will not be any view easements or view rights appurtenant to any Lot, Unit, or other portion of the Project. The Association shall have the right to add trees, landscaping, and other Improvements throughout the Project without being subject to maintaining any Owner's view.

No Owner may assert any claim for damages, injunctive relief, or specific performance arising from any actual or perceived obstruction, alteration, or impairment of views caused by the actions of the Association or its agents, except as may be expressly provided in this Declaration.

5.8. Damage from Easement Use

Any damage of any kind to the Common Area, Limited Common Area, any Lot, Unit, or other Improvement—whether structural, cosmetic, or functional—resulting directly or indirectly from the exercise of any easement granted under this Declaration shall be repaired, restored, or replaced to substantially the same condition as existed immediately prior to the damage. Such repair, restoration, or replacement shall be arranged and managed by the Owner of the affected property, which shall be the Association with respect to Common Area or Limited Common Area owned or maintained by the Association, and the Owner of the affected Lot with respect to a Lot, Unit, or other Improvement located on that Lot. All reasonable costs incurred in connection therewith shall be paid or reimbursed by the Person or entity exercising the easement, unless otherwise agreed in writing.

If the damaged property is a Lot, Unit, or other Improvement, and the Person or entity causing the damage is not the Association or acting on its behalf, then the Association shall have no obligation to arrange, manage, or participate in the repair or resolution of the matter. Responsibility for coordinating repairs and recovering related costs shall rest solely with the Owner of the affected Lot and the Person or entity that caused the damage.

Any claim for reimbursement, subrogation, or enforcement of obligations under this Section must be delivered in writing to the party alleged to be responsible within twelve (12) months after the date the damage was discovered or reasonably should have been discovered. Failure to assert such a claim within that period shall constitute a waiver of the claim. Nothing herein shall extend or toll any shorter limitation period imposed by an applicable insurance policy.

Nothing in this Section shall prevent any insurer of the Common Area, Limited Common Area, any Lot, Unit, or other Improvement from asserting subrogation rights against any party responsible for such damage.

6. OPERATION AND MAINTENANCE

A maintenance responsibility chart summarizing the respective Maintenance Obligations of the Association and Owners is included with this Declaration as **Exhibit E**. In the event of any inconsistency between this Declaration and **Exhibit E**, this Declaration shall control.

Exhibit E is non-binding and provided solely for illustrative purposes and shall not be relied upon to determine the scope of any Maintenance Obligation and does not create, expand, limit, or modify any Maintenance Obligation or legal duty, or allocate any expense, assessment, or insurance responsibility; any such matters are governed by the operative provisions of this Declaration, including without limitation Articles 6, 7, 11, 12, and 14, and applicable law.

Nothing in this Article shall be construed to impose upon the Association any duty to inspect any Lot, Unit, Limited Common Area, or Improvement except as expressly required to perform an assigned Maintenance Obligation. The allocation of Maintenance Obligations in this Declaration is independent of, and does not alter, insurance coverage determinations, which are governed by the terms of applicable insurance policies and applicable law. Notwithstanding the foregoing, this Declaration intends that, to the extent consistent with the Act and policy terms, the scope of property insurance maintained by the Association under Article 15 (Insurance) will generally correspond to the scope of property for which the Association has an express Maintenance Obligation under this Article.

Notwithstanding any allocation of Maintenance Obligations set forth in this Article, nothing in this Declaration shall be construed to prohibit or limit the Association's right, but not its obligation, to perform reasonable discretionary cleaning, debris removal, inspection, maintenance, repair, or related work that the Association determines, in its discretion, to be necessary or appropriate to carry out its Maintenance Obligations, to prevent or mitigate damage to the Common Area, Limited Common Area, or any Unit or Lot, or to protect persons or property within the Project.

6.1. Common Area

Except as otherwise provided in this Declaration, the Association shall have the exclusive Maintenance Obligation, at its sole expense, to operate, manage, and maintain the Common Area as described in Section 6.1.1.

6.1.1. Scope of Common Area

Except as otherwise expressly provided in this Declaration, all real property and Improvements within the Project that are not part of a Lot or Unit constitute Common Area, including without limitation areas or Improvements designated or shown as Common Area on the Plat. However, the omission of any such area or Improvement from the Plat shall not be deemed to exclude it from the Common Area.

Without limiting the foregoing and for the common use or benefit of the Project generally, as distinguished from property reserved for the exclusive or preferential use or benefit of specific Lots, Common Area includes: (1) private streets, alleys, drives, and related access improvements, private parking lots, visitor and unassigned parking stalls, drive aisles, and related pavement and striping improvements; (2) sidewalks, trails, pathways, and pedestrian easements; (3) landscaped areas, open space tracts, shoreline stabilization improvements (including seawalls, bulkheads, revetments, and related protective structures), lake-access areas (including beaches, launch areas, and similar waterfront access areas or improvements), drainage structures, catch basins, and stormwater conveyance systems; (4) Amenities; (5) signage, lighting, and entry features; (6) utility lines, utility corridors, easements, and related infrastructure that serve the Project generally and are not part of or exclusively serving a particular Lot or Unit; and (7) refuse collection areas, dumpster enclosures, and related service facilities, storage buildings, maintenance facilities, equipment sheds, and other similar operational or service improvements.

Amenities include, without limiting the definition of Amenities set forth in this Declaration and by way of illustration and not limitation: (a) the Clubhouse located on Lot 22, including interior facilities such as the fitness or gym area; (b) the East Pool, pool house, and associated restrooms; (c) the West Pool, pool house, and associated restrooms; (d) the East and West hot tubs; (e) the West splash pad; (f) the West pickleball courts (currently two courts); (g) the West gazebos; (h) the East boat dock, including associated piers, boat slips, finger extensions, and related mooring structures; (i) all other structures and facilities related to the foregoing; and (j) any other recreational or community-use areas, structures, and facilities part of or constructed on the Common Area from time to time.

Certain portions of the Common Area described in this Section may be designated elsewhere in this Declaration as Limited Common Area or as serving one or more, but fewer than all, Assessment Districts, and such designation shall control for purposes of use, maintenance allocation, budgeting, and assessment, notwithstanding the general description set forth herein.

6.1.2. Common Area and Assessment Districts

To the extent the Association has a Maintenance Obligation with respect to any Common Area that benefits fewer than all Lots in the Project, the costs arising from such Maintenance Obligation shall, based on the benefit conferred, constitute District Common Expenses and any applicable District Reserve Component, all as determined and applied pursuant to Article 13 (Budgets and Association Funds) and **Exhibit D**.

6.1.3. Owner and Resident Common Area Responsibilities

Notwithstanding the Association's Maintenance Obligation for the Common Area, each Owner and Resident shall remain responsible for ensuring that, in connection with their use and enjoyment of the Common Area—including use by their guests and invitees—the Common Area is kept neat and clean and free of litter, debris, or hazards created by such Owner, Resident, or their guests or invitees, and is free from any unreasonable obstruction or interference that would impair or prevent the Association's Maintenance Obligation or otherwise violate any Rules.

Nothing in this Section shall be construed to require an Owner or Resident to inspect for, remove, or remediate transient or temporary weather-related or environmental conditions within the Common Area that are within the Association's discretion under Section 6.1.4 (Limitations on Association Responsibility for Common Area Hazards).

6.1.4. Limitations on Association Responsibility for Common Area Hazards

Except as otherwise expressly provided in this Declaration, the Association's Maintenance Obligation does not include the identification, monitoring, or remediation of transient or temporary hazardous conditions within the Common Area, including conditions arising from weather, natural accumulation, normal use, environmental factors, or third-party conduct, unless such condition results directly from the failure of a specific Improvement for which the Association has an expressly assigned Maintenance Obligation under this Declaration.

6.1.5. Common Area Pest and Wildlife Mitigation

The Association may, but shall not be obligated to, perform pest control or wildlife mitigation within the Common Area as part of its Maintenance Obligation, in such manner and to such extent as the Association determines appropriate to address conditions within the Common Area that may reasonably affect their ordinary safe use.

Any such action shall be discretionary and shall not create a continuing duty to provide pest or wildlife mitigation.

6.1.6. Common Area Snow Removal

As part of its Maintenance Obligation, the Association shall perform snow removal on Common Area private streets, alleys, drives, parking lots, drive aisles, visitor and unassigned parking stalls, sidewalks, pathways,

pedestrian access routes, and refuse collection or dumpster enclosure areas, together with reasonable access to entry features and community mailboxes, at such times and to such extent as the Board determines reasonable based on budget, vendor availability, weather conditions, and prevailing community association industry standards.

The Association may, in its discretion, perform snow removal on other Common Area surfaces as the Board deems necessary for the safety or convenience of the Project. Owners and Residents remain responsible for exercising reasonable care for their own safety and for the safety of their guests during or following winter or other inclement weather conditions.

6.1.7. Perimeter Fencing

All perimeter fencing of the Project constitutes Common Area and shall be installed, maintained, repaired, and replaced exclusively by the Association as part of its Maintenance Obligation. No Owner, Resident, or other party may install, alter, remove, or otherwise interfere with any perimeter fencing or any fencing located on Common Area.

6.2. Limited Common Area

Except as otherwise provided in this Declaration, including Section 6.2.2 (Lots 1–5 Exclusive-Use Limited Common Area), the Association shall have the primary Maintenance Obligation, at its sole expense, to operate, manage, and maintain the Limited Common Area as described in Section 6.2.1.

Owner responsibilities set forth in Sections 6.2.2 and 6.2.5 through 6.2.8 are use-, condition-, cost-, and risk-allocation duties and do not reallocate the Association's Maintenance Obligation except where this Declaration expressly states otherwise. Except as otherwise expressly provided herein, the Association shall retain the Maintenance Obligation for structural components and originally constructed or installed Improvements located within Limited Common Area.

The allocation of any Maintenance Obligation or assessment responsibility for Limited Common Area does not alter the classification of such property as Common Area for purposes of ownership, insurance, voting, or lien rights.

Unless expressly designated on the Plat or elsewhere in this Declaration, a Lot containing a Detached Unit shall not have any appurtenant Limited Common Area. All exterior areas within the boundaries of such Lot constitute part of the Lot and not Limited Common Area.

6.2.1. Scope of Limited Common Area

Limited Common Area consists of portions of the Common Area that are reserved for the exclusive or preferential use or benefit of one or more specific Lots, but fewer than all Lots, to which such Limited Common Area is appurtenant, as designated in this Declaration or on the Plat.

Without limiting the foregoing, Limited Common Area includes: (1) exterior patios, decks, balconies, porches, stoops, and similar attached exterior elements; (2) concrete slabs, retaining walls, privacy walls, dividing walls, and related hardscape improvements; (3) entry walkways, stairways, and access paths; (4) driveway segments, garage aprons, and assigned parking stalls; (5) window wells, light wells, areaways, and below-grade exterior recesses; (6) limited lawn and landscaped areas, fencing, and related Improvements immediately adjacent to a Unit; (7) utility lines, conduits, meters, shutoffs, and service equipment located outside a Unit; and (8) any other portion of the Common Area designated in this Declaration or on the Plat as Limited Common Area, in each case reserved for the exclusive or preferential use or benefit of one or more specific Lots, but fewer than all Lots. Limited Common Area also includes the Lots 1–5 Exclusive-Use Limited Common Area described in Section 6.2.2 (Lots 1–5 Exclusive-Use Limited Common Area).

Limited Common Area is appurtenant to the applicable Lot or Lots, remains part of the Common Area, is not part of any Unit, and is not created, modified, or defined by inclusion within an Assessment District or by allocation of assessment responsibility.

6.2.2. Lots 1–5 Exclusive-Use Limited Common Area

The gazebo, recreation area, hot tub, pickleball court, and related immediately appurtenant exterior areas adjacent to Lots 1 through 5, including such areas as existing on the effective date of this Declaration or as shown or designated on the Plat, are Limited Common Area appurtenant exclusively to Lots 1 through 5 for the exclusive use and benefit of the Owner of Lots 1 through 5 and such Owner's Residents, tenants, guests, and invitees.

The Owner of Lots 1 through 5 may maintain, repair, replace, reconstruct, modify, and make otherwise-permitted Improvements within or to the Lots 1–5 Exclusive-Use Limited Common Area, subject to the architectural-control, use-restriction, permitting, insurance, safety, and other requirements of this Declaration, the other Governing Documents, and applicable law.

The Owner of Lots 1 through 5 shall be solely responsible, at such Owner's expense, for the maintenance, repair, replacement, reconstruction, modification, operation, utilities, cleaning, safety, code compliance, insurance, risk, liability, and use-related obligations associated with the Lots 1–5 Exclusive-Use Limited Common Area and all Improvements located, constructed, reconstructed, modified, replaced, or maintained thereon, except to the extent the Association expressly assumes a specific obligation under this Declaration. Any cost incurred by the Association that is attributable to the Lots 1–5 Exclusive-Use Limited Common Area may be assessed against Lots 1 through 5 and the Owner of Lots 1 through 5, jointly and severally, as an Individual Assessment to the fullest extent permitted by this Declaration and applicable law. Such costs shall not be Common Expenses or District Common Expenses, including AD3 District Common Expenses, except to the extent a specific cost is expressly made an Association obligation under this Declaration.

No maintenance, repair, replacement, reconstruction, modification, or Improvement within or to the Lots 1–5 Exclusive-Use Limited Common Area shall, by itself, expand the boundaries of such Limited Common Area, create any additional Limited Common Area, or impose any maintenance, insurance, funding, cost, assessment, reserve, operational, or other obligation on the Association, any Assessment District, or any other Owner. Any expansion of the boundaries of the Lots 1–5 Exclusive-Use Limited Common Area, or any designation of additional Limited Common Area appurtenant exclusively to Lots 1 through 5, must be expressly approved in accordance with this Declaration and shall be subject to any conditions stated in such approval. Any such approval may address, without limitation, boundaries, permitted use, maintenance, repair, replacement, reconstruction, modification, operation, insurance, utilities, safety, code compliance, risk, liability, cost responsibility, and assessment responsibility. Approval of an Improvement within or to the Lots 1–5 Exclusive-Use Limited Common Area, or approval of any additional Limited Common Area appurtenant exclusively to Lots 1 through 5, shall not, by itself, impose any obligation on the Association, any Assessment District, or any other Owner unless the approval expressly so provides.

6.2.3. No Conversion of Common Area to Limited Common Area

No portion of the Common Area shall be designated, converted, or treated as Limited Common Area except: (1) as expressly designated on a recorded Plat; (2) as expressly provided in this Declaration; or (3) by amendment to this Declaration approved in accordance with Section 20.10 (Amendment), and, if the designation would materially limit the use or enjoyment of Common Area by Owners generally, by Members representing at least sixty-seven percent (67%) of the Voting Interests.

This Section does not limit, invalidate, prohibit, or require further approval for the Lots 1–5 Exclusive-Use Limited Common Area described in Section 6.2.2 (Lots 1–5 Exclusive-Use Limited Common Area).

6.2.4. Limited Common Area and Assessment Districts

Limited Common Area is reserved for the exclusive or preferential use or benefit of one or more Lots; however, to the extent the Association has a Maintenance Obligation with respect to any Limited Common Area, the costs arising from such Maintenance Obligation shall be classified, based on the benefit conferred, as Common Expenses or District Common Expenses, together with any applicable Common Reserve Component or District Reserve Component, all as determined and applied pursuant to Article 13 (Budgets).

and Association Funds) and **Exhibit D**.

The designation of any area as Limited Common Area shall not, by itself, determine the classification or allocation of expenses.

6.2.5. Owner and Resident Limited Common Area Responsibilities

Notwithstanding the Association's Maintenance Obligation for the Limited Common Area, each Owner and Resident shall keep the Limited Common Area appurtenant to the Owner's or Resident's Lot neat and clean, free of hazards, and free from any unreasonable obstruction or interference that would impair the Association's Maintenance Obligations or otherwise violate any Rules.

Each Owner and Resident—rather than the Association—shall be solely responsible to inspect for, remove, or remediate any weather-related, environmental, or incidental condition, or similar hazard affecting the Limited Common Area appurtenant to the Owner's or Resident's Lot, including without limitation snow, ice, standing water, debris, or litter, except to the extent directly caused by the failure of a specific Improvement for which the Association has an expressly assigned Maintenance Obligation.

6.2.6. Limitations on Association Responsibility for Limited Common Area Hazards

Notwithstanding the Association's Maintenance Obligation for the Limited Common Area, the Association shall have no obligation to inspect for, monitor, or remediate weather-related, environmental, or incidental conditions or hazards affecting the Limited Common Area appurtenant to any Lot, all of which are the responsibility of the applicable Owner as provided in Section 6.2.5 (Owner and Resident Limited Common Area Responsibilities).

The Association may, in its discretion, perform cleaning, debris removal, maintenance, or remedial work within Limited Common Area; however, the performance of any such work shall not be deemed to expand or modify any Association Maintenance Obligation, to assume responsibility for conditions otherwise allocated to Owners, or to create a continuing Association duty with respect to the Limited Common Area.

6.2.7. Limited Common Area Pest and Wildlife Mitigation

Except as otherwise expressly provided in this Declaration, pest or wildlife conditions affecting Limited Common Area appurtenant to a Lot shall be the responsibility of the applicable Owner, consistent with the Owner obligations set forth in Section 6.2.5 (Owner and Resident Limited Common Area Responsibilities).

The Association may, but shall not be obligated to, perform pest or wildlife mitigation within Limited Common Area. Any such action shall be discretionary and shall not create a continuing duty to provide pest or wildlife mitigation.

6.2.8. Limited Common Area Snow Removal

Except as otherwise expressly provided in this Declaration, the Association shall have no Maintenance Obligation to perform snow removal within Limited Common Area or within Lots, including without limitation exterior patios, decks, balconies, porches, stoops, entry walkways or stairways serving specific Lots, driveway segments, garage aprons, assigned parking stalls, limited landscaped areas immediately adjacent to a Lot, or other Limited Common Area appurtenant to a Lot.

Snow removal within Limited Common Area appurtenant to a Lot shall be the responsibility of the applicable Owner, consistent with the Owner responsibilities set forth in Section 6.2.5 (Owner and Resident Limited Common Area Responsibilities).

The Association may, in its discretion, perform snow removal within Limited Common Area, and any such discretionary snow removal shall not expand, modify, or create any Maintenance Obligation or continuing duty.

6.3. Lots and Units

Except as otherwise provided by applicable law or expressly reallocated elsewhere in this Section, the Owner of each Lot shall, incidental to ownership of the Lot and at the Owner's sole expense, have the exclusive Maintenance Obligation with respect to the Lot and any Unit located thereon, together with the right to improve and remodel the Lot and any Unit located thereon.

Notwithstanding Sections 6.1.1 (Scope of Common Area) and 6.2.1 (Scope of Limited Common Area), physical location of Improvements outside the boundaries of a Unit or Lot shall not control classification. Any mechanical equipment, HVAC condenser, heat pump, compressor, utility service line, meter, or similar component that exclusively serves a single Lot, Unit, or Combined Dwelling, and that is not expressly designated as Common Area or Limited Common Area on the Plat or in this Declaration, shall be deemed appurtenant to the Lot or Lots served thereby and subject to the Owner's Maintenance Obligation for purposes of maintenance, repair, replacement, and insurance responsibility.

This classification does not include utility mains or infrastructure that serve more than one (1) Lot, Unit, or Combined Dwelling or that are designated on the Plat or in this Declaration as part of a Common Area utility system. However, any branch or segment extending from such shared system that thereafter exclusively serves a single Lot, Unit, or Combined Dwelling shall be deemed appurtenant to the Lot or Lots served thereby and subject to the Owner's Maintenance Obligation under this Section, unless expressly designated as Common Area or Limited Common Area on the Plat or in this Declaration.

All Maintenance Obligations with respect to a Lot, Unit, Combined Dwelling, and any components or Improvements appurtenant to the Lot or exclusively serving the Lot, Unit, or Combined Dwelling—including any component deemed appurtenant to the Lot or Lots served thereby under this Section—shall be the responsibility of the Owner unless this Declaration expressly assigns a specific Maintenance Obligation to the Association.

Maintenance or insurance responsibility of the Association with respect to any portion of a Lot, Unit, Combined Dwelling, or Improvement shall not cause such portion to be classified as Common Area, and nothing in this Section shall be construed to expand or reduce the scope of property insured by the Association under Article 15 (Insurance).

6.3.1. Attached Units

As an exception to the Owner's Maintenance Obligation under Section 6.3 (Lots and Units), and except as otherwise expressly provided in this Declaration, the Association shall have the Maintenance Obligation with respect to the exterior portions of each Attached Unit classified within Assessment District 2.

Notwithstanding the foregoing, each Owner of a Lot containing an Attached Unit shall remain solely responsible for the Maintenance Obligation with respect to the following components, whether located within, outside, or appurtenant to the Unit: consumable and routinely replaceable items; exterior glass; skylights; screens and similar components; windows, window frames, and window bucks; window wells and their contents both within and below; doors, door frames, and door bucks; garage doors and garage door frames; garage floors; foundation walls, slabs, and related structures and components installed substantially below grade; exterior water spigots and hose bibs; and utility equipment, lines, conduits, and similar components that exclusively serve the Owner's Unit and are not expressly designated as Common Area or Limited Common Area on the Plat or in this Declaration.

Excluding the foregoing Owner-responsible components, the exterior portions of an Attached Unit for which the Association has a Maintenance Obligation shall include, to the extent above grade: exterior wall siding, stucco, stone, brick, trim, vents, and similar components, including finish and paint; roof coverings, underlayment, sheathing, flashing, fascia, soffit, and vents; rain gutters and downspouts; exterior-mounted light fixtures and other exterior electrical devices; and other originally installed exterior components serving the Attached Unit.

The Association's Maintenance Obligation with respect to exterior components of Attached Units is an allocation of maintenance responsibility only and shall not be construed as a transfer of ownership, a warranty of performance or guaranty against failure, or an assumption of liability for damage to the interior of any Unit, to any Owner's personal property, or to any Owner-responsible component.

6.3.2. Exception Limits

The intent and purpose of the exceptions to Owner maintenance rights and obligations under Section 6.3.1 (Attached Units) are to enable and obligate the Association to provide timely maintenance, repair, and replacement of the above-grade exterior portions of Attached Units expressly assigned to the Association under this Declaration, and to preserve consistency in color, style, quality, materials, and other exterior characteristics of Attached Units.

Notwithstanding anything to the contrary in the Governing Documents, the Association's Maintenance Obligation with respect to Attached Units is limited solely to the exterior components and activities expressly assigned to the Association under this Declaration. The Association's Maintenance Obligation includes only reasonable maintenance, repair, and replacement based on ordinary wear and tear, expected useful life, and the condition of the applicable component. The Association has no obligation to upgrade, redesign, enlarge, alter, or improve any component beyond its original construction standard, except to the extent required by applicable building code at the time of repair or replacement.

Any condition, component, damage, failure, loss, or consequence not expressly included within the Association's Maintenance Obligation under this Declaration remains the responsibility of the Owner of the affected Lot unless covered by Association insurance.

If maintenance, repair, or replacement of an exterior component for which the Association has an expressly assigned Maintenance Obligation is required earlier than expected, the Association shall perform such work as part of that Maintenance Obligation. However, to the extent such work, or any related cost, is caused by or attributable to an Owner-responsible component, construction defect, original construction condition, Owner or Resident act or omission, casualty loss, misuse, unauthorized modification, failure to maintain an Owner-responsible component, or any other condition outside the Association's expressly assigned Maintenance Obligation, and is not covered by Association insurance, the Association may allocate the related cost to the Owner of the affected Lot as an Individual Assessment to the fullest extent permitted under this Declaration and applicable law.

6.3.3. Combined Dwellings

Notwithstanding Section 6.3.1 (Attached Units) and any other provision of this Declaration, a Combined Dwelling shall be treated, for purposes of this Declaration, including maintenance responsibility, insurance responsibility, Assessment District classification, and application of Part 4 (Insurance) of the Act, as a single Detached Unit, and shall not be treated as an Attached Unit.

Owners of Lots containing a Combined Dwelling shall, incidental to ownership of such Lots and at the Owners' sole expense, have the exclusive Maintenance Obligation with respect to such Lots and all Improvements thereon, including the entire Combined Dwelling, under Section 6.3 (Lots and Units), and not under Section 6.3.1 (Attached Units). Such Maintenance Obligation includes the Lots themselves and all portions, components, systems, and Improvements comprising, appurtenant to, located on, or exclusively serving such Lots or the Combined Dwelling.

The Association shall have no Maintenance Obligation for any Lot containing a Combined Dwelling, any Combined Dwelling, or any portion, component, system, or Improvement comprising, appurtenant to, located on, or exclusively serving such Lot or Combined Dwelling.

The existence of a Combined Dwelling does not merge, consolidate, subdivide, reduce, reallocate, or otherwise alter the separate legal existence of the underlying Lots for purposes of ownership, membership, voting, assessment, lien rights, insurance allocation, Association expense allocation, enforcement, risk

allocation, or transfer except as expressly provided in this Declaration.

6.3.4. Construction Defects

The Association shall have no responsibility for any construction defect or original construction condition affecting a Lot, Unit, Combined Dwelling, Improvement, component, or system for which an Owner has the Maintenance Obligation, or for any damage, failure, or harm caused by or arising from such defect or condition. Any such defect, or alleged defect, shall be deemed a matter solely between the affected Owner(s) and the builder, developer, contractor, or other responsible party. The Association shall have no obligation to investigate, intervene in, or resolve any such matter on behalf of any Owner.

Notwithstanding the foregoing, if a construction defect or original construction condition affects a component for which the Association otherwise has an expressly assigned Maintenance Obligation under this Declaration, the Association shall remain responsible for performing maintenance, repair, or replacement of that component solely to the extent of such Maintenance Obligation, without assuming responsibility for investigating, pursuing, or resolving the underlying construction defect or original construction condition. However, to the extent such work is necessitated by a construction defect or original construction condition and is not covered by the Association's insurance, all related costs shall be the responsibility of the Owner of the affected Lot or Lots.

For purposes of this Subsection, a "construction defect" refers to original design or construction deficiencies, and shall not include damage or failure caused by the Association's own maintenance, repair, or replacement activities.

Nothing in this Section limits the Association's right to pursue claims against a developer, contractor, or other responsible party for defects affecting Common Area, Limited Common Area, or components for which the Association has an expressly assigned Maintenance Obligation.

6.3.5. Weatherproofing

Each Owner shall be solely responsible for maintaining all weatherproofing elements of any Lot, Unit, Combined Dwelling, or Improvement for which the Owner has a Maintenance Obligation, including, without limitation, weather barriers, seals, flashing, caulking, and other protective measures necessary to prevent the intrusion of water, moisture, air, or other substances.

In the event that any form of water or other substance enters a Unit or Combined Dwelling from the outside—except to the extent directly caused by the failure of a specific component for which the Association has an expressly assigned Maintenance Obligation under this Declaration—the Owner shall be solely responsible for: (1) any damage caused by or resulting from such entry; (2) all repairs necessitated by such entry; and (3) all associated costs or expenses, unless covered by Association insurance.

The Association shall have no responsibility for weatherproofing any portion of a Lot, Unit, Combined Dwelling, or Improvement for which the Owner has the Maintenance Obligation, or for damage arising from a failure of such weatherproofing. Nothing in this Subsection shall alter the scope of property insurance maintained by the Association under Article 15 (Insurance) or limit an Owner's right to file a claim under the Owner's own property insurance policy for losses related to such events.

6.3.6. Exterior Alterations

Except as otherwise expressly provided in this Declaration, no Owner of a Lot containing an Attached Unit may make any exterior alteration, remodeling, or modification to the Unit—including changes to exterior finishes, colors, fixtures, windows, doors, lighting, or architectural features—without the prior written approval of the Board.

The Association shall have the Maintenance Obligation for the exterior portions of Attached Units expressly assigned to the Association under this Declaration. Nothing in this Subsection shall be construed to permit any Owner or other party to alter, modify, or interfere with any exterior element maintained by the Association, except as expressly approved by the Board in accordance with applicable Rules.

6.3.7. Fencing

No installation or alteration of exterior fencing by Owners or Residents is allowed. Notwithstanding the foregoing, the Board shall have the authority to adopt Rules for the installation or alteration of fencing appurtenant to a Lot. Such Rules shall require at least the following: (1) that the requesting Owner obtain the prior written approval of the Board; (2) that the review and approval procedures be applied uniformly to all similarly situated Lots, or to all Lots containing Units of a particular type; (3) that any new or altered fencing be consistent in color, style, character, and quality with existing fencing; (4) that the requesting Owner be responsible for verifying the location of applicable boundary lines, including by survey if necessary; (5) that the requesting Owner be responsible for all costs associated with the request, including costs of any related modifications to landscaping, irrigation systems, Common Area, or Limited Common Area, with the understanding that the Association shall be responsible for performing any such modifications to Common Area or Limited Common Area; (6) that no Owner may materially alter existing Common Area fencing or install new fencing on Common Area; and (7) that the requesting Owner obtain the written consent of the Owner(s) of any abutting Lot(s) directly impacted by the proposed installation or alteration.

Submission of a request under this Subsection does not entitle the requesting Owner to approval. The Board shall have discretion to approve or deny any fencing request in accordance with the adopted Rules, and any approval must be issued in writing prior to commencement of work. All written requests, approvals, and related documentation shall be retained in the Association's records.

Any authorized alterations to existing fencing, and any authorized new fencing, installed on Limited Common Area shall be the property of the Association and subject to its Maintenance Obligation.

Any fencing installed or altered in violation of this Section, including any work performed without required approval or in a manner inconsistent with approved plans, may be removed, modified, or restored by the Association at the expense of the responsible Owner. The Board shall have the discretion to determine whether notice and an opportunity to cure shall be provided prior to removal, and any costs incurred by the Association—including attorney fees—shall be levied against the responsible Owner as an Individual Assessment.

Gates that provide access to otherwise inaccessible Common Area or Limited Common Area shall never be locked or otherwise blocked by an Owner or Resident; such gates shall always remain accessible to the Association and its agents for the care, inspection, maintenance, repair, and replacement of the Common Area or Limited Common Area behind such gates.

Any fencing installed on the dividing line between two or more abutting Lots containing Detached Units shall be considered a Party Wall solely for purposes of allocating shared maintenance, repair, and replacement responsibilities between the Owners of the abutting Lots. Fencing along the perimeter of the Project, even if it adjoins a Lot, shall be Common Area and subject to the Association's Maintenance Obligation unless otherwise expressly provided in this Declaration or in a recorded maintenance agreement.

6.3.8. Repairs by Association

No Owner shall permit any Lot, Unit, Combined Dwelling, Limited Common Area appurtenant to the Owner's Lot, or any other property, component, system, or Improvement for which the Owner has a Maintenance Obligation under this Declaration to fall into a state of disrepair.

If the Board determines, acting reasonably and in good faith, that an Owner has failed to perform any Maintenance Obligation for which the Owner is responsible under this Declaration and that such failure has resulted in a condition that is dangerous, unsafe, unsanitary, materially interferes with the Association's Maintenance Obligations, or otherwise violates this Declaration or the Rules, the Association may give written notice to the Owner describing the condition complained of and demanding that the Owner correct the condition within fifteen (15) days, or within such longer reasonable time as the Association may specify based on the nature of the condition.

If the Owner fails to take corrective action within the time specified, the Association shall have the right, but not the obligation, to enter upon the Lot, Unit, Combined Dwelling, Limited Common Area, or other affected area and take such action as the Association reasonably determines to be necessary to abate, correct, or mitigate the condition.

All costs incurred by the Association in connection with any work performed under this Section—including labor, materials, management time, administrative costs, legal fees, and other enforcement-related costs to the extent permitted by law—shall constitute an Individual Assessment against the affected Lot and its Owner(s).

Any Individual Assessment imposed under this Section shall be levied, collected, and, to the extent permitted by law, secured by a lien and enforced solely in accordance with Article 12 (Assessments and Fees) of this Declaration and Section 301 of the Act, and not otherwise.

The Association's exercise of its rights under this Section shall not be construed to create any duty or assumption of responsibility except as expressly provided in this Declaration.

6.4. Owner-Funded Supplemental Common Area Services or Improvements

The Board may, upon written agreement, permit an Owner to fund supplemental services or improvements within the Common Area that primarily benefit such Owner, provided that such arrangements do not shift costs to other Owners and are subject to such reasonable conditions regarding scope, insurance, coordination, maintenance, restoration, and cost responsibility as the Board may impose.

Unless otherwise expressly agreed in writing, any approved improvement shall become part of the Common Area upon completion and acceptance and shall thereafter be subject to the Association's Maintenance Obligation.

This Section does not apply to maintenance, repair, replacement, reconstruction, modification, Improvements, boundary adjustments, or additional Limited Common Area governed by Section 6.2.2 (Lots 1–5 Exclusive-Use Limited Common Area), except to the extent an approval or written agreement expressly states that this Section applies.

6.5. Weather-Related Conditions—Personal Risk and Safety

Each Owner and Resident acknowledges and agrees, on behalf of themselves and, to the extent permitted by law, their guests and invitees, that weather-related, environmental, or incidental conditions—including, without limitation, snow, ice (including black ice), rain, hail, flooding, heat, wind, windblown debris, improperly placed objects, fallen items, or litter—may create temporary or intermittent hazards on the Common Area, Limited Common Area, and other portions of the Project, even when the Association is timely performing its expressly stated Maintenance Obligations.

BY ACCEPTING OR ASSERTING ANY RIGHTS UNDER THIS DECLARATION, OR BY ENTERING, OCCUPYING, OR UTILIZING ANY COMMON AREA, LIMITED COMMON AREA, OR ANY SERVICE PROVIDED BY THE ASSOCIATION, EACH SUCH PERSON KNOWINGLY AND VOLUNTARILY ASSUMES THE RISKS DESCRIBED HEREIN AND RELEASES AND WAIVES CLAIMS TO THE FULLEST EXTENT PERMITTED BY LAW AGAINST THE ASSOCIATION FOR INJURY OR DAMAGE ARISING FROM SUCH CONDITIONS, EXCEPT TO THE EXTENT CAUSED BY THE ASSOCIATION'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

Except as expressly provided in this Declaration, the Association shall have no obligation to inspect for, remove, or remediate any weather-related, environmental, or incidental condition or similar hazard, whether arising from weather, Owner- or Resident-related activity, or any other cause. To the fullest extent permitted by law, the Association shall not be liable for any injury or damage to Persons or property resulting from such conditions affecting the Project, except in cases of the Association's gross negligence or willful misconduct.

Each Owner and Resident shall indemnify, defend, and hold harmless the Association and its directors, officers, managers, agents, and employees from and against any and all claims, demands, liabilities, damages,

losses, costs, or expenses (including reasonable attorney fees) arising from any injury or damage sustained by such Owner's or Resident's guest or invitee while on the Project during or following any weather-related, environmental, or incidental condition, unless caused by the gross negligence or willful misconduct of the Association. This obligation shall survive the termination of such Owner's or Resident's ownership or occupancy.

6.6. Maintenance Caused by Owner, Resident, Guest, or Invitee

To the extent that an Owner of a Lot, a Resident who is not an Owner of the Lot, or any guest or invitee of the Owner or Resident, causes damage to the Common Area, Limited Common Area, or any Lot, Unit, Combined Dwelling, Improvement, component, system, or other property for which the Association has a Maintenance Obligation, all costs related to the cleaning, maintenance, repair, replacement, or restoration of such damage, together with all related administrative, management, legal, and other enforcement costs to the extent permitted by law, shall be the responsibility of the Owner of that Lot and shall be assessed to that Owner and Lot as an Individual Assessment.

If the damage is caused by a Resident who is not an Owner of the Lot, or by the guest or invitee of such Resident, then that Resident shall also be jointly and severally responsible with the Owner for such amounts to the fullest extent permitted by this Declaration and applicable law. The Association may pursue the Owner, the Resident, or both for such amounts; provided, however, that any Individual Assessment shall be assessed to the Owner and Lot.

6.7. No Assumption or Expansion of Maintenance Obligations

Except as otherwise expressly provided in this Declaration, the performance of any act by the Association, the Board, any Director, Officer, Manager, agent, employee, or contractor—including cleaning, debris removal, inspection, monitoring, maintenance, repair, replacement, mitigation, enforcement, or discretionary services—shall not be construed to: (1) expand, modify, or assume any Maintenance Obligation; (2) shift responsibility for any condition, component, or Improvement otherwise allocated to an Owner or another Person; or (3) create any duty to inspect, monitor, maintain, repair, or remediate any Lot, Unit, Combined Dwelling, Limited Common Area, or other property for which the Association does not have an expressly assigned Maintenance Obligation under this Declaration.

No course of conduct, prior action, or failure to act by the Association shall give rise to any implied obligation, estoppel, or continuing duty inconsistent with the express allocations of responsibility set forth in this Declaration.

6.8. Emergency Access

In the event of an emergency or a condition reasonably believed by the Association to pose an imminent risk to persons or property, the Association and its agents may enter any Lot, Unit, Combined Dwelling, Limited Common Area, or other affected area without prior notice to take such actions as are reasonably necessary to prevent or mitigate damage or injury. Entry under this Section shall not expand the Association's Maintenance Obligations or create any continuing duty.

7. PARTY WALLS

7.1. General Rules of Law Apply

To the extent not inconsistent with the Act, the Plat, this Declaration, or any express easement or Maintenance Obligation established in the Plat or this Declaration, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions in relation to Party Walls shall apply.

7.2. Maintenance of Party Walls

A Unit that shares one or more Party Walls with another Unit may also share other common physical elements, such as a common roof, common exterior wall, common foundation element, structural component, utility component, or other common exterior or structural element with an adjoining Unit. The Maintenance Obligation for such elements shall be determined in accordance with Article 6 (Operation and Maintenance).

To the extent a shared roof, exterior wall, structural component, or other shared element is included within the Association's expressly assigned Maintenance Obligation under Article 6, the Association shall perform maintenance, repair, and replacement of such element in accordance with Article 6. To the extent such element is not expressly included within the Association's Maintenance Obligation, responsibility shall remain with the Owner(s) of the affected Lot(s), subject to any specific allocation otherwise expressly provided in this Declaration.

With respect to interior Party Walls that join or serve two or more Units and are not included within the Association's expressly assigned Maintenance Obligation, the Owner(s) of the Lots containing or served by such Units shall be responsible for maintenance, repair, and replacement of the interior Party Wall as provided in this Article. The Association shall have no duty to maintain, repair, replace, administer, or resolve disputes concerning any such interior Party Wall unless the Association is the Owner of an affected Lot or unless this Declaration expressly assigns such Maintenance Obligation to the Association.

7.3. Destruction of Party Walls

If a Party Wall is destroyed or damaged by fire or other casualty, the Owner(s) of the Lots containing or served by the Units that share the Party Wall shall restore the Party Wall, except to the extent the Party Wall is included within the Association's expressly assigned Maintenance Obligation under Article 6 (Operation and Maintenance) or the restoration obligation is otherwise expressly allocated in this Declaration. Restoration shall be performed in accordance with Article 6, Article 15 (Insurance), and any applicable casualty or reconstruction provisions of this Declaration.

7.4. Cost Sharing for Party Walls

The costs related to maintenance, repair, replacement, or restoration of a Party Wall shall be shared by the Owner(s) of the Lots containing or served by the Units that make use of the Party Wall, except to the extent such costs are included within the Association's expressly assigned Maintenance Obligation under Article 6 (Operation and Maintenance) or otherwise allocated in this Declaration. The affected Owners shall be responsible for coordinating the work and determining the allocation of costs among themselves. The affected Owners may agree in writing to any lawful allocation of costs among the affected Lots. If the affected Owners do not agree in writing to a different allocation before the work is performed, the costs shall be shared equally among the affected Lots.

The Association shall have no duty to administer, advance funds for, collect, enforce, or resolve any cost-sharing obligation under this Section unless the Association is an affected Owner or unless this Declaration expressly assigns the relevant Maintenance Obligation to the Association.

8. ARCHITECTURAL CONTROL

8.1. Architectural Committee

The Board may appoint a committee as provided in the Bylaws to serve as the Architectural Committee for purposes of overseeing exterior architectural characteristics within the Project. If not created, the Board shall function as the Architectural Committee. Except as otherwise provided in this Declaration, and consistent with the Association's architectural control standards, it shall be the duty of the Architectural Committee to oversee the external characteristics of Units, exterior Improvements, and landscaping of Lots in accordance

with the Association's architectural control standards. Further, the Architectural Committee shall not be responsible for: (1) determining that any modification or plan conforms to applicable building codes, zoning ordinances, and other governmental or land-use regulations; (2) the content or accuracy of any plan, documents, specifications, or the like prepared by the applicant or by any architect, engineer, or other person; (3) any loss, damage, or failure due or related to, either directly or indirectly, any natural or man-made condition(s) that may exist; or (4) any failure of an applicant or any other person to carry out work in accordance with approved plans.

The authority of the Architectural Committee extends to all exterior Improvements visible from the Common Area, Limited Common Area, another Lot, or another Unit, including without limitation exterior walls, roofing, foundations, structural framing, balconies, decks, docks, shoreline improvements, and other exterior appurtenances.

Notwithstanding anything to the contrary in this Declaration or the Bylaws, the Architectural Committee may, but need not, be comprised of architects, engineers, or similar professionals, the Manager or any of its employees, or any other Person regardless of membership in the Association. The Board retains final decision-making authority over all Architectural Committee determinations and may affirm, modify, or reverse any decision in its sole discretion consistent with this Declaration.

8.2. Architectural Control Standards

Consistent with any architectural control standards in this Declaration, the Board may adopt additional architectural control standards in the form of Rules with respect to the external characteristics of Units, exterior Improvements, Lot improvements, and landscaping, including but not limited to colors, materials, appearance, location, screening, and similar matters.

Unless otherwise expressly permitted by this Declaration, the exterior characteristics of Units, exterior Improvements, and Lots shall remain materially consistent with their original construction or approved condition. Any material modification shall require prior written approval of the Architectural Committee and must comply with this Declaration and any duly adopted architectural control standards.

Notwithstanding the foregoing, no Rule or other architectural control standard may be adopted or enforced with respect to the interior of a Unit or ordinary landscaping within a Lot's fully fenced backyard for which the Owner, as opposed to the Association, has the Maintenance Obligation, except to the extent such interior condition or landscaping affects or may reasonably affect drainage, structural integrity, utilities, shoreline conditions, Association-maintained property, Common Area, Limited Common Area, Association insurance, insurability of the Project, or any Maintenance Obligation of the Association.

8.3. Architectural Committee Approval

Prior to any material modification of the external characteristics of a Unit, exterior Improvement, or Lot, or to the landscaping of a Lot, except for ordinary landscaping within a fully fenced backyard for which the Owner, as opposed to the Association, has the Maintenance Obligation and that does not affect any matter described in Section 8.2 (Architectural Control Standards), an applicant shall submit written plans to the Architectural Committee for approval. Notwithstanding the foregoing, except as expressly provided in Section 6.2.2 (Lots 1–5 Exclusive-Use Limited Common Area), only the Association, acting through the Board, has the right to modify Common Area or Limited Common Area.

For purposes of this Section, a "material modification" includes any change that alters structural components, exterior appearance, building envelope, mechanical penetrations, shoreline improvements, drainage, utilities, or any Improvement that affects or could reasonably affect the insurability or Maintenance Obligations of the Association.

The applicant must ensure that plans submitted to the Architectural Committee are in conformance with all applicable building codes, zoning ordinances, and other applicable governmental or land-use regulations. The Architectural Committee shall have no liability to any applicant or other party for plans that are not in

conformance with the foregoing, approved or otherwise. Corrections or changes in plans to bring them into conformance must be approved by the Architectural Committee before modification.

The Architectural Committee shall review submitted plans and respond in writing to the applicant within thirty (30) days after submission of a complete application with either: (1) an approval; (2) a variance that is described in detail in writing and acts as an approval; (3) a disapproval that includes the specific reasons for such disapproval and identifies, if reasonably practicable, corrective items that would result in approval; or (4) a reasonable request for additional essential information. In reviewing proposed Improvements to Owner-controlled property, the Architectural Committee may consider impacts on shared building envelopes, structural integrity, shoreline conditions, seawalls, dock facilities, Amenities, drainage, utilities, Common Area, Limited Common Area, Association Maintenance Obligations, and insurability of the Project.

The decision of the Architectural Committee shall be based solely upon the provisions of this Declaration and any pre-existing and duly adopted Rules that set forth the Association's architectural control standards; such decision shall not be based on or influenced by the personal preferences of any member of the Architectural Committee, the Board, or other party. The Architectural Committee shall not unreasonably withhold approval of plans that materially comply with this Declaration and duly adopted architectural control standards.

8.4. Board Oversight

The Board may at any time review and overturn in writing any action taken by the Architectural Committee. The Board may alternatively have the Architectural Committee operate strictly in an advisory capacity.

The Board may also establish procedural guidelines for Architectural Committee operations consistent with this Declaration and applicable law.

8.5. Noncompliance

If at any time the Board finds that a modification or other work is not in substantial compliance with the Association's architectural control standards or approved plans, or was performed without first obtaining required approval, such condition shall be considered a violation to be removed or cured within thirty (30) days after written notice in accordance with applicable law, this Declaration, and the Bylaws. If the Owner fails to remove or cure the noncompliance as required, or to enter into an agreement to remove or cure on a basis satisfactory to the Board or Architectural Committee within the thirty (30) day period or any extension granted by the Board or Architectural Committee, the Board may, at its option, cause the noncomplying work to be removed or cured.

The Owner shall reimburse the Association upon demand for all costs and expenses incurred, including collection costs and reasonable attorney fees and costs to the extent permitted by law. Such costs and expenses shall be considered an Individual Assessment against the affected Lot and its Owner(s), and the Association shall have a lien against the Lot in the amount of all such costs and expenses to the extent permitted by this Declaration and applicable law. Nothing herein shall be construed to create any duty on the part of the Association to monitor or discover unapproved modifications.

8.6. Architectural Variances

The Architectural Committee may authorize a written variance from a duly adopted architectural control standard only upon a determination that strict application would create an undue hardship due to topography, natural obstruction, site-specific conditions, or similar objective circumstances unique to the Lot. Notwithstanding the foregoing, no variance shall: (1) be effective unless in writing; (2) be contrary to this Declaration; or (3) require the Architectural Committee to grant a variance under similar circumstances.

If a variance is granted, no violation of the Governing Documents shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of a variance shall not operate to waive any aspect of the Governing Documents other than those specifically identified in the variance, nor shall it affect an Owner's obligation to comply with all applicable ordinances, laws, and other governmental

regulations. The granting of a variance shall not establish precedent or require the granting of any similar variance in the future.

8.7. No Liability

The Architectural Committee shall not be liable to the applicant, the Association, or the Owners for any loss or damage caused in relation to its good faith actions or inactions, or its approval or disapproval or otherwise of a submitted plan. Architectural approval does not constitute a representation or warranty of structural safety, code compliance, shoreline stability, drainage adequacy, utility adequacy, insurability, or fitness for any particular purpose. Each Owner shall have an equal right to enforce the Association's architectural control standards against every other Owner, and may seek independent redress if it believes the Architectural Committee has failed to act or acted improperly.

9. USE LIMITATIONS AND RESTRICTIONS

The covenants, conditions, and restrictions set forth in this Article, and throughout this Declaration, are adopted as part of this Declaration and constitute enforceable provisions of the Governing Documents.

The restrictions in this Article are set forth in this Declaration and therefore are not "Rules" as that term is defined in Article 2 (Definitions).

The Board may adopt Rules and Resolutions to the extent authorized by this Declaration and applicable law; however, no Rule or Resolution may conflict with this Declaration. Any Rule or Resolution that conflicts with this Declaration is void and unenforceable unless this Declaration expressly authorizes the specific variance or supplementation.

The Board may adopt Rules to clarify, administer, or supplement the restrictions in this Article only to the extent such Rules are consistent with this Declaration and applicable law.

9.1. Household Composition

Occupancy of a Dwelling shall be limited to occupants who together constitute a single housekeeping unit, meaning a group of persons who live together as a single, stable household unit and who share common living facilities, responsibilities, and use of the Dwelling.

Nothing in this Declaration shall be construed to interfere with an Owner's freedom to determine the composition of the Owner's household, except as expressly permitted by applicable law.

The Association may, by Rule, establish reasonable limitations on the total number of occupants permitted to reside in a Dwelling, as determined by the Association, based on the Dwelling's size and facilities and the fair use of the Common Area, consistent with Section 218(6) of the Act.

9.2. Guest Use of Common Area

The Board shall have the authority to adopt Rules that place reasonable conditions and restrictions on the use of Common Area by guests of Residents or by guests of non-resident Owners, but only to the extent that such Rules apply uniformly to the guests of all Residents or to the guests of all non-resident Owners.

9.3. Rules and Governing Documents

No Owner or Resident shall violate the Rules as adopted from time to time; no Owner or Resident shall do or keep anything within the Project that is in violation of the Governing Documents. Owners and Residents shall be responsible to ensure that their guests and invitees comply with all Rules and the Governing Documents.

9.4. Business Use

No business, trade, profession, or occupation (collectively, a "Business Use") shall be conducted from a Dwelling except for a home-based occupation that is incidental and secondary to the residential use of the Dwelling and that: (1) is not visible or otherwise apparent from outside the Dwelling other than reasonable residential ingress and egress; (2) does not involve regular customer, client, employee, or vendor visits; (3) does not generate traffic, deliveries, noise, odor, or other external impacts beyond those normally associated with residential use; (4) does not constitute a nuisance or hazardous use; and (5) complies with applicable law.

Leasing or renting a Dwelling in compliance with this Declaration shall not be deemed a Business Use.

9.5. Commercial Use

Except as expressly permitted by this Declaration, no Dwelling shall be used for any Commercial use or activity, as defined in this Declaration.

9.6. Garage Sales

The Board shall have the authority to adopt Rules to allow and to place reasonable conditions and restrictions on garage sales and yard sales within the Project. Absent such Rules, garage sales and yard sales are prohibited. Notwithstanding the foregoing, other limitations and restrictions provided in this Declaration, the Articles of Incorporation, or the Bylaws, such as those regarding parking, signs, nuisance, and other topics are not subject to such rulemaking.

9.7. Subdivision or Timeshare

Except for a parcel(s) of land that is part of an expansion of the Project, no Lot shall be subdivided, partitioned, or in any manner split into physical tracts or parcels smaller than the whole Lot as shown on the Plat; nor shall any Lot be combined with one or more other Lots into a physical tract or parcel larger than the whole Lot as shown on the Plat; nor shall any Lot or Unit be established or used as a timeshare.

9.8. Fireworks

The Board shall have the authority to adopt Rules that place reasonable conditions and restrictions on the use of fireworks within the Project, including prohibiting fireworks entirely within the Project. Notwithstanding the foregoing, the use of illegal fireworks and incendiary devices as defined by Utah Code § 76-10-306 within the Project is strictly prohibited, as is the use of legal fireworks when such use is prohibited by a governmental or other regulatory authority that has jurisdiction over the Project.

9.9. Graffiti

No graffiti shall be placed on any Lot, Unit, Improvement, Common Area, or Limited Common Area. For purposes of this Section, "graffiti" means any drawing, inscription, marking, or other writing applied to a surface without authorization, whether temporary or permanent. The Board may adopt Rules addressing temporary sidewalk chalk or similar easily removable markings, provided that any such markings are promptly removed and do not cause damage or staining.

9.10. Trash Containers

Except as otherwise established by Rule, all trash containers shall normally be stored so as to not be visible from the street except when put out for collection no earlier than the day prior to collection and put away again no later than the end of the day of collection.

9.11. Disorderly Activities and Conditions

Except as otherwise provided in this Declaration, the Articles of Incorporation, or the Bylaws, any activity that causes or creates disorderly, unsightly, or unkempt conditions that are visible from outside a Lot or Unit is prohibited, and all rubbish, debris, and unsightly materials or objects of any kind that are visible from outside a Lot or Unit shall not be allowed to accumulate and shall be removed from Lots, Units, Common Area, and Limited Common Area.

9.12. Nuisance, Noise, and Quiet Hours

A “nuisance” means any condition or activity that unreasonably interferes with another Owner’s or Resident’s use and enjoyment of the Project. No nuisance shall be permitted anywhere within the Project, including within Units, Common Area, and Limited Common Area.

Without limiting the foregoing, a nuisance includes any condition or activity—whether lawful or unlawful—that: (1) creates an unreasonable amount of noise, vibration, traffic, odor, smoke, light, or other disturbance; (2) poses a material risk to the health or safety of others; (3) materially interferes with another person’s peaceful enjoyment of their Lot or Unit or the Common Area or Limited Common Area; or (4) is otherwise inconsistent with residential use in a manner that unreasonably interferes with another person’s use and enjoyment of the Project.

The Board may adopt reasonable Rules establishing quiet hours and objective standards to implement this Section.

9.13. Damage or Waste

No Owner, Resident, or their guest or invitee may cause, permit, or contribute to any damage to, or waste of, the Common Area or Limited Common Area. Damage includes any act or omission that results in the deterioration, defacement, destruction, or impairment of shared property. Waste includes the misuse, abuse, neglect, or unauthorized alteration of shared property, whether intentional or negligent.

This restriction does not prohibit reasonable and non-destructive personal or recreational use of Common Area surfaces that does not result in lasting marks, stains, or harm and is promptly cleaned up or removed when appropriate. The Board may adopt Rules to clarify permitted or prohibited activities under this Subsection.

9.14. Smoking

Smoking is prohibited in, on, and about the Common Area, Limited Common Area, and all Attached Units, including any Combined Dwelling classified within Assessment District 2.

Smoking is permitted within Detached Units and any Combined Dwelling classified within Assessment District 3, but only to the extent that smoke does not unreasonably interfere with the use and enjoyment of other Lots, Units, Dwellings, Common Area, or Limited Common Area.

The term “smoking” includes the burning, inhaling, exhaling, vaping, or otherwise using any tobacco, marijuana, or similar product or device that produces smoke, vapor, or fumes.

The Board may adopt Rules regulating or prohibiting smoking within the Project, including within Detached Units and Combined Dwellings, to the extent permitted by applicable law, including Section 218(7) of the Act.

Nothing in this Section shall be construed to limit or prohibit any accommodation required by applicable law.

9.15. Hazardous Substances

Owners and Residents shall comply with applicable environmental laws, and shall not cause or permit the presence, use, disposal, storage, or release of any hazardous substances within the Project that are not properly controlled, safeguarded, and disposed of. No one shall permit anything to be done or kept within the Project which would be in violation of any public law, ordinance, or regulation. Each Owner shall indemnify, defend, and hold harmless the Association and its Indemnitees against any and all actions, claims, damages, expenses, losses, or liabilities (including regulatory fines, court costs, and attorney fees) of any kind whatsoever incurred by or asserted against the Association or any of its Indemnitees arising from or in any way related to the acts or omissions of the Owner, the Owner’s Residents, or their guests or invitees in relation to such hazardous substances.

9.16. Open-Flame Devices

Open-flame devices and LP-gas-fueled cooking devices shall be used, operated, and stored in accordance with and not in violation of the State Fire Code, including the International Fire Code and all related provisions incorporated therein, as adopted and amended by the State of Utah pursuant to Utah Code § 15A-5-103 and by the applicable local jurisdiction, as the same may be amended from time to time.

Without limiting the foregoing, and except as expressly permitted by the State Fire Code, open-flame cooking devices shall not be operated on combustible balconies or within ten (10) feet of combustible construction where such operation is prohibited by the State Fire Code.

In the absence of written confirmation from the applicable fire authority establishing that operation of an open-flame device is permitted at a particular location, the Association may reasonably treat operation on balconies or within ten (10) feet of combustible construction in buildings reasonably believed by the Association to contain three (3) or more Dwellings as prohibited. Owners are responsible for determining and demonstrating whether the configuration of their Unit or building permits operation of an open-flame device under the State Fire Code.

For purposes of this Section, "open-flame devices" include charcoal grills, gas grills, fire pits, and any other device intended for outdoor use that produces an open flame.

Consistent with the State Fire Code, the following are permitted: (1) LP-gas cooking devices having LP-gas containers with a water capacity not exceeding 2.5 pounds (nominal 1-pound LP-gas capacity); (2) Electric cooking devices that do not produce a flame and that bear the listing mark of a nationally recognized testing laboratory; and (3) Permanently installed and approved indoor gas appliances.

Nothing in this Section shall be construed to limit or waive any requirement of the State Fire Code, including applicable provisions of NFPA 58 (Liquefied Petroleum Gas Code) as incorporated therein.

The Association may adopt additional reasonable safety Rules applicable to Common Areas, Attached Units, balconies, or other areas where structural proximity creates increased fire risk, provided such Rules are consistent with applicable law. Without limiting the foregoing, the Association may adopt Rules to reasonably clarify and implement this Section in specific building configurations or circumstances, including establishing reasonable presumptions or documentation requirements to verify compliance with the State Fire Code, but no such Rule shall conflict with or waive any requirement of the State Fire Code.

In addition, the Association may impose reasonable restrictions or corrective requirements if, in the good-faith judgment of the Board, such restrictions or requirements are necessary to comply with the terms of any insurance policy maintained by the Association, to satisfy recommendations or requirements of the Association's insurer or risk engineer, or to preserve the availability or affordability of insurance coverage for the Project.

9.17. Insurance Impacts and Inspections

Nothing beyond that which is customary for residential use shall be done or kept within the Project by any Owner or Resident that will increase the rate of any insurance maintained by the Association, or that will result in cancellation of such insurance.

In the event of an insurance inspection or survey or the like that results in a requirement by the insurance provider for the Association to implement a loss control measure or the like, the Board shall timely take the required action and/or establish a Rule(s) or adopt a Resolution(s), as appropriate, that is sufficient to reasonably meet the requirement.

No Owner shall engage in conduct that voids, materially increases the cost of, or impairs coverage under any policy maintained by the Association.

9.18. Reservations and Admission Fees

The Board shall have the authority to adopt Rules for: (1) reserving the use of Common Area facilities, including parking facilities, to certain parties at certain times to the exclusion of the general membership of the Association; and (2) for charging reasonable admission and other fees for such reservations. The fees charged shall be sufficient to cover the costs of making the reservations, inspecting the facilities before and after use, cleaning the facilities after use as needed, and otherwise managing the reservations and related incidental work. Notwithstanding the foregoing, no such reservations or fees shall be allowed for Common Area streets or sidewalks or for Limited Common Areas, nor shall any fees be charged without reservations for the use of any Common Area by the general membership of the Association, nor shall the general membership of the Association be prohibited from using any Common Area when not reserved.

9.19. Fences and Walls

Except as provided in this Declaration, no fence, wall, or the like shall be caused to be installed by any Owner or Resident on Common Area or Limited Common Area. The Board shall have the authority to remove any such structure and to assess all costs related to removal to the Owner and Lot associated with the violation as an Individual Assessment. If the violation is caused by a Resident who is not an Owner of the Lot, or by the guest or invitee of such Resident, then that Resident shall also be jointly and severally responsible with the Owner for such amounts to the fullest extent permitted by this Declaration and applicable law.

9.20. Trees, Shrubs, and Bushes

No tree, shrub, bush, hedge, or the like, real or artificial, shall be caused to be planted in or placed on the Common Area or Limited Common Area by any Owner or Resident. The Board shall have the authority to remove any such plant and assess the costs related to removal to the Owner and Lot associated with the violation as an Individual Assessment. If the violation is caused by a Resident who is not an Owner of the Lot, or by the guest or invitee of such Resident, then that Resident shall also be jointly and severally responsible with the Owner for such amounts to the fullest extent permitted by this Declaration and applicable law.

9.21. Lawn and Vegetation

Any condition brought about or activity carried out by an Owner, Resident, or their guest or invitee, or any condition arising from a Unit or other Improvement, that materially disturbs, damages, or destroys the lawn, vegetation, landscaping, sprinkler system, or other appurtenances of the Project, whether above or below ground, is prohibited.

9.22. Planting and Gardening

No planting or gardening, real or artificial, shall be caused to be done by any Owner or Resident in the Common Area or the grounds of the Limited Common Area. The Board shall have the authority to remove any such planting and assess the costs related to such removal to the Owner and Lot associated with the violation as an Individual Assessment. If the violation is caused by a Resident who is not an Owner of the Lot, or by the guest or invitee of such Resident, then that Resident shall also be jointly and severally responsible with the Owner for such amounts to the fullest extent permitted by this Declaration and applicable law.

The Board shall have the authority to adopt Rules that place reasonable conditions and restrictions on the placement of easily movable planter boxes and the like on Limited Common Area appurtenant to Lots or located immediately adjacent to Units, including prohibiting such planter boxes or the like entirely within the Project. Notwithstanding the foregoing, the Board shall not allow placement of planter boxes or the like that interfere with or increase the cost of recurring landscape maintenance, or that will cause damage to the landscaping.

9.23. Animals

No animals of any kind shall be kept by any Owner or Resident—or their guests or invitees—within the Project, including in, on, or about any Lot, Unit, Common Area, or Limited Common Area, except as expressly permitted herein.

Notwithstanding the foregoing, no more than two (2) common household pets may be kept and housed inside a Unit, provided such pets are not kept for commercial, breeding, or resale purposes. For purposes of this Section, one (1) aquarium containing any number of fish shall count as one (1) pet. The term “pet” as used herein is limited to a domesticated bird, cat, dog, fish, or rodent, except as otherwise prohibited herein.

Further notwithstanding the foregoing, if any federal, state, or local law, duly adopted Rule, or the Association’s insurance provider prohibits or restricts the possession or keeping of a particular species, breed, or type of animal, such animal shall not be permitted within the Project, regardless of whether it would otherwise qualify as a permitted pet.

For purposes of this Section and all subsections, the phrase “kept at” and other similar language used in reference to an animal or pet shall include any Lot or Unit to which the animal is brought, kept, housed, allowed entry, or otherwise associated—whether on a temporary or ongoing basis—by any Owner, Resident, guest, invitee, tenant, or other Person. It also includes any animal that is allowed to enter, brought into, or found anywhere within the Project, regardless of where the animal is located, how long it remains on the Project, or whether its presence is authorized by any Owner, Resident, guest, invitee, tenant, or other Person.

Nothing in this Section shall be construed to limit or prohibit a service animal or assistance animal approved as a reasonable accommodation as required by applicable law.

The animals identified in following subsections are strictly prohibited, as they are commonly classified as high-risk by insurance providers or are otherwise unsuitable for residential settings.

9.23.1. Prohibited Birds

Notwithstanding anything to the contrary in the Governing Documents, the following types of birds are prohibited from being kept within the Project: all types of birds including but not limited to crows, poultry, and raptors, except for the following types of birds that are not prohibited: African Grey, Amazon, Caique, Canary, Cockatiel, Cockatoo, Conure, Eclectus, Finch, Lorikeet, Lory, Lovebird, Macaw, Parakeet, Parrot, Parrotlet, or Poicephalus.

9.23.2. Prohibited Cats

Notwithstanding anything to the contrary in the Governing Documents, the following types of cats are prohibited from being kept within the Project: all types of Bobcat, Bengal, Canadian Lynx, Chausie Cat, Caracal, Geoffroy’s Cat, Jungle Cat, Maine Coon, Manul, Ocelot, Pixiebob, Savannah, Serval, and any other cat not normally considered a common pet house cat.

9.23.3. Prohibited Dogs

Notwithstanding anything to the contrary in the Governing Documents, the following types of dogs are prohibited from being kept within the Project: all types of Akita, Bandog, Boxer, Bulldog, Bully Kutta, Cane Corso, Chow Chow, Doberman Pinscher, Dogo Argentino, German Shepherd, Great Dane, Gull Dong, Japanese Tosa, Malamute, Mastiff, Pit Bull Terrier, Presa Canario, Rottweiler, Rhodesian Ridgeback, Siberian Husky, Staffordshire Terrier, Wolf Hybrid, and any other dog not normally considered a common pet dog.

9.23.4. Prohibited Fish

Notwithstanding anything to the contrary in the Governing Documents, the following types of fish are prohibited from being kept within the Project: all types of Arapaima, Boxfish, Catfish (excluding commonly kept aquarium species such as Corydoras), Carp, Electric Eel, Piranha, Pufferfish, Snakehead, Stingray, Stonefish, Triggerfish, and any other fish not normally considered a common indoor pet fish.

9.23.5. Prohibited Rodents

Notwithstanding anything to the contrary in the Governing Documents, the following types of rodents are prohibited from being kept within the Project: all types of rodent including but not limited to mice and rats, except for the following types of rodents that are not prohibited: hamsters, gerbils, guinea pigs, chinchillas, and rabbits (though rabbits are not technically classified as rodents, but shall be for the purposes of this Article).

9.23.6. Pet Registration

All dogs, cats, and other animals kept within the Project that are required by applicable law to be registered, licensed, or permitted with the City, County, or other governmental authority shall, at all times, comply with those requirements, including any required annual or other renewal or reregistration.

In addition, each Owner or Resident who keeps a permitted pet within the Project shall register the pet annually with the Association. Association registration is required whether or not the pet is required to be registered, licensed, permitted, renewed, or reregistered with any City, County, or other governmental authority.

Required documentation for Association pet registration shall include the following, to the extent applicable: (1) the name of the pet, the Lot address at which the pet is kept, and the name of the Owner or Resident submitting the application; (2) the type and breed of the pet; (3) a complete copy of the written application submitted to the City or County (or other licensing authority) for the pet's licensure or registration; (4) a complete copy of the issued license or registration certificate; (5) copies of veterinary records, proof of vaccination, health certificates, or other materials required by the licensing authority; (6) the license or registration number issued to the pet; (7) the name and jurisdiction of the licensing or registering authority; and (8) at least one current color photograph of the pet sufficient to visually and accurately identify the animal at the time of registration.

Failure to provide all required documentation—or submission of incomplete, outdated, or false information—shall result in denial of the registration request, in which case the pet shall not be permitted to remain within the Project or any Unit.

Each pet required by applicable law or Rule to wear an identification tag or other form of identification issued by a licensing authority, registering authority, or the Association shall wear such identification as required.

The Board shall have the authority to adopt Rules related to pet registration, provided such Rules are not inconsistent with this Declaration. Such Rules may include, without limitation: (A) a pet registration fee not to exceed Fifty Dollars (\$50.00), or a lesser amount if required by applicable law; (B) requirements for additional documentation in support of registration, beyond that specified herein; (C) procedures governing the registration, review, approval, or denial of any pet; (D) a schedule of fines specific to pet-related violations; and (E) conditions under which an Owner or Resident may be required to permanently remove a pet from the Project.

9.23.7. Outdoor Pets Prohibited

Pets are prohibited from being outdoors within the Project at any time, except as expressly permitted herein. A pet may be taken outside a Unit only if it is on a leash or securely held, and under the control of a responsible party. The responsible party shall carry appropriate receptacles and shall immediately clean up and remove any feces or other debris left by the pet while outdoors.

Notwithstanding the foregoing, pets may be kept in the fully fenced yard of a Lot containing a Detached Unit, but only to the extent that the pet remains within the fenced area and does not create a nuisance as defined in Section 9.23.8 (Pet Nuisance).

9.23.8. Pet Nuisance

No pet—or the owner, keeper, or responsible party of any pet—shall cause or permit any nuisance in connection with that pet. The term “nuisance,” as used herein in relation to pets, includes, without limitation: (1) causing damage to any property; (2) creating offensive or unpleasant odors; (3) contributing to unsanitary conditions; (4) defecating on any Common Area, Limited Common Area, or another Lot if the feces are not immediately cleaned up and removed; (5) barking, howling, whining, or making other noises that disturb the peace and quiet enjoyment of others; (6) lunging at, jumping on, harassing, attacking, chasing, or otherwise acting aggressively toward persons or animals, including those who are walking, running, riding bicycles, or traveling in vehicles; (7) escaping from a leash, yard, Lot, Unit, or the control of a responsible party; (8) engaging in conduct or creating conditions that unreasonably disturb, annoy, bother, or interfere with the peace and enjoyment of others; (9) keeping more than the number or types of pets permitted under the Governing Documents or applicable Rules; or (10) failing to register a pet with the Association, where such registration is required.

The Board shall have the authority to adopt Rules that further define or clarify what constitutes a nuisance in relation to pets.

9.23.9. Pet Removal

The Association may require the permanent removal of any pet from the Project upon written notice to the pet owner and the Owner of the Lot where the pet is kept. Permanent removal shall be required if the pet has been the subject of two (2) fines—whether for unregistered status, nuisance conduct under Section 9.23.8 (Pet Nuisance), other violations of the Governing Documents, or any combination thereof.

In addition, any pet that bites and breaks the skin, causes injury requiring medical attention, or otherwise physically harms any person or animal—whether on the Common Area, Limited Common Area, or any other portion of the Project—shall be immediately and permanently removed from the Project upon written notice from the Association. However, minor incidents that do not result in serious harm—such as bites that do not break the skin, superficial scratches, or inadvertent contact causing no injury—shall not constitute grounds for immediate removal but may constitute a nuisance under Section 9.23.8 (Pet Nuisance).

In determining whether permanent removal is required, the Board may consider evidence of intentional provocation or abuse of the pet by the injured party or another Person as a mitigating factor.

If the pet is not permanently removed as required, the Board may arrange for removal and recover all related costs—including enforcement, removal, and legal expenses—as provided in Section 9.23.10 (Joint and Several Liability).

9.23.10. Joint and Several Liability

Each pet owner and the Owner(s) of the Lot at which the pet is kept—whether such pet is registered with the Association or not—shall be jointly and severally liable to the Association for: (1) violations of the Governing Documents in any way related to the pet; (2) acts and omissions of, or in any way related to, the pet, regardless of intent or degree of negligence; (3) damage to the Common Area or Limited Common Area caused directly or indirectly by, or in any way related to, the pet; and (4) any other actions, claims, damages, expenses, losses, or liabilities (including regulatory fines, court costs, and attorney fees) of any kind whatsoever arising from or in any way related to the pet.

9.23.11. Indemnification

Each pet owner and the Owner(s) of the Lot at which the pet is kept—whether such pet is registered with the Association or not—shall indemnify, defend, and hold harmless the Association and its Indemnitees from and against any and all actions, claims, damages, losses, liabilities, costs, and expenses (including regulatory fines, court costs, and attorney fees) of any kind whatsoever, whether direct or indirect, incurred by or asserted against the Association or its Indemnitees and arising out of or in any way related to the pet.

9.24. Signs, Flags, and Displays

Except as expressly permitted by this Section or required by applicable law, no sign, banner, flag, advertisement, display, or similar item shall be placed or displayed by any Owner or Resident on the Common Area, Limited Common Area, or the exterior of a Unit, nor within a window or other location in a manner visible from outside the Unit.

Nothing in this Section authorizes placement of any sign or display on property owned by the Association without its prior written consent, nor authorizes any display that damages, alters, or interferes with property subject to the Association's Maintenance Obligations.

Notwithstanding the foregoing:

(1) **Political Signs and Flags.** In accordance with Section 218(4) of the Act, the Association shall not prohibit an Owner from displaying a political sign or political flag on the Owner's Lot, on the exterior of the Owner's Dwelling, or in the front yard of the Dwelling. The Board may adopt reasonable time, place, and manner Rules regulating size, number, duration, and placement, but may not regulate content except as permitted by law.

(2) **For-Sale Signs.** In accordance with Section 218(5) of the Act, the Association shall not prohibit an Owner from displaying a for-sale sign on the Owner's Lot, on the exterior of the Owner's Dwelling, or in the front yard of the Dwelling. The Board may adopt reasonable time, place, and manner Rules regulating size, number, duration, and placement.

(3) **Religious or Holiday Displays.** In accordance with Section 218(3) of the Act, the Association shall not prohibit an Owner from displaying a religious or holiday sign, symbol, or decoration on the Owner's Lot or on the exterior of the Owner's Dwelling. The Board may adopt reasonable time, place, and manner Rules for displays visible from outside the Lot, provided such Rules comply with applicable law and are uniformly applied.

(4) **United States Flag.** The Association shall not prohibit display of the United States flag in compliance with United States Code, Title 4, Chapter 1, provided that no portion of the Common Area or Limited Common Area is damaged or altered in connection with such display.

(5) **Welcome Mats and Similar Items.** Common welcome doormats and similar small decorative items that do not cause damage or interfere with Maintenance Obligations shall not be prohibited.

All other signs, advertising, electronic displays, banners, and similar items not protected by statute are prohibited unless expressly permitted by Rule.

9.25. Antennas

Subject to applicable federal and state law, including the federal Over-the-Air Reception Devices (OTARD) Rule as it may be amended from time to time, the following shall apply:

With respect to Attached Units, the Association reserves the right to enter into exclusive contracts or bulk service agreements with commercial providers of cable, fiber, satellite, or similar data/media services, including the right to negotiate and/or grant exclusive access rights to such providers. Except as may be required by law or permitted by the Association, no satellite dish, antenna, or similar device—including any related cabling or hardware—may be installed, placed, or maintained on the exterior of any Attached Unit, Common Area, or Limited Common Area. However, such devices may be used within the interior of the Unit.

With respect to Detached Units, any permitted satellite dish or similar data/media antenna must be installed in a location that minimizes visibility from the street or front elevation of the Unit, to the extent practicable without materially impairing signal quality or intended function.

With respect to all Units, no radio or television antennas (as distinct from satellite dishes or data/media antennas) may be installed or mounted on any Unit, Common Area, or Limited Common Area. However, (a)

Owners of Detached Units may install permanent radio or television antennas (including amateur radio antennas) on their Lot or Unit, provided they do not constitute a nuisance and do not interfere with the Association's Maintenance Obligations or Common Area systems; (b) Owners may temporarily use non-mounted radio or television antennas on their Lot or Limited Common Area exclusively appurtenant to their Lot, subject to reasonable time, place, and manner Rules adopted by the Board, if any; and (c) any such devices may also be used within the interior of the Unit.

The Association intends to comply with the federal OTARD Rule. To the extent OTARD applies to a proposed installation located within an area of exclusive use or control of an Owner and not subject to Association ownership or Maintenance Obligation, the Association shall not prohibit installation except as permitted by applicable law.

Because exterior surfaces of Attached Units and the Common Area are generally owned by the Association and/or subject to the Association's Maintenance Obligations, those areas are generally not within the exclusive use or control of an Owner for OTARD purposes. Accordingly, installations in those areas may be regulated or prohibited to the extent permitted by applicable law.

9.26. Temporary Structures

Except as otherwise provided in this Declaration, no Owner or Resident may place, install, or maintain any shed, storage container, tent, gazebo, or other temporary structure on the Common Area or Limited Common Area.

With respect to Detached Units, Owners may place or use temporary structures on their privately owned Lot, provided such structures do not: (1) constitute a nuisance; (2) create an unsafe condition; or (3) interfere with or damage the Common Area, any Limited Common Area, or any lawn, landscaping, or other element subject to the Association's Maintenance Obligations.

With respect to Attached Units, the Board may adopt Rules permitting and regulating temporary structures, provided such structures are not permanently affixed to a Unit and are located entirely within the Limited Common Area exclusively appurtenant to the Lot containing that Attached Unit. Any such Rules must: (4) apply uniformly to all similarly situated Units; (5) prohibit structures that constitute a nuisance or are unsightly or unsafe; and (6) prohibit any interference with, or damage to, the Common Area or to any element subject to the Association's Maintenance Obligations.

9.27. Unit Attachments and Fixtures

Except as otherwise provided in this Declaration, no Owner or Resident shall affix or cause to be affixed anything, including but not limited to awnings, canopies, shutters, clothes lines, pots, plants, wind chimes, hose, lights, gates, electronic devices, flag pole holders, and other items, to or on any exterior surface, or that interferes with the maintenance or repair of such exterior surface, of any Attached Unit or other Unit for which the Association has an exterior Maintenance Obligation. Notwithstanding the foregoing, the Board shall have the authority to adopt Rules allowing and regulating the affixing of such items to the extent they do not unreasonably interfere with or increase the cost of the Association's Maintenance Obligation.

9.28. Solar Equipment

Notwithstanding anything to the contrary herein, no Owner or Resident shall install or cause to be installed a solar energy system of any type whatsoever, including but not limited to solar panels, solar water heaters, and solar power battery storage systems, on any roof, exterior wall, other exterior building surface, Common Area, Limited Common Area, or other location for which the Association has a Maintenance Obligation, such as Attached Units.

With respect to Lots containing Units upon which solar energy systems may be installed, such as Lots containing Detached Units, the Board shall have the authority to adopt Rules that are not inconsistent with the above restriction and that are consistent with Section 701 of the Act.

9.29. Structural Integrity

Except as otherwise provided in this Declaration, nothing shall be done in any Attached Unit, or in, on, or to Common Area or Limited Common Area, which will impair the structural integrity of a building, or any part thereof, or which would structurally change the building.

9.30. Motor Vehicles

9.30.1. Passenger Vehicles

All passenger vehicles, including but not limited to passenger cars, trucks, vans, and motorcycles, that are parked or stored in the Project by an Owner or Resident shall be registered pursuant to applicable laws and ordinances, and maintained in good running condition sufficient for highway use. Passenger vehicles may be parked or stored in usually closed garages or on driveways. Except for purposes of Association maintenance or repair, or as otherwise established by Rule, no passenger vehicle shall be parked or stored on the streets of the Project.

9.30.2. Recreational Vehicles

All recreational vehicles that are parked or stored in the Project by an Owner, Resident, or their guest(s) or invitee(s) shall be licensed in accordance with applicable laws and ordinances, and maintained in good running condition sufficient for highway use. Recreational vehicles may be stored in usually closed garages. Except for purposes of maintenance or repair by the Association, or as otherwise established by Rule, no recreational vehicle shall be parked or stored on the alleyways or guest parking stalls serving or associated with Attached Units, nor shall a recreational vehicle be parked or stored in driveways for more than three (3) nights.

9.30.3. Off-Highway Vehicles

No off-highway vehicle, including but not limited to off-highway motorcycles or the like, golf carts, type I, II, and III all-terrain vehicles as defined in Utah Code § 41-22-2, snowmobiles, motorized boats, and motorized aircraft, shall be stored or used in the Project. A non-motorized glider aircraft intended for manned use shall be considered an off-highway vehicle for purposes of this Declaration. Notwithstanding the foregoing, the Board shall have the authority to adopt Rules that allow for off-highway vehicles to be brought into and removed from the Project only on trailers and stored only in usually closed garages. Any parking or storage of an off-highway vehicle on Common Area or Limited Common Area, and any use or operation of an off-highway vehicle within the Project, shall be considered a nuisance.

9.30.4. Moving Vans

Moving vans and the like may be parked on the streets and driveways of the Project during periods of loading or unloading; they should be parked so as to leave room for other vehicles to pass to the extent reasonably possible. Except as otherwise established by Rule: (1) no moving van shall be stored on the alleyways or guest parking stalls serving or associated with Attached Units; and (2) no moving van shall be parked or stored in driveways for more than five (5) nights, and then only while the moving van is in the Project for purposes of being loaded or unloaded.

9.30.5. Service Vehicles

Service vehicles that are marked as such and are being used as such, including but not limited to vehicles used by or for contractors, service providers, emergencies, and deliveries, may park on the streets of the Project in the performance of services; they should be parked so as to leave room for other vehicles to pass to the extent reasonably possible. Except as otherwise established by Rule, no service vehicles shall be parked or stored on the alleyways or guest parking stalls serving or associated with Attached Units except temporarily while the service vehicle is in the Project for purposes of the services and while not interfering with access to and from Attached Unit garages.

9.31. Trailers

Trailers may be parked on the streets and driveways of the Project while being loaded or unloaded; they should be parked so as to leave room for other vehicles to pass to the extent reasonably possible. Trailers may be stored in usually closed garages. Except as otherwise established by Rule: (1) no trailer shall be stored on the alleyways or guest parking stalls serving or associated with Attached Units; and (2) no trailer shall be parked or stored in driveways for more than five (5) nights, and then only while the trailer is in the Project for purposes of being loaded or unloaded.

9.32. Guest Parking

Except as otherwise established by Rule, parking stalls designated by the Governing Documents as guest parking shall not be used by Owners and Residents; such parking stalls are reserved for the use of guests.

9.33. Parking Enforcement

Consistent with this Declaration, the Board shall have the authority to adopt Rules to govern and enforce parking on private streets owned or maintained by the Association and in guest parking stalls and other Common Area parking stalls.

Such Rules may include, without limitation: (1) restricting the time periods or duration of use of parking stalls; (2) authorizing booting and/or towing of vehicles that improperly park, in compliance with applicable law; (3) assigning available Common Area parking stalls to Lots, Owners, Residents, tenants, customers, or invitees for exclusive or limited use; (4) establishing reasonable fees for the exclusive use of assigned Common Area parking stalls; and (5) establishing a schedule of fines specific to parking violations.

Nothing herein shall authorize the Association to reassign or charge a fee for Limited Common Area parking stalls appurtenant to specific Lots, nor to interfere with any parking rights granted by this Declaration, the Plat, or recorded instrument.

The Board's authority under this Section shall be exercised reasonably and subject to applicable law and any parking rights, allocations, easements, restrictions, or other legally established parking arrangements appurtenant to a Lot pursuant to the Plat, any recorded Development Agreement, or other recorded instrument. Nothing in this Section shall be construed to permit enforcement or reassignment that would conflict with applicable accessibility requirements, including the Americans with Disabilities Act and similar laws, or that would cause the Project, any Lot, or any Unit to be out of compliance with governmental approvals.

9.34. Residential Rentals

"To rent" or "renting" a Dwelling means granting to one (1) or more non-Owners the right to occupy the Dwelling, whether for consideration or otherwise and regardless of duration.

Occupancy by the same or different non-Owners that exceeds thirty (30) consecutive days or thirty (30) cumulative days within any twelve (12) month period, whether or not consideration is paid and regardless of whether the Owner retains access to or intermittently occupies the Dwelling, shall be deemed renting for purposes of this Section.

"Residential Tenant" means a natural person who occupies a Dwelling as a result of renting by the Owner and includes all natural persons occupying the Dwelling under such renting.

Renting a Dwelling does not alter the Lot's classification, Voting Interest, Assessment obligations, or the Owner's liability under the Governing Documents, nor does it alter any Unit classification applicable under this Declaration.

9.34.1. Long-Term Residential Rentals

"Long-Term Residential Rental" means a Dwelling that is rented to one (1) or more Residential Tenants under a lease or occupancy arrangement having an initial stated term of at least six (6) months, regardless of

whether the Owner resides in the Dwelling during some or all of the occupancy.

Subject to applicable law, an Owner may rent the Owner's Dwelling as a Long-Term Residential Rental.

9.34.2. Short-Term Residential Rentals

"Short-Term Residential Rental" means a Dwelling that is rented to one (1) or more Residential Tenants under a lease or occupancy arrangement having an initial stated term of fewer than six (6) months, including occupancy for one (1) night.

Short-Term Residential Rentals are covenant-restricted and shall not be permitted except through the short-term rental manager designated by the Board under Section 9.34.7 (Short-Term Rental Manager—Independent Contractor; No Agency; Insurance Requirements), and only in compliance with applicable law, this Declaration, and Rules adopted by the Board pursuant to authority granted in this Section. Any Short-Term Residential Rental permitted pursuant to such Rules shall at all times comply with applicable law. The Board may establish uniform criteria, operational limitations, registration requirements, and enforcement procedures applicable to such rentals.

Short-term rental guests shall have no greater right to use the Common Area or Amenities than the Owner from whom occupancy is derived, and all use remains subject to Article 18 (Assumption of Risk, Release Of Liability, and Indemnification).

Each Owner offering a Dwelling for short-term rental shall maintain liability insurance covering short-term rental use with limits not less than \$500,000 per occurrence (or such higher amount as the Board may require in writing), and shall provide proof of such coverage upon request. The Association shall not be responsible for any uninsured loss arising from short-term rental activity.

9.34.3. Written Rental Agreement Required

Any renting of a Dwelling, whether constituting a Long-Term Residential Rental or a Short-Term Residential Rental permitted pursuant to this Section, shall be evidenced by a written lease, license, booking agreement (including electronic or platform-based agreements), or other written occupancy arrangement, regardless of duration or compensation.

To constitute a Long-Term Residential Rental under Section 9.34.1 (Long-Term Residential Rentals), the written occupancy arrangement shall have an initial stated term of at least six (6) months.

No oral or implied rental arrangement shall satisfy the requirements of this Section.

Each such written occupancy arrangement shall: (1) require compliance with the Governing Documents; (2) provide that any violation of the Governing Documents constitutes a default under the occupancy arrangement; (3) acknowledge that the Association is an intended third-party beneficiary of the provisions relating to compliance with the Governing Documents, with the right, but not the obligation, solely to enforce compliance with the Governing Documents in accordance with this Declaration and not as a landlord; and (4) be subordinate to the Governing Documents.

Failure of a written occupancy arrangement to include the provisions required by this Section shall not excuse compliance with the Governing Documents by the Owner or the Residential Tenant.

If an Owner engages a property manager, rental platform, or other third party to facilitate renting of the Dwelling, such third party shall be deemed the agent of the Owner solely for purposes of compliance with and enforcement of this Section and the Governing Documents. The Owner remains fully responsible for compliance by the Residential Tenant and any such third party.

Failure to comply with this Section constitutes a violation of the Governing Documents by the Owner.

9.34.4. Association's Right to Enforce

If a Residential Tenant violates the Governing Documents, the Association may provide written notice of the violation to the Owner and, if known, the Residential Tenant. The Owner shall promptly take all actions

necessary to cause compliance, including enforcement of the written occupancy arrangement.

If (1) a Residential Tenant violates the Governing Documents, (2) the Association has provided written notice of the violation to the Owner and an opportunity to cure in accordance with the Governing Documents, and (3) the Owner fails within the cure period specified in such notice either to cure the violation or to initiate and thereafter diligently pursue enforcement remedies under the occupancy arrangement, then the Owner hereby irrevocably assigns, without further action by the Owner, to the Association the right, but not the obligation, to enforce the provisions of the occupancy arrangement that relate to compliance with the Governing Documents, including, where permitted by its terms and applicable law, the right to pursue termination of the occupancy arrangement and eviction of the Residential Tenant.

The Association's exercise of such rights shall be solely for purposes of enforcing the Governing Documents and shall not be deemed to create a landlord-tenant relationship between the Association and the Residential Tenant or to impose upon the Association any landlord obligations.

All reasonable costs incurred by the Association in enforcing this Section, including reasonable attorney fees and court costs, shall be assessed against the Owner and Lot as an Individual Assessment.

9.34.5. Joint and Several Liability

The Owner of a Dwelling that is rented shall be responsible for all violations of the Governing Documents by any Residential Tenant or other occupant of the Dwelling and for any damage to the Common Area or Limited Common Area caused by such Residential Tenant or occupant.

To the extent a violation of the Governing Documents or damage to the Common Area or Limited Common Area is caused by a Residential Tenant or other occupant of the Dwelling, the Owner and such Residential Tenant shall be jointly and severally liable to the Association for fines, damages, and costs imposed pursuant to the Governing Documents arising from such violation or damage.

Nothing in this Section shall be construed to impose liability upon a Residential Tenant for violations or damage not caused by such Residential Tenant or other occupant of the Dwelling, nor to relieve the Owner of primary responsibility for compliance with the Governing Documents.

9.34.6. Indemnification

The Owner of a Dwelling that is rented shall indemnify, defend, and hold harmless the Association and its Indemnitees from and against any claims, damages, losses, liabilities, costs, and expenses (including reasonable attorney fees and court costs), including claims asserted by the Residential Tenant or other occupants of the Dwelling, to the extent arising from or related to: (1) the occupancy, use, or presence of the Dwelling by a Residential Tenant or other occupant under a rental arrangement; (2) any act or omission of such Residential Tenant or other occupant; or (3) violations of the Governing Documents by such Residential Tenant or other occupant.

This indemnification obligation applies regardless of whether a claim alleges negligence of the Association, but shall not apply to the extent a claim or loss is caused by the gross negligence or willful misconduct of the Association.

9.34.7. Short-Term Rental Manager—Independent Contractor; No Agency; Insurance Requirements

The Board shall designate a short-term rental manager for the Project. No Owner may advertise, list, book, lease, license, manage, or otherwise offer a Dwelling as a Short-Term Residential Rental except through the short-term rental manager designated by the Board and in compliance with this Declaration, the Rules, and applicable law. If no short-term rental manager is then under contract with the Association, Short-Term Residential Rentals shall not be permitted until a short-term rental manager has been designated by the Board and is operating under a written agreement approved by the Board.

The short-term rental manager designated by the Board shall act solely as an independent contractor. Neither

the designation of a manager nor the collection of any participation fee shall create a partnership, joint venture, agency, employment relationship, fiduciary relationship, or shared operational control between the Association and the short-term rental manager or between the Association and any Owner offering a Dwelling for short-term rental.

The Association does not operate, manage, supervise, or control any short-term rental activity, and retains no responsibility for advertising, listing, booking, guest screening, occupancy compliance, housekeeping, emergency response, tax collection or remittance, licensing compliance, or operational decisions relating to any Dwelling offered for short-term rental, except to the limited extent the Association enforces the Governing Documents.

As a condition of designation, the short-term rental manager shall enter into a written agreement approved by the Board requiring the short-term rental manager to pay the Association a short-term rental participation fee of not less than five percent (5%) of gross rental receipts collected in connection with Short-Term Residential Rentals within the Project, excluding refundable security deposits and taxes or governmental charges collected and remitted to the applicable governmental authority. The participation fee is a contractual payment obligation of the short-term rental manager and shall not constitute an Assessment, Fine, Fee, or lienable charge against any Lot unless separately authorized by this Declaration and applicable law.

As a condition of designation, the short-term rental manager shall maintain commercial general liability insurance with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate (or such higher amount as the Board may require), shall name the Association and its Indemnitees as additional insureds, and shall provide a waiver of subrogation endorsement in favor of the Association to the extent available.

Failure of the Association to verify compliance shall not create liability, waive the requirements of this Section, or authorize any Owner to conduct or continue Short-Term Residential Rentals outside the requirements of this Declaration.

10. LIMITED USE AND OPERATIONAL VARIANCES

10.1. Purpose and Scope

This Article shall not apply to, and the Board shall have no authority under this Article to vary, modify, reallocate, expand, contract, circumvent, or indirectly impair: (1) Lot, Unit, Dwelling, Assessment District, or other classifications, definitions, or interpretive provisions of this Declaration, including those contained in Article 2 (Definitions); (2) Assessment allocation, Assessment District boundaries, reserve funding obligations, reinvestment fees, or any other financial, budgetary, or fee-based obligations or allocation formulas; (3) voting rights, governance structure, Board or Member authority, or enforcement authority; (4) lien rights, collection remedies, or enforcement remedies; (5) insurance obligations, deductible allocation, or other risk allocation provisions; (6) architectural control, architectural standards, or architectural variances governed exclusively by Article 8 (Architectural Control); or (7) any provision that this Declaration requires to be modified only by formal amendment.

10.2. Eligibility Standards

The Board may grant a variance only where, in the reasonable judgment of the Board, strict application of a use or operational restriction would create an undue hardship due to unique physical, operational, or site-specific circumstances of the Lot, Unit, or Improvement that: (1) are not self-created; (2) are not solely economic in nature; (3) are not common to similarly situated Lots or Units; and (4) cannot be alleviated through a lesser modification.

Any variance granted shall be limited to the minimum relief necessary to alleviate the qualifying hardship.

10.3. Application and Procedure

1. **Written Application.** An Owner seeking a variance under this Article shall submit a written application describing the requested relief, the factual basis supporting eligibility under Section 10.2 (Eligibility Standards), and any supporting documentation reasonably required by the Board.
2. **Notice Requirement.** If the Board determines, based on the information reasonably available to it, that the requested variance is reasonably likely to have a material adverse impact on adjacent or otherwise directly affected Lots, Units, Common Area, or Limited Common Area, the Board shall provide written notice to the Owners of such affected Lots and a reasonable opportunity to submit written comments before the Board acts on the request. Comments shall be advisory only and shall not create veto authority.
3. **Board Evaluation.** The Board may evaluate the matter based upon written submissions, reports, and other information reasonably available to it and shall not be required to conduct a formal hearing unless otherwise required by law.
4. **Board Discretion.** The Board shall act in good faith and in the reasonable exercise of its discretion under this Declaration.
5. **Supermajority.** Any variance granted under this Article shall require approval by at least two-thirds (2/3) of the Directors then serving, regardless of any vacancies.
6. **Board Decision and Terms.** The Board shall issue a written decision approving or denying the requested variance. If denied, the written decision shall state the basis for denial. If approved, the written decision shall constitute the variance and shall set forth, at a minimum, the terms and scope of the variance, including: (a) the specific restriction varied; (b) the factual basis for eligibility under Section 10.2 (Eligibility Standards); (c) the Board's determination that the variance satisfies the applicable standards and is limited to the minimum relief necessary; (d) all conditions imposed; and (e) any duration, operational limits, or other limitations governing the scope and effect of the variance.

10.4. Conditions

The Board may impose reasonable conditions on the grant of any variance, including but not limited to: (1) operational limitations; (2) mitigation measures; (3) duration limits; (4) compliance reporting requirements; or (5) other safeguards reasonably related to the basis for granting the variance and designed to prevent material adverse impact.

Failure to comply with any imposed condition shall constitute a violation of this Declaration and shall subject the Owner to enforcement under this Declaration.

10.5. Effect of Variance

1. **Variance Scope.** A variance granted under this Article shall apply only to the specific circumstances described therein.
2. **Limited Run.** A variance shall run with the affected Lot only so long as the factual circumstances supporting the variance remain materially unchanged and all conditions remain satisfied.
3. **Limited Vesting.** No variance shall create vested rights beyond the terms expressly stated therein.
4. **No Waiver.** A variance shall not constitute a waiver of any other provision of the Governing Documents. A variance shall not create precedent or obligate the Board to grant similar relief under similar circumstances.

5. **Binding Protection.** A variance granted in compliance with this Article shall be deemed consistent with the uniform enforcement framework established by this Declaration with respect solely to the specific matter identified in the variance, and shall be binding upon the Association and all Owners unless and until revoked, invalidated, or determined not to have been granted in compliance with this Article or applicable law.

10.6. Revocation

The Board may revoke a variance if: (1) it was granted based on material misrepresentation; (2) any imposed condition is violated; (3) the factual circumstances supporting the variance materially change; or (4) the variance results in a material adverse impact that was not disclosed, was not reasonably anticipated, or is inconsistent with the determinations set forth in the Board's written decision.

Revocation shall require written notice, an opportunity to be heard, and approval by at least two-thirds (2/3) of the Directors then serving, regardless of any vacancies.

If the grounds for revocation are reasonably capable of cure, the Board shall provide a reasonable opportunity to cure before the revocation becomes effective. The Board shall determine, in its reasonable discretion, whether the applicable circumstances are capable of cure.

Upon revocation, the previously varied restriction shall again apply in full force and effect. Revocation shall not impair the Association's right to enforce the underlying restriction in accordance with this Declaration.

10.7. Relationship to Other Provisions

This Article does not limit or replace the Architectural Committee's variance authority under Article 8 (Architectural Control).

Nothing in this Article shall be construed to authorize modification of any provision that this Declaration reserves for amendment or otherwise designates as structural or financial in nature.

In the event of any conflict between this Article and any structural or financial provision of this Declaration, the structural or financial provision shall control.

The Board's authority under this Article shall be exercised in good faith, without conflict of interest, and in a manner that is not arbitrary, capricious, or against public policy, consistent with applicable law, including Section 213 of the Act to the extent applicable. Nothing in this Article shall be construed to authorize the Board to waive, amend, or modify this Declaration except to the limited extent expressly permitted in this Article.

11. COMPLIANCE AND ENFORCEMENT

11.1. Nuisance and Abatement

Any violation of the Governing Documents that remains uncured after applicable notice and opportunity to cure may be treated as a nuisance for enforcement purposes and may be abated or enjoined by the Association or, where authorized by this Declaration or applicable law, by any Owner, through any lawful remedy available under this Declaration or applicable law.

11.2. Compliance

Each Owner and Resident shall comply with applicable law, this Declaration, and the other Governing Documents. Failure to comply constitutes a violation and shall be grounds for enforcement action by the Association and, to the extent permitted by this Declaration or applicable law, by any Owner. All enforcement actions shall be undertaken in accordance with the procedures required by applicable law and the Governing Documents.

11.3. Remedies

Violation of any provision of the Governing Documents, or of any decision of the Association made pursuant thereto, shall give the Board, acting on behalf of the Association, the right, in addition to any other rights available under applicable law or the Governing Documents, to pursue any one or more of the following remedies, after providing any notice and opportunity to be heard required by applicable law: (1) levy reasonable fines in accordance with applicable law, this Declaration, and the Bylaws; (2) seek injunctive relief or other equitable remedies to enjoin, abate, or remedy such violation; and (3) initiate legal action against an Owner or Resident to enforce the Governing Documents or recover amounts due to the Association.

All remedies are cumulative and not exclusive. Nothing in this Section limits the Association's lien rights under Article 12 (Assessments and Fees) with respect to Assessments properly levied pursuant to this Declaration.

Assessments levied to recover insurance deductibles or other insurance-related costs in accordance with Article 15 (Insurance) shall be enforceable in the same manner as any other Assessment under Article 12.

A Fine shall not constitute an Assessment or create a lien against a Lot unless expressly characterized as an Individual Assessment pursuant to Section 12.4 (Individual Assessment) and permitted by applicable law.

Recovery of attorney fees, administrative costs, and related expenses in connection with enforcement actions may be pursued as provided elsewhere in this Declaration and under applicable law, including Section 12.7.6 (Attorney Fees).

11.4. Time Limit for Claims

Any legal or equitable claim by an Owner, Resident, tenant, guest, invitee, or other Person claiming by, through, or under an Owner or Resident—whether current or former—against the Association or any Indemnitee, relating to any act, error, omission, decision, condition, communication, representation, or circumstance for which the Association or such Indemnitee is alleged to be responsible in connection with the management, operation, maintenance, condition, governance, administration, or affairs of the Association or the Project, or the exercise or failure to exercise any authority, duty, right, or responsibility under the Governing Documents, must be commenced within one (1) year after the date the claimant knew or reasonably should have known of the facts giving rise to the claim, regardless of whether the relief sought is legal or equitable, and whether the claim is for monetary or non-monetary relief.

To the extent permitted by applicable law, this one-year period shall apply notwithstanding any otherwise applicable statute of limitations and is intended to reduce the cost and uncertainty of delayed or stale claims. By accepting title to a Lot, occupying a Dwelling, residing within the Project, entering or using any Common Area or Limited Common Area as a tenant, guest, invitee, or other Person claiming by, through, or under an Owner or Resident, or otherwise claiming rights under this Declaration, each such Person knowingly and voluntarily waives, to the fullest extent permitted by applicable law, any right to bring a covered claim after the expiration of this one-year period.

This Section shall be enforced only to the fullest extent permitted by applicable law.

11.4.1. Exceptions

This Section shall not apply to: (1) any claim brought by the Association itself against an Indemnitee; (2) any claim alleging willful misconduct, gross negligence, or fraud; (3) any enforcement action brought by a governmental or regulatory agency; (4) any claim subject to a shorter limitations period under applicable law; (5) any claim arising from a written contract with the Association that specifies a different limitations period; or (6) any claim for which applicable law prohibits contractual shortening of the limitations period or waiver of the claim.

11.4.2. Purpose

Section 11.4 (Time Limit for Claims) is intended to: (1) preserve the availability and affordability of liability insurance for the Association and its Indemnitees; (2) encourage the timely resolution of disputes; (3) reduce legal uncertainty for Indemnitees; and (4) support efficient and stable governance of the Association.

Section 11.4 shall be binding upon all Owners, Residents, tenants, guests, invitees, and other Persons claiming by, through, or under an Owner or Resident—whether current or former—who are subject to, or who claim rights under, this Declaration, or who assert claims arising from their presence in, use of, or occupancy within the Project.

11.5. Owner and Association Enforcement; Injunctive Relief

Subject to any limitations imposed by applicable law or this Declaration, the Association, any Owner, or any other interested party with standing may bring an action against any Owner, Resident, the Association, or other appropriate party to recover damages, seek injunctive relief, or otherwise enjoin, abate, remedy, or enforce a violation of the Governing Documents through any appropriate legal or equitable proceeding.

12. ASSESSMENTS AND FEES

Assessments collected by the Association shall be used for: (1) the operation, administration, management, care, maintenance, repair, preservation, improvement, and protection of the Project; (2) preserving and enhancing the value of the Project; and (3) for carrying out the duties and limited powers of the Association.

All Assessments authorized under this Article constitute “assessments” as that term is used in Sections 102(1) and 201(1)–(3) of the Act, and are levied pursuant to this Declaration and the other Governing Documents, as applicable. All Assessments levied under this Article constitute a personal obligation of the Owner and, to the extent permitted by law, a continuing lien against the Lot, to the extent and in the manner authorized by Section 301 of the Act or other applicable law. No Assessment shall be deemed to create or secure a lien except as expressly provided in this Declaration and applicable law.

Except as otherwise provided in this Declaration, each Lot shall be subject to Assessments.

Each type of Assessment authorized under this Article—including Regular Assessments, Special Assessments, Individual Assessments, Capital Assessments, and any District-specific Assessments—constitutes an “Assessment” for all purposes under this Declaration and the Governing Documents, unless expressly provided otherwise in this Declaration or required by applicable law.

Except as expressly provided for Individual Assessments, all Assessments under this Article are intended to be levied uniformly within the applicable assessment population. For purposes of this Article, the “applicable assessment population” means either (1) all Lots in the Project, or (2) all Lots within a particular Assessment District or Assessment Districts, as applicable based on the nature of the expense being assessed.

12.1. Assessment Districts

The Association includes one or more Assessment District categories for purposes of allocating District Common Expenses. The classification criteria, hierarchy, and initial classification of Lots within each Assessment District are set forth in **Exhibit D**, as in effect from time to time and as amended in accordance with this Declaration.

District Common Expenses incurred for the benefit of Lots within a particular Assessment District shall be allocated solely among the Lots classified within such Assessment District at the time the Assessment is levied, as determined pursuant to this Section. No reclassification shall apply retroactively to Assessments previously levied or to budget or reserve allocations previously adopted.

Each Assessment District exists solely as a financial and assessment allocation mechanism. No Assessment District creates or constitutes a separate association, governing body, planned community, sub-association, or

legal entity of any kind. Classification within an Assessment District does not alter ownership of a Lot, Voting Interests, lien rights, or insurance allocation except as expressly provided in this Declaration.

12.1.1. Dynamic Classification

Classification of a Lot within an Assessment District shall be determined automatically in accordance with the criteria and hierarchy set forth in **Exhibit D**. Classification and reclassification occur by operation of this Declaration upon satisfaction of the applicable criteria and do not require amendment to this Declaration or **Exhibit D**, or Board approval.

The Board or Manager may maintain an administrative record reflecting the current classification of Lots for budgeting, accounting, and notice purposes; however, such record is ministerial only and does not create, modify, or eliminate classification, which occurs automatically pursuant to this Declaration and **Exhibit D**.

12.1.2. Reclassification Timing

Notwithstanding Section 12.1.1 (Dynamic Classification), a Lot shall not be deemed reclassified into or out of an Assessment District unless the conditions giving rise to such reclassification have existed continuously for one hundred eighty (180) consecutive days.

The 180-day period shall commence on the date the qualifying condition first objectively exists on the Lot and shall run continuously so long as such condition remains satisfied.

For purposes of this Section, a condition shall be deemed to "objectively exist" when it is evidenced by a recorded instrument, issued building permit, certificate of occupancy, physical alteration of improvements, or other verifiable circumstance demonstrating that the classification criteria have been satisfied.

Reclassification shall become effective automatically on the one hundred eighty-first (181st) consecutive day, without the necessity of Board action, amendment, or further approval.

During the 180-day period, the Lot shall remain classified within its prior Assessment District for purposes of budgeting, reserve allocation, and assessment. Reclassification shall affect only prospective Assessments and budget allocations and shall not alter previously accrued obligations, previously levied Assessments, or reserve funding allocations attributable to the Lot's prior classification.

12.1.3. No Implied Assessment Districts

No Assessment District exists other than those expressly established in **Exhibit D**. No Lot shall be deemed included in or excluded from any Assessment District by implication, historical practice, budgetary treatment, reserve funding practice, administrative record, use, or Board action, except as determined pursuant to the classification criteria and hierarchy set forth in **Exhibit D**, as in effect from time to time, and subject to the reclassification timing provisions of this Section.

12.2. Regular Assessment

Regular Assessments shall be determined by the annual Budget adopted by the Board and shall be based on the allocation of Common Expenses and District Common Expenses as reflected in the Budget. The Board shall identify in the annual Budget the allocation of each Common Expense and District Common Expense component.

Common Expenses that are Properly Allocable to the Association as a whole shall be allocated among all Lots in the Project in accordance with this Declaration. District Common Expenses that are Properly Allocable to fewer than all Lots in the Project shall be allocated solely among the Lots to which such District Common Expenses are Properly Allocable, which may include the Lots within one or more Assessment Districts, but not all Lots in the Project.

Regular Assessments shall be levied uniformly among all Lots subject to the same Common Expense component(s) and among all Lots subject to the same District Common Expense component(s).

The allocation of Regular Assessments under this Section is for assessment and collection purposes only and

does not alter ownership interests, Maintenance Obligations, insurance obligations, use rights, or voting rights except as expressly provided in this Declaration.

12.2.1. Components of Regular Assessment

Each Lot's Regular Assessment consists of two components: (1) a Common Expense component attributable to Common Expenses allocated among all Lots in the Project, and (2) one or more District Common Expense components attributable to District Common Expenses allocated to the Lots to which such District Common Expenses are Properly Allocable.

The sum of the applicable Common Expense component and any applicable District Common Expense component(s) constitutes the Lot's total Regular Assessment obligation for the applicable period.

12.2.2. Limitation on Allocation of District Common Expenses

District Common Expenses shall not be allocated to, assessed against, or collected from any Lot to which such District Common Expenses are not Properly Allocable.

No District Common Expense may be allocated among all Lots in the Project, or among Lots outside the Assessment District or Assessment Districts to which the District Common Expense is Properly Allocable, except as expressly provided in this Declaration.

12.2.3. No District Equalization

Nothing in this Declaration requires or permits the equalization, averaging, reallocation, or rebalancing of Assessments, District Common Expenses, District Budgets, or District Reserve Funds among Assessment Districts over time or otherwise, and each Assessment District shall remain financially responsible, through Assessments levied in accordance with this Article, for the Common Expenses and reserves attributable to the benefits it receives.

12.2.4. No Separate Authority or Fiscal Autonomy

Assessment Districts and District Budgets do not create separate associations, governing bodies, fiscal entities, or independent assessment authority.

All budgets, assessments, collections, expenditures, and enforcement actions related to District Common Expenses are undertaken solely by the Association pursuant to this Declaration and applicable law.

District Budgets exist solely as internal accounting and allocation components of the Association's annual Budget and shall not be construed to confer autonomy, separate decision-making authority, or independent financial powers on any Assessment District.

12.3. Special Assessment

The Board may levy Special Assessments from time to time for the purpose of defraying, in whole or in part, Association expenses that are not included in, or not reasonably capable of being fully funded through, the Regular Assessment, including expenses related to emergencies. A Special Assessment may also be levied to fund or replenish the Insurance Deductible Fund or the Reserve Fund when insurance proceeds, deductible allocations, or available reserve balances are insufficient to cover expenses properly payable from such funds. Any Special Assessment remains subject to the allocation principles and fund-use limitations set forth in this Declaration and applicable law.

Notwithstanding the foregoing, no Special Assessment may be used to fund any Capital Improvement for which Member approval is required under Section 12.5 (Capital Assessment).

A Special Assessment may be levied among all Lots in the Project if the expense is Properly Allocable to all Lots. If the expense benefits fewer than all Lots in the Project, the Special Assessment shall be allocated solely among all Lots within the applicable Assessment District or Assessment Districts to which such expense is attributable, as determined by the Board in accordance with this Declaration.

Any Special Assessment shall be levied uniformly among all Lots subject to the Assessment within the

Association or the applicable Assessment District or Assessment Districts, as determined under this Section.

12.3.1. Emergency Expense Allocation

The existence of an emergency or urgent condition shall not alter the allocation principles set forth in this Article. Emergency expenses shall be allocated among Lots based on the benefit conferred or the expense allocation otherwise required by this Declaration, and the applicable Common Expense or District Common Expense classification, notwithstanding the timing or urgency of the expenditure.

12.4. Individual Assessment

The Board may levy an Individual Assessment against a particular Lot and Owner, based on the acts or omissions of the Owner, a Resident, or a member of their household or guest, for: (1) damage to the Project that causes the Association to incur costs for maintenance or repairs; or (2) any services reasonably provided to, or any reasonable expenses incurred in relation to, the Lot, Unit, or other Improvement due to the Owner's or Resident's failure to maintain the Lot, Unit, or other Improvement, including emergency repairs necessary to protect other Lots, Units, Owners, Residents, the Common Area, or Limited Common Area.

12.4.1. Recoverable Costs

An Individual Assessment may include the actual and reasonable costs of such damage, maintenance, repairs, enforcement costs incurred, services provided, or expenses incurred, including reasonable overhead and administrative costs, reasonable attorney fees, and other reasonably related costs actually incurred in enforcing the Governing Documents or remedying the condition giving rise to the assessment.

12.4.2. Individual Assessment as a Lien

Any Individual Assessment shall constitute an Assessment for all purposes under this Declaration and, to the extent permitted by applicable law, shall be secured by the same lien and subject to the same collection procedures as any other Assessment under this Article.

12.4.3. Pre-Work Assessment

An Individual Assessment may be levied prior to work being performed in the amount of a reasonable estimate of such work. Any amounts expended in excess of the estimate shall also be assessed.

12.4.4. Conversion of Fines to Individual Assessments

Any Fine imposed by the Association in compliance with Section 208 of the Act that remains unpaid after final determination (including expiration of the time to request an informal hearing, or issuance of a final decision following such hearing) may, upon written notice from the Association and affirmative Board authorization recorded in the minutes, be levied as an Individual Assessment to the extent permitted by applicable law. Such conversion shall not occur automatically and shall require discretionary Board action.

Any such Individual Assessment may be collected in the same manner as other Individual Assessments. However, if the Owner timely initiates a civil action under Section 208(5) of the Act to challenge the Fine, the Association shall not pursue foreclosure of any lien arising from such conversion until final resolution of that action, unless otherwise permitted by applicable law.

12.4.5. Lots 1-5 Exclusive-Use Limited Common Area Costs

Costs attributable to the Lots 1-5 Exclusive-Use Limited Common Area shall be the sole responsibility of the Owner of Lots 1 through 5 and shall not be Common Expenses or District Common Expenses, including AD3 District Common Expenses, except to the extent a specific cost is expressly made an Association obligation under this Declaration.

Without limiting the foregoing, if the Association incurs any cost attributable to the maintenance, repair, replacement, reconstruction, modification, operation, utilities, cleaning, safety, code compliance, insurance deductible, uninsured loss, risk, liability, enforcement, emergency response, or other use-related obligation associated with the Lots 1-5 Exclusive-Use Limited Common Area, the Association may levy the cost as an

Individual Assessment against Lots 1 through 5 and the Owner of Lots 1 through 5, jointly and severally, to the fullest extent permitted by this Declaration and applicable law.

No approval, inspection, emergency response, enforcement action, insurance claim, payment, expenditure, reimbursement, vendor coordination, or other action by the Association relating to the Lots 1-5 Exclusive-Use Limited Common Area shall be construed to convert any such cost into a Common Expense or District Common Expense, including an AD3 District Common Expense; to impose a continuing Maintenance Obligation on the Association; or to shift any owner-responsible cost to any other Owner, Lot, Assessment District, or the Association, except to the extent the Association expressly assumes a specific obligation under this Declaration.

12.5. Capital Assessment

The Board may levy a Capital Assessment only as a separately stated Assessment, upon obtaining the assenting vote of at least sixty percent (60%) of the votes cast at a meeting of the Members held in accordance with the Bylaws, at which Members representing at least thirty-three percent (33%) of the total Voting Interests of the Association are present in person or by proxy. For purposes of this Section, the calculation of total Voting Interests and participation thresholds shall include all Voting Interests allocated to Lots, without regard to Good Standing status.

Notwithstanding the foregoing, if a Capital Assessment will benefit only one or more specific Assessment Districts, as determined by the Board in good faith and in accordance with this Declaration, approval shall require the assenting vote of at least sixty percent (60%) of the votes cast by the Members within the affected Assessment District(s), at a meeting of such Members held in accordance with the Bylaws, at which Members representing at least thirty-three percent (33%) of the total Voting Interests within the affected Assessment District(s), collectively, are present in person or by proxy. For purposes of this paragraph, the calculation of total Voting Interests within the affected Assessment District(s) shall include all Voting Interests allocated to Lots within such Assessment District(s), without regard to Good Standing status.

Each Capital Assessment shall be allocated to a specific Capital Improvement prior to being submitted for membership approval and shall remain allocated to that same Capital Improvement after approval. Each Capital Assessment shall be levied uniformly against the Lots subject to the assessment within the Association or the affected Assessment District(s), as applicable.

Any balance remaining after completion or cancellation of the Capital Improvement shall be refunded to the Owners who paid such Capital Assessment, or their successors in interest, in the same proportion in which the Capital Assessment was levied, unless otherwise approved by the same membership required to approve the Capital Assessment.

12.5.1. No Cross-District Capital Funding

No Capital Assessment or Capital Improvement that benefits fewer than all Lots in the Project may be funded, advanced, reimbursed, or subsidized—directly or indirectly—by assessments levied against Lots outside the benefiting Assessment District or Assessment Districts, except to the extent expressly approved by the Members entitled to vote on such Capital Assessment under this Declaration.

12.5.2. Replacement of Existing Improvements

The replacement, repair, or reconstruction of an existing Improvement or component for which the Association has a Maintenance Obligation under this Declaration shall not require approval as a Capital Assessment under this Section if such work is performed substantially in kind and in the same general location, using materials and specifications reasonably comparable to the existing Improvement, even if the replacement extends the useful life of the Improvement.

Member approval under this Section is required only if the proposed work constitutes a material expansion of capacity, a material change in function or use, or a significant upgrade or enhancement beyond replacement in kind, as determined by the Board in good faith and reasonably documented in the Association's records.

12.6. Reinvestment Fee Covenant

12.6.1. Imposition and Amount

With respect to each and every conveyance of a Lot to a new Owner, including the first conveyance to the first Owner of the Lot, a fee (the "Reinvestment Fee") in the maximum amount permitted by applicable law, as such amount may change from time to time, currently one-half percent (0.5%) of the value of the Lot, shall be paid to the Association.

For purposes of this Section, the "value" of a Lot shall be deemed to be the gross sales price paid for the Lot in an arm's-length transaction unless otherwise required by applicable law.

The Reinvestment Fee shall apply to the conveyance of all Lots unless expressly exempt under Section 12.6.4 (Exempt Transfers) or applicable law, and shall be paid by the buyer of the Lot unless otherwise agreed in writing by the buyer and the seller, in addition to any pro rata share of Assessments due and adjusted at settlement.

12.6.2. Notice and Enforceability

The Reinvestment Fee may be charged, collected, and enforced only if and when a compliant Notice of Reinvestment Fee Covenant has been recorded in accordance with Utah Code § 57-1-46 in the office of the recorder of each county in which any portion of the burdened property is located.

This Reinvestment Fee Covenant amends, restates, continues, and supersedes the pre-existing reinvestment fee covenant contained in Section 7.10 of the 2024 Declaration and does not constitute an additional reinvestment fee covenant.

The existence of this Reinvestment Fee Covenant precludes the imposition of any additional reinvestment fee covenant on the burdened property. This Reinvestment Fee Covenant is intended to run with the land and to bind successors in interest and assigns, subject at all times to applicable law.

The Reinvestment Fee shall be imposed and administered only to the extent authorized by applicable law, including any required approval, notice, or other procedural requirements.

12.6.3. Allocation and Purpose

The purpose of the Reinvestment Fee is to benefit the Project and the burdened property by funding Association expenses and facilities permitted by applicable law, including reserves.

All Reinvestment Fees collected shall be allocated solely to the Reserve Fund or applicable District Reserve Fund(s), maintained separately from other Association funds as required by applicable law, and used only for reserve-fund purposes authorized by applicable law, including Section 211 of the Act, and by this Declaration. To the extent reasonably practicable, Reinvestment Fees may be allocated to a District Reserve Fund if the transferred Lot is classified within an Assessment District for which a District Reserve Fund has been established.

To the fullest extent practicable, the Reinvestment Fee shall be collected at the closing of the purchase and sale transaction by a title company, escrow company, or other person involved with the transaction and paid directly to the Association.

The obligation to pay the Reinvestment Fee shall be a joint and several, personal, and continuing obligation of the buyer and seller for enforcement purposes, regardless of whether the buyer acquires title by regular conveyance or pursuant to a foreclosure sale (judicial, non-judicial, or otherwise), except as expressly provided in Section 12.6.4 (Exempt Transfers).

12.6.4. Exempt Transfers

Pursuant to Utah Code § 57-1-46, the Reinvestment Fee may not be enforced upon any of the following transfers: (1) an involuntary transfer; (2) a transfer resulting from a court order; (3) a bona fide transfer to a family member of the seller within three (3) degrees of consanguinity, upon adequate proof; (4) a transfer or

change of interest due to death, whether by will, trust, or decree of distribution; or (5) the transfer of a Lot by a financial institution, except that the Association may collect from the transferee an amount not to exceed Two Hundred Fifty Dollars (\$250) for the Association's costs directly related to the transfer.

12.7. Other Fees

In addition to any other Fees provided for herein, the Association shall be entitled to charge the following Fees.

Except as otherwise expressly prohibited by applicable law, any Fee charged under this Section constitutes a personal obligation of the Owner or Resident against whom the Fee is assessed and shall be due and payable as provided in this Declaration. To the extent permitted by applicable law and this Declaration, unpaid Fees may be recovered as an Individual Assessment. No Fee imposed under this Section shall be secured by a lien against a Lot except to the extent expressly authorized by statute.

12.7.1. Fines

The Association may impose Fines against Lots, Owners, and/or Residents in accordance with Section 208 of the Act and other applicable law, and in accordance with the schedule of fines set forth in the Bylaws, which establishes the applicable fine amounts.

12.7.2. Late Payment Fee

The Association may charge a one-time late payment Fee in an amount of Fifty Dollars (\$50.00) or ten percent (10%) of each separately due amount that becomes delinquent, whichever is greater. The obligation to pay a late payment Fee is a personal obligation of the Owner. Any portion of a late payment Fee that is not permitted by applicable law to be secured by a lien shall remain fully enforceable as a personal obligation but shall not impair the Association's lien rights with respect to other delinquent amounts. No late payment Fee shall be secured by a lien except to the extent permitted by applicable law.

12.7.3. Interest

Interest shall accrue to the Association at a rate not to exceed one and one-half percent (1.5%) per month on delinquent Assessments and, to the extent permitted by applicable law, on other delinquent amounts. Interest constitutes a personal obligation of the Owner and, to the extent permitted by applicable law, may be secured by the Association's lien and enforced in the same manner as unpaid Assessments. No accrued interest shall be secured by a lien except to the extent permitted by applicable law.

12.7.4. Setup Fee

The Association may charge a setup Fee in an initial amount of Two Hundred Fifty Dollars (\$250.00) for establishing or updating Association records and administrative systems in connection with a new Member, Resident, or other party, which amount is established by this Declaration and is chargeable without further Board action.

The Board may, by Rule, increase the amount of the setup Fee from time to time if the Board determines in good faith that the adjusted amount remains reasonable in light of the Association's administrative or management needs associated with such setup, provided that any adjusted amount is generally applicable and adopted and disclosed in compliance with applicable law, the Governing Documents, and any applicable notice requirements.

12.7.5. Enforcement and Administrative Notice Fee

The Association may assess a liquidated-damages Fee in the amount of Five Dollars (\$5.00) for each individual written enforcement or delinquency notice prepared and delivered by or on behalf of the Association in response to an Owner's or Resident's violation, delinquency, or other noncompliance. The parties acknowledge and agree that the operational and administrative burdens and impacts incurred by the Association in connection with such notices are difficult to ascertain with precision at the time this Declaration is adopted, and that this amount represents a reasonable pre-estimate of the Association's

anticipated damages and is not intended as a penalty.

The Board may, by Rule, adjust the liquidated-damages Fee amount from time to time if the Board determines in good faith that the adjusted amount continues to represent a reasonable pre-estimate of the Association's anticipated damages associated with such notices under then-current conditions, which may include changes in the Association's administrative structure, management arrangements, or enforcement practices. Any such adjustment shall apply prospectively only.

12.7.6. Attorney Fees

In addition to any other rights under this Declaration, the Association shall be entitled to recover all reasonable attorney fees, administrative costs, and related expenses—including fees charged by collection agencies or other third-party vendors engaged by the Association to assist with enforcement or recovery—from any Owner, Resident, or other party. Recoverable expenses include, without limitation, amounts incurred in connection with: (1) enforcing or interpreting the Governing Documents; (2) collecting unpaid Assessments or other delinquent amounts, whether directly or through third parties; (3) initiating, prosecuting, or defending any legal, equitable, or administrative action—including litigation, arbitration, or mediation—arising from or relating to the Project, the Association, its operations, or its Members; (4) obtaining legal advice related to compliance, governance, enforcement, or disputes; (5) monitoring or participating in bankruptcy proceedings involving any Owner or other affected party; (6) preparing, recording, foreclosing, or enforcing a lien against a Lot; or (7) taking any other action reasonably necessary to protect the legal interests of the Association or to enforce its rights under law or this Declaration.

All such attorney fees, administrative costs, and related expenses shall constitute an Individual Assessment levied against the applicable Lot and Owner, and, where permitted by this Declaration and applicable law, may also be recovered as a personal obligation from the applicable Resident or other responsible party. To the extent permitted by applicable law, such Individual Assessment shall be enforceable as a lien and collectible in the same manner as unpaid Assessments under this Declaration.

For purposes of this Section, attorney fees and costs incurred by the Association include amounts paid directly by the Association and amounts paid or advanced on the Association's behalf by any insurer under a policy of insurance providing a defense or indemnity.

In addition, if any action is commenced between or among any parties relating to the Association, the Project, or the Governing Documents—including litigation, arbitration, or mediation—the prevailing party shall be entitled to recover its reasonable attorney fees and costs, including court costs, witness fees, and related expenses, from the non-prevailing party. In any action where no party prevails entirely, the court, arbitrator, or mediator may allocate fees and costs equitably based on relative success or failure.

Nothing in this Section shall obligate any party to reimburse attorney fees or costs incurred as a result of the bad faith, willful misconduct, or frivolous conduct of the Association or its agents.

12.7.7. Board-Established Fees

The Board may, by Rule adopted in accordance with any applicable provisions of the Bylaws, establish reasonable and generally applicable Fees for services, administrative activities, or use of Common Areas, and not as punitive charges or Fines, except as otherwise expressly authorized elsewhere in this Declaration or the Bylaws, to the extent such Fees are authorized by applicable law or by this Declaration or other Governing Documents.

Any Fee whose amount, rate, applicability, or method of calculation is completed or selected by Board action shall be adopted, disclosed, and administered in compliance with Sections 201 and 217 of the Act, as applicable.

The Board shall not use this authority to create any Assessment, Capital Assessment, Reinvestment Fee, or other monetary obligation that is required by law or this Declaration to be authorized or approved by the membership or established in a recorded governing document. Any Fee established by the Board that is

inconsistent with applicable law or the Governing Documents shall be void and unenforceable.

12.8. No Offsets

All Assessments and Fees shall be payable at the time and in the amount specified by the Association, and no offsets against such amounts by Owners and Residents shall be permitted for any reason, including but not limited to claims that the Board is not properly exercising its duties and authority, claims in the nature of offset or that the Association owes the Owner or Resident money, or claims that the Association is not complying with its obligations as provided for in the Governing Documents.

12.9. Statement of Unpaid Assessments

Upon an Owner's written request accompanied by payment of a Fee in the maximum amount permitted by applicable law, currently Ten Dollars (\$10.00), the Association shall, within the time required by applicable law, issue a written statement indicating any unpaid Assessments or other amounts due and payable by the Owner as provided in Section 206 of the Act.

12.10. Due Dates and Collection

12.10.1. Assessments and Fees

The Regular Assessment shall be due and payable annually, with the annual installment due and payable in full on the first (1st) day of each fiscal year.

The Board may, by Rule, require the Regular Assessment to be paid annually, quarterly, or monthly, and may establish the due date for each such installment; provided, however, that unless otherwise established by Rule, quarterly installments shall be due on the first (1st) day of each calendar quarter and monthly installments shall be due on the first (1st) day of each month. Any Rule establishing or modifying the frequency or due date for payment of the Regular Assessment shall apply uniformly to all Lots.

All other Assessments, Fees, and other amounts due shall be due and payable in full within thirty (30) days of the dates levied, imposed, or otherwise charged.

12.10.2. Delinquency

Any Assessment, Fee, or other amount due that is not paid in full by its due date shall be considered delinquent.

12.10.3. Partial Payment

Partial payments shall be credited first to collection costs (including attorney fees), then to liquidated-damages charges, then to interest, then to late fees, then to the oldest Assessments owed, and then the most recent Assessments owed.

12.10.4. Collection

The Association may engage one or more agents to perform collection and other related tasks, and may disclose to its agents any personal information of Owners, Residents, and other parties reasonably necessary to perform such collection and other related tasks, even if such information is otherwise protected or considered private.

Amounts owed by any party under this Declaration or any other of the Governing Documents, including any Assessments, Fees, and interest accrued, that are delinquent for more than sixty (60) days may be submitted for collection. The owing party or parties shall pay all delinquent amounts owed together with any and all related costs, fees, and interest allowed by law and provided for in the Governing Documents.

If the Association engages a third-party collection agency or attorney to collect amounts due, the Owner shall be obligated to pay such amounts to the third party as directed, subject to all applicable federal and state debt-collection laws. The engagement of a third party shall not relieve the Association of its underlying rights or responsibilities under this Declaration.

All collection activity under this Section shall be conducted in compliance with applicable law (including any applicable federal or state debt-collection requirements). Nothing in this Section shall be construed to waive any nonwaivable rights or require payment in any manner not permitted by applicable law.

Any collection fee imposed pursuant to this Section shall be imposed only upon assignment of the delinquent amount for collection and shall not exceed the lesser of (1) the actual amount required to be paid to the third-party debt collection agency or licensed attorney in connection with such collection, or (2) forty percent (40%) of the principal amount of the delinquent debt, in each case as permitted by applicable law from time to time.

Such recoverable amounts may include, to the extent permitted by applicable law and as otherwise provided in this Declaration, administrative fees, attorney fees, court costs, filing fees, and other legal and enforcement-related costs incurred in connection with the collection or enforcement of the delinquent amounts, whether or not suit is filed.

This provision shall remain in force against all parties owing any amount to the Association both during and after membership or residency therein.

12.10.5. Joint and Several Liability

All Owners of a Lot shall be jointly and severally liable for all amounts owed to the Association in relation to the Lot, any Unit or other Improvement located on or associated with the Lot, or any of the Lot's Owners. Should a non-Owner Resident of a Lot owe any amounts to the Association, the Resident and all Owners of the Lot shall be jointly and severally liable for all such amounts to the extent permitted by this Declaration and applicable law.

12.10.6. Lien

The Association has a lien on each Lot as provided in Section 301 of the Act for unpaid Assessments, including any Individual Assessment, that have become delinquent under this Declaration or the other Governing Documents, together with those Fees, charges, interest, costs, and reasonable attorney fees that are incurred in collecting those delinquent Assessments and are permitted by applicable law and the Governing Documents. The lien arises automatically upon delinquency and is enforceable only to the extent and in the manner authorized by Section 301 of the Act and other applicable law.

No monetary obligation shall be secured by a lien unless it constitutes an Assessment under this Declaration and is permitted by applicable law.

WITH RESPECT TO ANY LIEN IN EXISTENCE NOW OR IN THE FUTURE, EACH OWNER OF A LOT HEREBY WAIVES TO THE EXTENT PERMITTED BY LAW THE BENEFITS OF ANY HOMESTEAD LAWS OR EXEMPTION LAWS, INCLUDING THOSE OF THE STATE OF UTAH, NOW IN EFFECT OR AS THEY MAY COME INTO EFFECT FROM TIME-TO-TIME HEREAFTER.

Pursuant to Section 301 of the Act, the Association may, but need not, record a notice of lien against a Lot.

12.10.7. Payment by Tenant

Pursuant to Section 211 of the Act, the Association shall have a right to demand and collect rent from any tenant under a lease or similar agreement with an Owner for occupancy of a Dwelling on a Lot for any delinquent Assessment owed by the Owner to the Association that is more than sixty (60) days past due. Each tenant, by moving into the Project, agrees to be personally liable and responsible to the Association for all rent payments after the Association gives proper notice that rent payments shall be paid to the Association.

The Association may charge the delinquent Owner an administrative Fee in an amount not to exceed Twenty-Five Dollars (\$25) for processing each tenant rent payment under this provision.

12.10.8. Other Remedies

All rights and remedies of the Association under this Declaration, the other Governing Documents, and applicable law shall be cumulative, and the exercise of any one right or remedy shall not preclude or waive the exercise of any other right or remedy.

The Association may elect to bring an action to recover a delinquent Assessment or other monetary obligation against an Owner or other obligee personally, to foreclose the Association's lien against the Lot to the extent permitted by law, or to pursue any other remedy available at law or in equity, in any order or combination the Association deems appropriate.

Any trustee's fees, attorney fees, court costs, administrative costs, expenses of sale, interest, and other costs incurred in pursuing such remedies shall be assessed against the applicable Owner(s), Lot(s), and/or other obligors, jointly and severally, to the extent permitted by applicable law.

13. BUDGETS AND ASSOCIATION FUNDS

13.1. Budget Adoption

The Board shall prepare and adopt a single, consolidated annual Budget no later than thirty (30) days prior to the beginning of each fiscal year. The Budget shall include a Common Budget Section setting forth the anticipated Common Expenses of the Association as a whole, together with a District Budget Section for each Assessment District setting forth the anticipated District Common Expenses attributable to each Assessment District.

The Budget shall be adopted, presented, and administered in accordance with applicable law. The Budget shall be provided to the Owners promptly after its adoption by the Board.

All references in this Article to the Budget, the Common Budget Section, any District Budget Section, Common Expenses, District Common Expenses, and the allocation of reserve contributions shall be applied exclusively in accordance with the expense classification and allocation framework established in **Exhibit D**.

Exhibit D is hereby incorporated by reference and shall govern the classification of Common Area and Limited Common Area costs as Common Expenses or District Common Expenses, and the allocation of reserve contributions among the Association and the applicable Assessment Districts, based on the Lots, Assessment Districts, or groups of Lots to which such costs and reserve contributions are Properly Allocable.

In adopting the annual Budget, levying Regular Assessments, and funding Reserve Funds, the Board shall allocate expenses and reserve contributions consistently with **Exhibit D**, as amended from time to time in accordance with this Declaration and applicable law.

13.2. Budget Committees

The Board, or Members holding a majority of the Voting Interests within a particular Assessment District present at a duly called meeting of such Members, may establish a budget committee for that Assessment District consisting of three (3) Owners of Lots within the Assessment District to timely prepare and present to the Board a recommended District Budget Section. Any such committee shall act in an advisory capacity only and shall not have authority to approve, modify, or adopt the Budget or any portion thereof. All recommendations shall be prepared using the budgeting assumptions, reserve studies, and accounting practices applicable to the Association. The establishment or non-establishment of any budget committee shall not affect the validity of the Budget or the Board's authority to adopt it.

Notwithstanding the foregoing, the Budget shall reflect a full and accurate estimation of anticipated expenses and required reserve components, and each District Budget Section shall reflect a full and accurate estimation of District Common Expenses and any applicable District Reserve Component, as finally approved by the Board. No recommendation of any budget committee shall be binding on the Board, and the Board retains sole authority to adopt, modify, or reject the Budget and all Budget Sections in accordance with this

Declaration and applicable law.

13.3. Budgeting Mechanics

The annual Budget is adopted to determine the amount of Regular Assessments necessary to fund the Association's anticipated Common Expenses and District Common Expenses for the applicable fiscal year.

The Board shall first identify and estimate the Association's anticipated Common Expenses and District Common Expenses. Those expenses are then classified and allocated in accordance with this Declaration and used to calculate Regular Assessments.

Anticipated income from Assessments, Reinvestment Fees, interest, Fines, Fees, or other sources may be estimated for planning purposes, but the authority to levy Regular Assessments is based on anticipated expenses, not projected income, unless this Declaration expressly provides otherwise.

13.4. Budget Composition

The Budget shall be an expense-based budget and shall, for a given fiscal year, reflect the Board's good-faith estimate of the Association's anticipated annual expenses and reserve requirements, including the anticipated Common Expenses of the Association as a whole and the anticipated District Common Expenses attributable to each Assessment District.

The Budget shall be composed of a Common Budget Section and a District Budget Section for each Assessment District. The Common Budget Section and each District Budget Section are internal allocation components of a single annual Budget and do not constitute separate budgets or fiscal entities.

13.5. Common Budget Section of the Budget

The Common Budget Section shall, for a given fiscal year, reflect the Board's good-faith estimate of the anticipated Common Expenses and the Common Reserve Component of the Association as a whole, without regard to the Assessment Districts. The Common Budget Section is used solely for expense and reserve allocation and Regular Assessment calculation purposes.

The Common Budget Section of the Budget shall include the following categories, as applicable and as determined by the Board in accordance with **Exhibit D**:

13.5.1. Common Expenses

This category represents the Association's total estimated annual expenses for the Common Expenses of the Association as a whole. This category shall include the following required expense sub-categories as applicable to the Association: (1) insurance; (2) legal; (3) utilities; (4) snow removal; (5) landscaping; (6) general maintenance; (7) Amenities; and (8) management.

Other non-overlapping sub-categories and sub-sub-categories may be included in the Common Budget Section as determined by the Board in accordance with **Exhibit D**.

13.5.2. Common Reserve Component

This category represents the total annual reserve component that is shared through Regular Assessments uniformly by all Lots in the Project, excluding and separate from any District Reserve Component applicable to one or more Assessment Districts.

13.5.3. Common Allocation of Insurance Premiums Under Combined Property Coverage

This Section governs the allocation of premiums when the Association procures insurance under one or more policies or coverage parts in which property coverage for Common Area or Limited Common Area Improvements and Units or other Improvements located on Lots within Assessment District 2 (Attached Residential District) is included within the same policy or coverage part.

If, under such structure, the insurer or broker does not provide a reasonably reliable written allocation of premium components, the total premium for such policy or coverage part shall be included in the Common Budget Section as a Common Expense.

If, in the Board's reasonable discretion, the insurer or broker provides a reasonably reliable written allocation identifying a portion of the premium attributable to property coverage for Units or other Improvements located on Lots within Assessment District 2, the Board shall allocate that portion to the applicable District Budget Section as a District Common Expense and allocate the remainder to the Common Budget Section as a Common Expense. See Section 13.6.3 (District Allocation of Insurance Premiums Under Separate Property Coverage) for allocation when property coverage for Units or other Improvements located on Lots within Assessment District 2 is insured separately.

The Board's determination of the reliability of any such allocation shall be reflected in the minutes of the meeting at which the Budget is adopted.

13.6. District Budget Section of the Budget

Each District Budget Section shall, for a given fiscal year, reflect the Board's good-faith estimate of the anticipated District Common Expenses and any District Reserve Component of the Assessment District. The District Budget Sections are used solely for expense and reserve allocation and Regular Assessment calculation purposes.

Each District Budget Section of the Budget shall include the following categories, as applicable and as determined by the Board in accordance with **Exhibit D**:

13.6.1. District Common Expenses

This category represents the total estimated annual expenses for the District Common Expenses related solely to the Assessment District. This category shall include the following required expense sub-categories as applicable to the Association: (1) legal; (2) utilities; (3) snow removal; (4) landscaping; (5) general maintenance; and (6) Amenities.

Other non-overlapping sub-categories and sub-sub-categories may be included in the District Budget Section as determined by the Board in accordance with **Exhibit D**.

13.6.2. District Reserve Component

This category represents the total annual reserve component that is shared through Regular Assessments uniformly by the Lots comprising the applicable Assessment District, in addition to and separate from the Common Reserve Component.

13.6.3. District Allocation of Insurance Premiums Under Separate Property Coverage

This Section governs the allocation of premiums when the Association procures insurance under one or more policies or coverage parts in which property coverage for Units or other Improvements located on Lots within Assessment District 2 (Attached Residential District) is insured under a policy or coverage part that does not include property coverage for Common Area Improvements.

Under such structure, the premium for that policy or coverage part shall be included in the applicable District Budget Section as a District Common Expense. No further allocation of the premium for such policy or coverage part shall be required.

Premiums for insurance policies or coverage parts that insure Common Area Improvements or risks of the Association as a whole shall be included in the Common Budget Section as Common Expenses. See Section 13.5.3 (Common Allocation of Insurance Premiums Under Combined Property Coverage) for allocation when property coverage is included within the same policy or coverage part as Common Area property coverage.

13.7. Budget-Based Regular Assessment Calculation

The Regular Assessment for each Lot shall be calculated on an annual basis based on the annual Budget as follows: (1) add the total Common Expenses and the Common Reserve Component of the Common Budget Section, and divide that sum uniformly among all Lots; and (2) for the applicable Assessment District, add the

total District Common Expenses and the District Reserve Component of the District Budget Section, and divide that sum uniformly among the Lots in that Assessment District. The Regular Assessment for a Lot shall be the sum of its share under (1) and its share under (2).

13.8. Capital Fund

13.8.1. Capital Fund Establishment

The Board may establish one or more Capital Funds for Capital Improvements approved as required by this Declaration and applicable law. Each Capital Fund may be held in a separate bank account or accounted for separately within an account containing other Capital Funds, provided each Capital Fund is accounted for in its entirety with respect to the Capital Improvement for which it was approved.

13.8.2. Capital Fund Purpose and Permitted Uses

Each Capital Fund is established for the purpose of accumulating and holding funds to pay the costs of the specific Capital Improvement for which the Capital Fund was approved. Capital Funds shall not be used for operating expenses, ordinary maintenance, Reserve Fund purposes, Insurance Deductible Fund purposes, or any other purpose not approved for the applicable Capital Improvement, except as expressly permitted by this Declaration, the approval authorizing the Capital Fund, or applicable law.

13.8.3. Capital Fund Administration

Capital Funds shall be administered separately from any Reserve Fund or Insurance Deductible Fund.

13.9. Insurance Deductible Fund

13.9.1. Insurance Deductible Fund Establishment

The Board shall establish and maintain one or more Insurance Deductible Funds corresponding to each distinct property insurance deductible applicable to property that the Association is responsible to insure under this Declaration. Each Insurance Deductible Fund shall be maintained in an amount equal to the applicable deductible or, if the deductible exceeds Ten Thousand Dollars (\$10,000.00), in an amount not less than Ten Thousand Dollars (\$10,000.00), as required by Section 405(8) of the Act. Each Insurance Deductible Fund shall be held in an account separate from other Association funds.

13.9.2. Insurance Deductible Fund Purpose and Permitted Uses

Each Insurance Deductible Fund is established for the purpose of accumulating and holding funds to pay deductible obligations arising from property insurance applicable to property that the Association is responsible to insure under this Declaration. Each Insurance Deductible Fund shall be used only for such deductible obligations and other purposes, if any, expressly permitted by applicable law and this Declaration.

13.9.3. Replenishment of Insurance Deductible Fund

Any amounts expended from an Insurance Deductible Fund shall, as required by Section 405(8) of the Act, be replenished within sixty (60) days after payment of the deductible obligation using available operating funds and/or a Special Assessment, as determined by the Board and subject to applicable law. Reserve Funds shall not be used to replenish any Insurance Deductible Fund.

Any Assessment to replenish an Insurance Deductible Fund shall be assessed to the same Lots that were assessed for the deductible obligation, consistent with Section 13.9.4 (Allocation of Deductible Obligations).

13.9.4. Allocation of Deductible Obligations

Deductible obligations shall be allocated to the Lots to which the deductible obligation is Properly Allocable under this Declaration, including as follows:

1. **Common Deductible Obligations.** Deductible obligations arising from loss to Common Area property insured by the Association shall constitute a Common Expense shared by all Lots.

2. **Assessment District Deductible Obligations.** Deductible obligations arising from loss to Units, Improvements, or other property insured by the Association solely for the benefit of Lots within Assessment District 2 (Attached Residential District) shall constitute a District Common Expense of Assessment District 2. The Association shall not allocate deductible obligations to Lots for property that the Association is not responsible to insure under this Declaration.

3. **Inseparable Deductible Obligations.** If a combined or blanket insurance policy covers both Common Area property and Units, Improvements, or other property within an Assessment District, the deductible obligation shall be allocated based on the nature of the loss to the extent reasonably practicable. If the deductible obligation cannot be reasonably segregated based on the nature of the loss, the structure of the policy, the deductible arrangement, available insurer or broker allocation information, or other reasonably available information, the Board may allocate the deductible obligation in a commercially reasonable manner consistent with the premium allocation methodology.

13.10. Reserve Fund

13.10.1. Reserve Fund Establishment

The Board shall establish and maintain one or more Reserve Funds in accordance with Section 211 of the Act. Each Reserve Fund shall be held in an account separate from other Association funds, as required by Section 211(9)(c) of the Act.

In addition to a Reserve Fund for Common Areas, facilities, Improvements, and components for which reserve-fund costs are Properly Allocable to all Lots, a separate District Reserve Fund may be established for each Assessment District for which reserve-fund costs are Properly Allocable only to the Lots within that Assessment District.

All Reserve Funds, including District Reserve Funds, remain funds of the Association and are subject to the Board's fiduciary duties, notwithstanding their restricted allocation.

13.10.2. Reserve Fund Purpose

Each Reserve Fund is established for the purpose of accumulating and holding funds to pay reserve-fund costs that are Properly Allocable to the Lots, Assessment District, or group of Lots for which the Reserve Fund is established. Reserve-fund costs are those costs that qualify for reserve funding under Section 211 of the Act and this Declaration, including the cost of repairing, replacing, or restoring Common Areas, facilities, Improvements, or components that the Association is responsible to maintain under this Declaration, that have a useful life of three (3) years or more, and that have a remaining useful life of less than thirty (30) years.

A Reserve Fund established for Common Areas, facilities, Improvements, or components whose reserve-fund costs are Properly Allocable to all Lots is established for the benefit of all Lots. A District Reserve Fund established for reserve-fund costs Properly Allocable to an Assessment District is established for the benefit of the Lots within that Assessment District. The purpose of a Reserve Fund is determined by this Section, **Exhibit D**, and the applicable Reserve Study.

13.10.3. Permitted Uses and Limitations on Reserve Funds

Each Reserve Fund shall be used only for the purpose for which the Reserve Fund was established and only for purposes permitted by Section 211 of the Act and this Declaration. Except as otherwise permitted by Section 211 of the Act and this Declaration, and subject to any required Member approval, Reserve Funds shall not be used for daily maintenance expenses, operating expenses, ordinary administration, litigation expenses, Capital Improvements, replenishing any Insurance Deductible Fund, or any other non-reserve purpose.

Reserve Funds shall not be used for any purpose other than the purpose for which the applicable Reserve Fund was established unless the use is approved by the Members to the extent required by Section 211 of the Act and is otherwise permitted by applicable law. No approval to use a Reserve Fund for another purpose

shall be construed to reclassify the Reserve Fund, waive future reserve-funding obligations, or authorize any future non-reserve use.

13.10.4. Allocation of Reserve Contributions

Reserve contributions are required only for those Improvements and components that the Association is responsible for maintaining under this Declaration and that are properly included in the Reserve Study or otherwise qualify for reserve funding under Section 211 of the Act.

When the Association's Maintenance Obligations apply to the Project as a whole, reserve contributions shall be allocated among all Lots in the Project.

When the Association's Maintenance Obligations apply only to one or more Assessment Districts, reserve contributions shall be allocated only among the Lots within the applicable Assessment District or Assessment Districts, in the same manner as the related District Common Expenses.

13.10.5. Funding of Reserve Funds

As required by Section 211 of the Act, the Association shall, in each fiscal year, include in the Budget a reserve funding component as part of the Regular Assessment.

The amount budgeted for reserve funding shall be based on the most recent Reserve Study then in effect and shall be sufficient, when combined with existing reserve balances, to reasonably fund each applicable Reserve Fund in accordance with the funding plan and Fully Funded Balance established by such Reserve Study.

The Board may, in its discretion and subject to applicable law, budget reserve contributions in excess of the Reserve Study's recommended funding amounts.

14. RESERVE STUDIES AND RESERVE DISCLOSURES

14.1. Reserve Study Requirement

As required by Section 211 of the Act, the Board shall cause a Reserve Study to be conducted at least once every six (6) years and shall cause the Reserve Study to be reviewed and professionally updated at least once every three (3) years. Each Reserve Study and professional update shall be prepared by a qualified independent individual or firm with demonstrated expertise in reserve analyses for community associations and shall address those Improvements for which the Association is responsible for maintenance and reserve funding under this Declaration, including any Common Reserve Fund and any District Reserve Fund established pursuant to Section 13.10 (Reserve Fund).

14.2. Funding Objective and Timing

Following each Reserve Study or professional update, the Board shall review the findings and shall adopt and implement, through the annual Budget and authorized Assessments, a reserve funding plan designed to cause each applicable Reserve Fund to attain a balance equal to one hundred percent (100%) of the Fully Funded Balance identified in the most recent Reserve Study no later than twenty (20) years after the date of such Reserve Study or professional update, which period shall operate as an outer limit and not as a target to be delayed.

The Board shall not adopt a reserve funding plan that is reasonably projected, based on the assumptions and projections used in the applicable Reserve Study or professional update, to prevent attainment of the Fully Funded Balance within such period, except to the extent implementation is prevented by a valid exercise of any nonwaivable owner-veto right or other mandatory requirement under applicable law. Any such statutory limitation or owner-veto event shall be documented in the Association's records and addressed in the next Budget and reserve funding plan as required by this Article and to the extent permitted by applicable law.

14.3. Budgeting and Implementation

The Board shall use the Reserve Study as the controlling planning instrument for reserve funding and shall include in each annual Budget, as part of the Regular Assessment, reserve contributions sufficient, when combined with existing reserve balances, to advance each applicable Reserve Fund toward the funding objective required by Section 14.2 (Funding Objective and Timing), subject to any nonwaivable owner-veto right or other mandatory requirement under applicable law.

The Board may deviate from the Reserve Study's recommended annual funding levels only upon making specific written findings, reflected in the minutes of a Board meeting, that extraordinary circumstances exist such that strict adherence would materially impair the Association's ability to meet its other mandatory obligations, would otherwise constitute a breach of the Board's fiduciary duties, or is prevented by a valid exercise of any nonwaivable owner-veto right or other mandatory requirement under applicable law.

Any such deviation shall be temporary, shall be limited to the extent reasonably necessary, and shall include a corrective funding plan designed to restore compliance with Section 14.2 as soon as practicable.

14.4. Reserve Study Disclosures

The Association shall annually provide Owners a summary of the most recent Reserve Study or professional update and shall provide a copy of the complete Reserve Study or professional update to any Owner who requests a copy, in each case as required by Section 211 of the Act.

14.5. Business Judgment and Director Protection

All determinations, funding plans, assumptions, projections, and deviations made by the Board pursuant to this Article shall be made in good faith, in a manner the Board reasonably believes to be in the best interests of the Association, and in reliance on information, opinions, reports, or statements prepared or presented by qualified professionals or other persons reasonably believed to be reliable and competent in the matters presented.

Nothing in this Article shall be construed to create a personal guaranty obligation of any Director, to impose strict liability for reserve funding outcomes, or to eliminate or diminish any protections afforded to Directors under the Nonprofit Act, the business judgment rule, or other applicable law.

15. INSURANCE

15.1. Insurance Requirement

NOTICE: THE ASSOCIATION'S INSURANCE DOES NOT COVER THE PERSONAL PROPERTY OR PERSONAL LIABILITY OF OWNERS, RESIDENTS, TENANTS, GUESTS, OR INVITEES.

IN THE EVENT OF A COVERED LOSS SUBJECT TO AN ASSOCIATION PROPERTY INSURANCE DEDUCTIBLE, AN OWNER MAY BE PERSONALLY RESPONSIBLE FOR ALL OR A PORTION OF THE ASSOCIATION'S PROPERTY INSURANCE DEDUCTIBLE, EVEN IF THE COVERED LOSS IS NOT CAUSED BY THAT OWNER, DOES NOT ORIGINATE IN THAT OWNER'S UNIT, AND IS NOT THE FAULT OF THAT OWNER, AS PROVIDED BY PART 4 (INSURANCE) OF THE ACT AND AS ALLOCATED UNDER THIS DECLARATION.

THE ASSOCIATION'S PROPERTY INSURANCE MAY NOT COVER OWNER-RESPONSIBLE IMPROVEMENTS, DETACHED UNITS, COMBINED DWELLINGS, LOTS WITHOUT A DWELLING, WHETHER OR NOT A UNIT OR OTHER IMPROVEMENTS ARE LOCATED THEREON, OR OTHER PROPERTY EXCLUDED BY THE POLICY OR NOT REQUIRED TO BE INSURED BY THE ASSOCIATION UNDER THIS DECLARATION OR PART 4 (INSURANCE) OF THE ACT.

ACCORDINGLY, EACH OWNER IS REQUIRED TO MAINTAIN THE INDIVIDUAL PROPERTY, LIABILITY, LOSS-ASSESSMENT, DEDUCTIBLE-ASSESSMENT, RENTAL, AND OTHER INSURANCE COVERAGE REQUIRED UNDER SECTION 15.10 (MANDATORY OWNER INSURANCE COVERAGE). EACH OWNER SHOULD CONSULT A QUALIFIED INSURANCE AGENT TO ENSURE ADEQUATE COVERAGE. THE ASSOCIATION SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, DEDUCTIBLE, COVERAGE GAP, UNDERINSURED LOSS, OR UNINSURED COST RESULTING FROM AN OWNER'S FAILURE TO MAINTAIN SUCH COVERAGE.

The Association shall obtain and maintain insurance as required by this Declaration and Part 4 (Insurance) of the Act, and may obtain additional or more comprehensive coverage than is required. Nothing in this Article shall obligate the Association to obtain coverage beyond what is required by this Declaration or Part 4 (Insurance) of the Act.

For purposes of compliance with Part 4 (Insurance) of the Act, the defined term "Attached Unit" is intended to correspond to and implement the term "attached dwelling" as used in Part 4 (Insurance) of the Act. Attached Units classified within Assessment District 2 (Attached Residential District) are intended to constitute the attached dwellings for which the Association is required to obtain property insurance under Part 4 (Insurance) of the Act, subject to the terms, exclusions, limitations, and allocations stated in Part 4 (Insurance) of the Act, this Declaration, and the Association's applicable insurance policies.

15.2. Property Insurance

Mandatory Coverage: The Association shall obtain and maintain blanket property insurance coverage covering all Common Area, all Limited Common Area, and all Attached Units classified within Assessment District 2 (Attached Residential District). Attached Units classified within Assessment District 2 are intended to constitute the "attached dwellings" for which the Association is required to obtain property insurance under Part 4 (Insurance) of the Act.

The Association shall not be required to obtain property insurance covering Detached Units, including Single-Family Units, Combined Dwellings, Lots without a Dwelling, whether or not a Unit or other Improvements are located thereon, Owner personal property, Owner liability, Owner-responsible Improvements, or other property not required to be insured by the Association under this Declaration or Part 4 (Insurance) of the Act.

Required Coverage Terms: The Association's property insurance coverage shall insure against loss or damage caused by fire, windstorm, hail, riot, aircraft, vehicles, vandalism, smoke, theft, and all other perils typically included under "special form" property coverage, and shall include, to the extent available and commercially reasonable: (1) a Guaranteed Replacement Cost Endorsement or Replacement Cost Endorsement providing not less than one hundred percent (100%) of the full insurable replacement cost of the insured property; (2) if the coverage contains a coinsurance clause, an Agreed Amount Endorsement waiving or eliminating the coinsurance requirement; (3) an Inflation Guard Endorsement; (4) a Building Ordinance or Law Endorsement covering demolition costs, contingent liability from code enforcement, and increased reconstruction costs; and (5) if applicable, Equipment Breakdown coverage providing per-accident limits of not less than the lesser of One Million Dollars (\$1,000,000.00) or the full insurable value of the affected insured property.

Coverage Limits: The coverage limits under each property policy or coverage part shall be not less than one hundred percent (100%) of the full insurable replacement cost of the insured property, as determined in accordance with generally accepted insurance industry standards at the time of policy issuance and at each renewal.

Building Deductible: In the event of a covered loss involving one or more Attached Units classified within Assessment District 2, the applicable property insurance deductible shall generally not be less than Ten Thousand Dollars (\$10,000.00) per occurrence, unless the Board determines—based on a written, good-faith

analysis recorded in the minutes—that a lower amount is commercially appropriate in light of premium cost, available coverage, and material Project-specific risk factors, or unless a deductible at that level is not reasonably available in the commercial insurance market. The deductible for such losses shall be allocated among the affected Owners in accordance with this Declaration, including Section 13.9 (Insurance Deductible Fund), and Part 4 (Insurance) of the Act. Nothing in this Section shall require uniform deductibles across property insured for different Assessment Districts or property categories.

Fixtures, Improvements, and Betterments: With respect to Attached Units classified within Assessment District 2, the Association's property insurance shall include the fixtures, improvements, and betterments required to be insured under Section 405(3) of the Act. The procurement or maintenance of property insurance under this Article does not expand or modify the Association's Maintenance Obligations under Article 6 (Operation and Maintenance), does not create any obligation to maintain, repair, upgrade, or replace components of a Lot, Unit, Dwelling, or Improvement except to the extent expressly assigned to the Association under this Declaration, and does not expand Reserve Fund obligations beyond those provided in Section 13.10 (Reserve Fund).

Common Area Deductible: In the event of a covered loss involving only Common Area or Limited Common Area, the applicable deductible shall not exceed One Thousand Dollars (\$1,000.00) per occurrence, in order to preserve meaningful coverage for lower-value elements such as perimeter fencing, signage, or similar infrastructure. However, the Board may approve a higher deductible amount if it reasonably determines that maintaining a unified deductible across all covered property provides significantly greater cost-efficiency, administrative simplicity, or improved availability of insurance coverage.

Waiver of Subrogation: The Association's property and liability insurance policies shall include, or shall be deemed subject to, the waiver of subrogation required under Part 4 (Insurance) of the Act. The Association shall use commercially reasonable efforts to obtain waiver-of-subrogation endorsements consistent with Part 4 (Insurance) of the Act and commercially available policy terms. Each Owner shall use commercially reasonable efforts to obtain waiver-of-subrogation language in the Owner's individual policy to avoid conflict with the Association's coverage and claim administration.

Insurance Not Reasonably Available: If the Association becomes aware that property insurance required under this Declaration and Part 4 (Insurance) of the Act is not reasonably available, the Association shall provide notice to all Owners within the time and manner required by Section 403(2) of the Act.

15.2.1. Allocation of Property Insurance Premiums

Property insurance premiums shall be budgeted and allocated in accordance with Article 13 (Budgets and Association Funds) of this Declaration.

15.2.2. Combined Dwellings Not Insured by the Association

A Combined Dwelling shall be treated as a single Detached Unit and shall not be treated as an Attached Unit for purposes of the Association's property insurance obligation under this Article and Part 4 (Insurance) of the Act. Property insurance for a Combined Dwelling shall be the responsibility of the Owner of the Lots containing the Combined Dwelling. The Association shall have no obligation to insure any Combined Dwelling or any portion, component, system, or Improvement comprising, appurtenant to, located on, or exclusively serving the Combined Dwelling.

15.2.3. Owner Responsibility for Deductible

Each Owner is an insured person under the Association's property insurance policy to the extent provided by Section 405(6)(a) of the Act and the Association's applicable insurance policy.

If a loss is covered by both a property insurance policy or coverage part in the name of the Association and a property insurance policy in the name of an Owner, the Association's policy shall provide primary coverage as required by Section 405(6)(a) of the Act.

For any covered loss under the Association's property insurance policy or coverage part, each Owner whose Lot, Dwelling, Unit, or Limited Common Area appurtenant to the Owner's Lot suffers damage as part of the covered loss shall be personally responsible for the Owner's allocated portion of the Association's property insurance deductible as provided in Part 4 (Insurance) of the Act and this Declaration, even if the loss originates outside the Owner's Lot, Dwelling, Unit, or Limited Common Area and is not the fault of that Owner.

The Owner's allocated portion of the deductible shall be determined in accordance with Part 4 (Insurance) of the Act and shall be based on the percentage of the total covered loss attributable to the damage to the Owner's Lot, Dwelling, Unit, or Limited Common Area appurtenant to the Owner's Lot, as compared to the total damage from the covered loss.

If the Owner fails to pay the deductible amount for which the Owner is responsible within thirty (30) days after substantial completion of repairs to the Owner's Lot, Dwelling, Unit, or Limited Common Area appurtenant to the Owner's Lot, the Association may levy that amount against the Owner and Lot as an Individual Assessment.

This Section applies only to losses involving property for which the Association maintains property insurance under this Article, including Common Area, Limited Common Area, and Attached Units classified within Assessment District 2. This Section does not require Owners of Lots classified within Assessment Districts 1, 3, or 4 to contribute to a deductible attributable solely to property insured for the benefit of Assessment District 2.

Any deductible allocation under this Section shall be administered in coordination with Section 13.9 (Insurance Deductible Fund). No portion of a deductible attributable to property insured solely for the benefit of Assessment District 2 shall be allocated to Lots outside Assessment District 2.

15.2.4. Claims under Deductible Amount

As provided in Section 405(10) of the Act, if the Board, acting in accordance with the business judgment rule, determines that a property damage claim is unlikely to exceed the amount of the Association's property insurance deductible: (1) the Owner's individual property insurance policy shall be considered the primary coverage for damage to the Owner's Lot, any Dwelling on the Lot, or any Limited Common Area appurtenant to the Lot, up to the amount of the Association's deductible; (2) the Association shall remain responsible for covered loss to Common Area and Limited Common Area to the extent required under Part 4 (Insurance) of the Act and the Association's applicable insurance policy; (3) if the Owner does not maintain property insurance sufficient to cover damage for which the Owner is responsible, the Owner shall be personally responsible for the cost of such damage up to the amount of the Association's deductible; and (4) the Association shall have no obligation to tender the claim to the Association's property insurer or to initiate a claim under the Association's policy.

15.2.5. Deductible Notice

The Association shall provide fair and reasonable notice pursuant to Section 214 of the Act to all Members of each Owner's responsibility for the Association's property insurance deductible and of any change to the amount of that deductible.

If the Association fails to provide notice required under this Section, the Association shall be responsible for the portion of the deductible that the Association could have assessed to the Owner under Part 4 (Insurance) of the Act, but only to the extent the Owner does not have insurance coverage that would otherwise apply. If the Association provides notice of the deductible but fails to provide notice of a later increase in the deductible amount, the Association shall be responsible only for the amount of the increase for which notice was not provided.

Failure to provide notice as required under this Section shall not invalidate any provision of this Declaration.

15.3. Earthquake Insurance

Optional Coverage: The Association may obtain and maintain earthquake insurance coverage if, and to the extent, the Board determines such coverage to be prudent and in the best interests of the Association, taking into account factors such as cost, availability, and the level of seismic risk.

15.4. Flood Insurance

Potential Mandatory Coverage: The Association shall obtain and maintain flood insurance for Association-insured property if required because any such property lies within a FEMA-designated Special Flood Hazard Area (SFHA) or if otherwise required under applicable federal mortgage lending guidelines. In addition, the Board may obtain and maintain flood insurance for Association-insured property if, in its reasonable judgment, such coverage is warranted based on local flood risk, historical flooding patterns, infrastructure vulnerability, lender requirements, or governmental requirements.

Coverage Limits: To the extent available, flood insurance shall provide limits of not less than the full replacement cost of the insured property, as determined using generally accepted insurance industry standards.

Deductible: The deductible applicable to any insured property shall not exceed Five Thousand Dollars (\$5,000.00) per occurrence, unless the Board determines—based on a written, good-faith analysis recorded in the minutes—that a higher amount is commercially reasonable in light of premium cost, available coverage, and site-specific risk exposure.

15.5. Liability Insurance

Mandatory Coverage: The Association shall obtain and maintain in force a policy of commercial general liability insurance insuring the Association, its officers, directors, agents, and employees, as well as all Owners in their capacity as Members of the Association. The policy shall provide coverage against liability arising from: (1) the ownership, use, operation, administration, maintenance, repair, or replacement of the Common Area, Limited Common Area, Association-insured property, or Association-maintained property; (2) activities or operations conducted by or on behalf of the Association within or affecting the Project; and (3) the performance of the Association's duties under this Declaration or applicable law.

The policy shall include a Severability of Interest Endorsement, Separation of Insureds clause, or equivalent provision, ensuring that coverage applies separately to each insured and is not voided due to the negligent act or omission of another insured.

Coverage Limits: The policy shall provide limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence for bodily injury, death, or property damage.

Deductible: The deductible shall not exceed One Thousand Dollars (\$1,000.00) per occurrence, unless the Board determines—based on a written, good-faith analysis recorded in the minutes—that a higher amount is commercially reasonable in light of premium cost, available policy options, and Project-specific risk factors.

Insurance Not Reasonably Available: If the Association becomes aware that liability insurance required under this Declaration or Section 403(1)(b) of the Act is not reasonably available, the Association shall provide notice to all Owners within the time and manner required by Section 403(2) of the Act.

15.6. Directors and Officers Insurance

Mandatory Coverage: The Association shall obtain and maintain Directors and Officers ("D&O") liability insurance that protects the Association and its Board members, officers, committee members, volunteers, employees, the Manager, and Persons acting on behalf of the Manager in connection with Association business against claims arising from alleged governance-related acts, errors, or omissions. To the extent available and insurable, such coverage shall include: (1) wrongful acts, errors, or omissions in the performance of official duties; (2) mismanagement, negligence, or alleged breach of fiduciary duty; (3) failure to maintain adequate reserves or to comply with statutory reserve funding requirements; (4) failure to enforce the

Governing Documents or to comply with applicable law; (5) failure to maintain required records, minutes, disclosures, or financial reporting; (6) breach of contract, to the extent permitted by law and insurable under applicable policy terms; (7) claims for monetary or non-monetary relief, including injunctive or declaratory remedies; (8) claims brought under fair housing, anti-discrimination, or civil rights laws; (9) defamation, libel, slander, or similar reputational harm; (10) third-party claims brought by vendors, governmental entities, or other non-Member parties; (11) defense costs paid outside policy limits; and (12) actions or omissions of committee members acting within the scope of their delegated authority.

Coverage Limits: The policy shall provide limits of not less than Two Million Dollars (\$2,000,000.00) per claim.

Deductible or Retention: The policy shall include a deductible or retention not to exceed One Thousand Dollars (\$1,000.00) per claim, unless the Board determines—based on a written, good-faith analysis recorded in the minutes—that a higher deductible or retention is commercially reasonable in light of premium cost, available coverage options, and relevant risk factors.

Tail Coverage: The Association shall use commercially reasonable efforts to obtain D&O insurance that includes a minimum of one (1) year of tail coverage following policy expiration or cancellation, to protect against post-termination claims arising from acts occurring during the policy term.

Manager Coverage, Insured Capacity, and Indemnification: For purposes of the D&O insurance maintained by the Association, the Manager and each director, officer, member, manager, employee, agent, representative, or other Person acting on behalf of the Manager in connection with Association business shall be deemed to be acting in an insured capacity when performing governance, administrative, enforcement, or operational functions on behalf of the Association within the scope of authority delegated by the Board. The Association shall use commercially reasonable efforts to obtain D&O insurance that treats the Manager and such Persons as “Insured Persons” or their functional equivalent under the applicable policy, to the fullest extent available and permitted by law.

To the fullest extent permitted by law, the Association shall indemnify and defend, including advancement of reasonable defense costs as such costs are incurred, the Manager and any such Person against any claim, action, or proceeding arising out of acts or omissions performed in good-faith performance of duties on behalf of the Association and within the scope of authority delegated by the Board, except to the extent arising from fraud, willful misconduct, knowing violation of law, or acts outside the scope of authority delegated by the Board.

To the fullest extent permitted by law and consistent with the scope of authority delegated by the Board, claims arising from acts taken by the Manager or any such Person on behalf of the Association shall be treated as claims arising from Association action, without limiting the Association’s rights against the Manager under any management agreement or applicable law.

The Association’s indemnification obligations under this Section are independent of, and shall apply regardless of the availability, scope, or denial of insurance coverage. The rights provided under this Section are in addition to, and not in limitation of, any rights to indemnification or defense provided under applicable law, contract, or other provisions of this Declaration.

15.7. Fidelity Insurance

Mandatory Coverage: The Association shall obtain and maintain in force a fidelity insurance policy or bond, also referred to as crime coverage or employee dishonesty insurance, that insures against theft, fraud, embezzlement, or dishonest taking of Association funds, money, securities, or other financial assets. The policy shall cover dishonest acts committed by any Person handling or with access to Association funds, money, securities, financial accounts, or financial administration, including without limitation the Association’s directors, officers, committee members, employees, volunteers, the Manager, and Persons acting on behalf of the Manager in connection with Association financial administration.

Commercially Available Terms: To the extent commercially available, such policy shall include: (1) coverage for computer fraud, forgery, and funds transfer fraud; (2) a minimum of thirty (30) days' written notice to the Association prior to cancellation or non-renewal; and (3) designation of the Association as the named insured.

Coverage Limits: The policy shall provide limits in an amount not less than the greater of: (1) the highest combined balance of all Association operating, reserve, and other deposit accounts at any point during the preceding calendar year; or (2) an amount equal to three (3) months of total Regular Assessments on all Lots, based on the most recently approved annual Budget in effect at the time the policy is procured or renewed.

Deductible: The deductible shall not exceed One Thousand Dollars (\$1,000.00) per occurrence, unless the Board determines—based on a written, good-faith analysis recorded in the minutes—that a higher deductible is commercially reasonable based on premium cost, policy availability, and the Association's financial risk tolerance.

15.8. Workers' Compensation Insurance

Potential Mandatory Coverage: The Association shall obtain and maintain workers' compensation insurance to the extent required by law, including coverage for any Person classified as an employee of the Association for workers' compensation purposes.

If such coverage is required, the policy shall also include employer's liability insurance in at least the minimum amount required by law, or such higher amount as the Board determines is commercially reasonable based on premium cost and risk exposure.

15.9. Right to Negotiate

Each Owner hereby appoints the Association as the Owner's true and lawful attorney-in-fact for purposes related to any insurance maintained by the Association. This authority includes, without limitation: (1) submitting, adjusting, negotiating, and settling claims; (2) collecting and endorsing insurance proceeds; (3) executing releases, proofs of loss, and other documents required to administer claims or obtain proceeds; and (4) taking any other action the Board deems reasonably necessary to administer insurance coverage, insurance claims, and insurance proceeds relating to the Project or property insured by the Association.

This power of attorney is coupled with an interest, shall be irrevocable to the fullest extent permitted by law, and shall be binding upon each Owner and the Owner's heirs, personal representatives, successors, and assigns. This authority applies only to insurance maintained by the Association and shall not extend to insurance maintained solely by an Owner.

15.10. Mandatory Owner Insurance Coverage

EACH OWNER SHALL, AT THE OWNER'S SOLE EXPENSE, OBTAIN AND MAINTAIN IN FORCE PROPERTY AND LIABILITY INSURANCE COVERAGE APPROPRIATE TO THE OWNER'S LOT, UNIT, DWELLING, IMPROVEMENTS, PERSONAL PROPERTY, USE, RENTAL ACTIVITY, AND DEDUCTIBLE EXPOSURE. SUCH INSURANCE SHALL: (1) INCLUDE COVERAGE FOR CASUALTY LOSS, FIRE, GENERAL LIABILITY, AND SUCH OTHER RISKS AS ARE REASONABLY APPROPRIATE FOR THE OWNER'S LOT, UNIT, DWELLING, IMPROVEMENTS, USE, AND RENTAL ACTIVITY; (2) BE MAINTAINED IN AN AMOUNT REASONABLY SUFFICIENT TO REPAIR OR REPLACE THE OWNER-RESPONSIBLE PROPERTY INSURED UNDER THE OWNER'S POLICY; AND (3) INCLUDE LOSS-ASSESSMENT, DEDUCTIBLE-ASSESSMENT, OR SIMILAR COVERAGE IN AN AMOUNT NOT LESS THAN THE GREATER OF: (A) THE CURRENT DEDUCTIBLE UNDER THE ASSOCIATION'S PROPERTY INSURANCE POLICY APPLICABLE TO PROPERTY FOR WHICH THE OWNER MAY BE RESPONSIBLE UNDER THIS DECLARATION; OR (B) ANY MINIMUM AMOUNT REQUIRED BY THIS DECLARATION OR APPLICABLE LAW.

FOR OWNERS OF DETACHED UNITS, INCLUDING SINGLE-FAMILY UNITS, AND COMBINED DWELLINGS, REQUIRED OWNER INSURANCE SHALL INCLUDE PROPERTY INSURANCE COVERING THE FULL REPLACEMENT COST OF THE APPLICABLE DETACHED UNIT OR COMBINED DWELLING AND ALL OWNER-RESPONSIBLE IMPROVEMENTS LOCATED ON, COMPRISING, APPURTENANT TO, OR EXCLUSIVELY SERVING THE LOT, UNIT, OR COMBINED DWELLING.

THE ASSOCIATION IS NOT OBLIGATED TO INSURE OWNER PERSONAL PROPERTY, OWNER LIABILITY, OWNER-RESPONSIBLE IMPROVEMENTS, DETACHED UNITS, COMBINED DWELLINGS, LOTS WITHOUT A DWELLING, WHETHER OR NOT A UNIT OR OTHER IMPROVEMENTS ARE LOCATED THEREON, OR ANY OTHER PROPERTY NOT REQUIRED TO BE INSURED BY THE ASSOCIATION UNDER THIS ARTICLE. THE ASSOCIATION IS NOT OBLIGATED TO SUBMIT CLAIMS FOR ANY LOSS, DAMAGE, OR LIABILITY THAT IS THE OWNER'S RESPONSIBILITY UNDER THIS DECLARATION OR THAT IS COVERED, OR SHOULD HAVE BEEN COVERED, UNDER AN OWNER'S INDIVIDUAL POLICY. EACH OWNER SHALL BE RESPONSIBLE FOR THE ASSOCIATION'S PROPERTY INSURANCE DEDUCTIBLE TO THE EXTENT REQUIRED UNDER PART 4 (INSURANCE) OF THE ACT AND THIS DECLARATION.

THE FAILURE OF ANY OWNER TO MAINTAIN THE REQUIRED INSURANCE SHALL NOT CREATE LIABILITY FOR THE ASSOCIATION FOR ANY UNINSURED OR UNDERINSURED LOSS BUT MAY SUBJECT THE OWNER TO ENFORCEMENT ACTION, INCLUDING COMPLIANCE DEMANDS, FINES, INDIVIDUAL ASSESSMENTS TO THE EXTENT AUTHORIZED BY THIS DECLARATION, OR OTHER LAWFUL REMEDIES.

UPON WRITTEN REQUEST BY THE ASSOCIATION, EACH OWNER SHALL PROVIDE SATISFACTORY EVIDENCE OF THE INSURANCE REQUIRED UNDER THIS SECTION, INCLUDING APPLICABLE POLICY LIMITS, EFFECTIVE DATES, DEDUCTIBLE AMOUNTS, LOSS-ASSESSMENT COVERAGE, AND DEDUCTIBLE-ASSESSMENT COVERAGE.

The Association's insurance for Common Area or Limited Common Area, if any, does not relieve the Owner of Lots 1 through 5 from maintaining insurance required under this Declaration for the Lots 1-5 Exclusive-Use Limited Common Area, the Combined Dwelling, owner-responsible Improvements, personal property, rental activity, liability, deductibles, uninsured losses, and all other owner-side risks.

Any Association insurance covering Common Area or Limited Common Area shall be construed as Association-side insurance only and shall not be construed to insure the Owner of Lots 1 through 5 against owner-responsible property damage, personal property loss, business or rental interruption, guest or invitee claims, owner negligence, operational liability, code-compliance obligations, deductibles, uninsured losses, or any other risk allocated to such Owner under this Declaration.

16. CASUALTY LOSS AND RESTORATION

16.1. Adjustment and Control

In the event of damage or destruction to property insured by the Association, the Board shall have the exclusive authority to submit, adjust, compromise, settle, and resolve any insurance claim and to determine the manner of repair, restoration, or reconstruction of the insured property, subject to the applicable insurance policy, Article 15 (Insurance), and Part 4 (Insurance) of the Act.

16.2. Restoration Obligation

Unless restoration is impracticable, prohibited by law, or not permitted under the applicable insurance policy, the Association shall cause property insured by the Association to be repaired, restored, or reconstructed in a

manner substantially consistent with the insured property as it existed immediately before the casualty, subject to available insurance proceeds and applicable deductible obligations.

The Association shall not be obligated to restore any Owner-responsible Improvement, alteration, betterment, upgrade, personal property, or other Owner-responsible property that is not insured by the Association or for which Association insurance proceeds are not available.

If an Owner desires restoration of Improvements, alterations, betterments, upgrades, finishes, or other work beyond the scope funded by available Association insurance proceeds, the Owner may, at the Owner's sole expense, request that such additional work be incorporated into the restoration. The Board may approve such request in its reasonable discretion, provided that: (1) the additional work does not materially delay restoration of property insured by the Association; (2) all additional costs are paid in advance or otherwise secured to the satisfaction of the Association; and (3) the additional work does not adversely affect structural integrity, code compliance, maintenance responsibility, insurance coverage, or the Association's ability to administer the restoration. The Association shall not be obligated to advance funds or incur expense for such additional work.

16.3. Surplus Insurance Proceeds

Any surplus insurance proceeds remaining after completion of restoration of property insured by the Association shall be allocated to the applicable Insurance Deductible Fund corresponding to the insured property or Assessment District to which the insurance proceeds relate, and shall not be distributed to Owners except as required by Part 4 (Insurance) of the Act or the applicable insurance policy.

16.4. Insurance Deficiency

If insurance proceeds are insufficient to complete repair, restoration, or reconstruction of property insured by the Association, the deficiency shall be allocated as a Common Expense, District Common Expense, or both, as applicable, consistent with the classification of the damaged property, the insured property, the benefit conferred, Article 13 (Budgets and Association Funds), and this Declaration. The Board may levy Assessments to fund such deficiency in accordance with Article 13, including Regular Assessments, Special Assessments, or both, as determined by the Board in its reasonable discretion.

Damage to Attached Units classified within Assessment District 2 (Attached Residential District) shall constitute a District Common Expense of Assessment District 2 to the extent the damaged property is insured solely for the benefit of Assessment District 2. Damage to Common Area or Limited Common Area shall constitute a Common Expense except to the extent this Declaration allocates the applicable cost as a District Common Expense.

A Board that acquires the property insurance required under Section 405 of the Act shall not be liable to any Owner if the insurance proceeds are insufficient to cover one hundred percent (100%) of the full replacement cost of the insured property at the time of loss, as provided in Section 405(14) of the Act.

16.5. Impracticability

For purposes of this Article, restoration may be deemed impracticable if the Board determines, based on commercially reasonable information available to it, that restoration cannot reasonably be completed because of legal restrictions, denial of required governmental approvals, unavailability of required insurance proceeds or Assessments necessary to fund restoration, physical site conditions, casualty severity, or other material circumstances affecting the feasibility of restoration. Any determination of impracticability shall be made by the Board in good faith and recorded in the minutes.

17. PROCEDURAL IRREGULARITIES

17.1. Waiver of Procedural Irregularities

No Person other than an Owner may assert a claim against the Association based solely on a procedural irregularity or inaccuracy in Association governance, notice, meeting, voting, recordkeeping, or enforcement procedures, except to the extent such Person has an independent legal right to assert the claim.

Except as provided in Section 17.3 (Non-Waivable Irregularities), **PROCEDURAL IRREGULARITIES OR INACCURACIES SHALL BE DEEMED WAIVED** if not timely and specifically objected to in accordance with this Article. Procedural irregularities or inaccuracies may include, without limitation, alleged defects in: (1) calls to, notices of, or the manner of conducting a meeting; (2) the manner of voting; (3) the form, delivery, validation, or handling of proxies, ballots, or written consents; (4) the manner of ascertaining Persons present at a meeting; (5) the manner of taking action or making decisions; (6) the manner of accepting, rejecting, tabulating, or counting votes; (7) the manner of preparing Minutes or the content of Minutes; and (8) procedural aspects of enforcing the Governing Documents.

A procedural irregularity or inaccuracy is waived under any of the following circumstances: (9) if the objecting Owner attended the meeting and the alleged irregularity was reasonably apparent at the meeting, but the Owner did not object at the meeting when the issue was presented or became apparent; (10) if the alleged irregularity relates to lack of notice or defective notice of a meeting, and the Owner attended the meeting without objecting at the beginning of the meeting or promptly upon the Owner's arrival; (11) if the Owner did not attend the meeting, received proper notice of the meeting, and did not object within thirty (30) days after receiving notice of the action, decision, or vote taken at the meeting; (12) if the Owner did not receive proper notice of the meeting but had actual notice of the meeting before it occurred and did not object before the meeting or within thirty (30) days after receiving notice of the action, decision, or vote taken; (13) if the Owner did not receive proper notice or actual advance notice of the meeting and did not object within thirty (30) days after receiving notice of the meeting, action, decision, or vote taken; or (14) if action was taken without a meeting and the Owner did not object within thirty (30) days after receiving notice of the action.

Attendance at a meeting waives objections to lack of notice or defective notice of the meeting to the extent provided by the Nonprofit Act. Attendance also waives objections to consideration of a particular matter at the meeting if the Owner does not object when the matter is presented. Attendance does not waive any non-waivable irregularity described in Section 17.3.

17.2. Objections to Irregularities

All objections to procedural irregularities or inaccuracies, except objections made orally at a meeting, shall be made in writing, signed by the objecting Owner, and delivered to the Board. The date on which the writing is received by the Board shall control for purposes of determining whether the objection was timely.

Whether made at a meeting or in writing, an objection must be specific and must identify: (1) the action, decision, meeting, vote, notice, enforcement action, or other procedure being challenged; (2) the particular provision of the Governing Documents, the Act, the Nonprofit Act, or other applicable law alleged to have been violated; and (3) the facts supporting the alleged violation.

A purported objection that does not substantially comply with this Section shall not preserve an objection to the procedural irregularity or inaccuracy.

17.3. Non-Waivable Irregularities

Nothing in this Article shall waive, validate, or excuse: (1) fraud; (2) intentional misconduct; (3) a knowing and intentional violation of the Governing Documents or applicable law; (4) failure to obtain a quorum required by the Governing Documents or applicable law; (5) failure to obtain an Owner approval, Member approval, Board approval, mortgagee approval, governmental approval, or recordation required by the Governing Documents or applicable law; (6) an action outside the Association's authority; (7) a violation of

an Owner's statutory right that may not be waived by the Governing Documents; or (8) any procedural irregularity that materially affected the outcome of the challenged action and was timely objected to under this Article.

This Article is intended to require timely, specific objections to procedural defects and to prevent procedural defects from being asserted after avoidable delay. It shall not be construed to limit any right or remedy that may not be limited under the Act, the Nonprofit Act, or other applicable law.

18. ASSUMPTION OF RISK, RELEASE OF LIABILITY, AND INDEMNIFICATION

Nothing in this Article shall waive, release, or limit liability for gross negligence, willful misconduct, or any other liability that may not be waived, released, or limited under applicable law.

18.1. General Assumption of Risk

Each Owner, Resident, tenant, guest, invitee, occupant, and other Person entering upon or using the Common Area **DOES SO VOLUNTARILY AND AT THAT PERSON'S OWN RISK**. Use of the Common Area may involve known and unknown risks, including without limitation temporary or permanent personal injury, illness, disability, paralysis, death, property damage, accident, slipping, falling, tripping, drowning, diving injury, chemical exposure, waterborne illness, weather-related hazards, submerged objects, changing water levels, unstable surfaces, unsafe conduct by others, equipment malfunction, natural or artificial conditions, and other apparent, hidden, unforeseen, or unforeseeable dangers.

The Common Area may include, now or in the future, pools, hot tubs, splash pads, docks, seawalls, shoreline areas, lake-access facilities, watercraft storage areas, fitness facilities, pickleball courts, decks, tables, chairs, irrigation systems, buildings, clubhouses, kitchens, game rooms, theater rooms, restrooms, laundry rooms, parking areas, walkways, streets, lawns, parks, picnic areas, pavilions, children's play areas, playground equipment, and other Amenities, Improvements, facilities, equipment, or areas. Unless the Association expressly provides otherwise in writing, such Common Area and Amenities are not supervised, and the Association does not provide lifeguards, dock attendants, watercraft monitors, safety monitors, security personnel, health monitors, or other staff to protect users from injury, illness, loss, theft, damage, or other harm.

Each Person entering upon or using the Common Area is responsible for inspecting the Common Area and determining whether the Common Area is safe and reasonably suited for that Person's intended use. Entry upon or use of the Common Area constitutes acceptance of its condition and assumption of all risks associated with such entry or use. Parents and legal guardians are solely responsible for supervising minors. The Association assumes no duty of supervision.

18.2. Health Assumption of Risk

Each Person entering upon or using the Common Area **ACKNOWLEDGES, ACCEPTS, AND ASSUMES ALL RISK** relating to viruses, bacteria, fungi, germs, spores, protozoa, pathogens, diseases, bodily fluids, contaminants, chemicals, allergens, and other health or environmental hazards. Such risks may arise from the condition or use of the Common Area, the acts or omissions of other Persons, natural conditions, maintenance conditions, weather-related conditions, or other causes, and may result in temporary or permanent injury, illness, disability, or death. The Association does not undertake to monitor, inspect, remediate, or protect against all such hazards except to the extent expressly required by this Declaration.

18.3. Governmental Warnings and Health Requirements

Each Person entering upon or using the Common Area is responsible for complying with applicable federal, state, and local laws, orders, warnings, rules, and regulations relating to health, safety, environmental conditions, and use of the Common Area. Each Owner is responsible for ensuring compliance by all Residents, tenants, guests, invitees, occupants, and other Persons using the Common Area through or under

the Owner.

18.4. Covenants, Conditions, Restrictions, and Rules of the Association

Each Owner is responsible for ensuring that the Owner and all Residents, tenants, guests, invitees, occupants, and other Persons using the Common Area through or under the Owner comply with the Governing Documents, Rules, posted signs, written instructions, and lawful directions of the Association, the Board, the Manager, or other Association agents. Each Owner shall be responsible for any loss, damage, claim, cost, or expense caused by any such Person, including any violation of the Governing Documents, Rules, posted signs, written instructions, or lawful directions.

18.5. Personal Property

The Association shall not be responsible for lost, stolen, damaged, or destroyed personal property belonging to any Owner, Resident, tenant, guest, invitee, occupant, or other Person, including personal property located in, on, or around the Common Area, Limited Common Area, parking areas, Amenities, facilities, docks, lake-access areas, or elsewhere within the Project.

18.6. Release, Waiver of Liability, and Indemnification

To the fullest extent permitted by law, each Owner, by acceptance of a deed to a Lot, and each Resident, tenant, guest, invitee, occupant, or other Person, by entering upon or using the Common Area, **ASSUMES ALL RISKS DESCRIBED IN THIS ARTICLE AND WAIVES AND RELEASES THE INDEMNITEES FROM CLAIMS ARISING OUT OF OR RELATING TO SUCH PERSON'S ENTRY UPON OR USE OF THE COMMON AREA**, except to the extent caused by gross negligence, willful misconduct, or other conduct that may not be released under applicable law.

Each Owner shall indemnify, defend, and hold harmless the Indemnitees from and against all claims, liabilities, losses, damages, penalties, actions, suits, judgments, costs, expenses, and reasonable attorneys' fees arising out of or relating to: (1) use of the Common Area by the Owner or by any Resident, tenant, guest, invitee, occupant, or other Person using the Common Area through or under the Owner; (2) any violation of the Governing Documents, Rules, posted signs, instructions, or lawful directions by any such Person; (3) any negligent, reckless, intentional, or wrongful act or omission by any such Person; or (4) any damage to Common Area, Limited Common Area, Association-maintained property, Association-insured property, or property of another Person caused by any such Person.

This Section shall not require an Owner to indemnify an Indemnatee for the Indemnatee's gross negligence, willful misconduct, or other conduct for which indemnification may not be required under applicable law.

19. INDEMNIFICATION

19.1. Indemnification Generally

Any obligation in this Declaration, the Articles of Incorporation, or the Bylaws for any Person to indemnify, defend, or hold harmless the Association shall include an obligation for that Person to indemnify, defend, and hold harmless the Indemnitees to the same extent and against the same claims, liabilities, losses, damages, penalties, actions, suits, judgments, costs, expenses, attorneys' fees, and other amounts.

Nothing in this Article shall require indemnification, defense, or hold-harmless protection for gross negligence, willful misconduct, knowing violation of law, or any other matter for which indemnification, defense, or hold-harmless protection is prohibited by applicable law.

19.2. Defense Cost Advances

The Association may advance reasonable defense costs to an Indemnatee to the fullest extent permitted by applicable law, the Articles of Incorporation, the Bylaws, this Declaration, or any Board-approved contract. The Association may condition any advancement on receipt of a written undertaking to repay such amounts

if indemnification or advancement is ultimately determined not to be permitted.

The obligation to indemnify, defend, hold harmless, or advance defense costs is independent of the availability, scope, denial, or insufficiency of insurance coverage, except to the extent otherwise expressly provided in the applicable indemnity obligation, applicable insurance policy, Board-approved contract, or applicable law.

20. GENERAL

20.1. Principal Place of Business

The principal place of business of the Association shall be the address listed in the Homeowner Associations Registry maintained by the Utah Department of Commerce, as updated from time to time in accordance with applicable law. Unless otherwise specified in this Declaration or required by law, notice to the Association may be delivered to that address.

20.2. Registered Agent for Service of Process

For purposes of service of process, the Association's registered agent is the individual or entity designated in the records of the Utah Division of Corporations and Commercial Code. The registered agent may be changed by filing the appropriate documentation with that office in accordance with applicable law. Notices given under this Declaration shall not constitute service of process and must instead comply with Section 20.3 (Notices).

20.3. Notices

All notices required or permitted under this Declaration shall be provided in accordance with Section 214 of the Act, as amended. Unless otherwise required by law or specifically stated in the Governing Documents, notice to an Owner may be delivered by: (1) personal delivery to the Owner or the Owner's designated representative; (2) U.S. mail, postage prepaid, to the Owner's last known address on file with the Association; or (3) electronic means, including email, provided the Owner has given prior written consent to receive notices electronically in accordance with applicable law.

Notice shall be deemed delivered on the earliest of: (a) actual receipt; (b) three (3) calendar days after deposit in the U.S. mail; or (c) successful electronic transmission, as reasonably documented by the Association.

20.4. Applicability; Compliance

The applicability, binding effect, constructive notice, and Owner-responsibility provisions of this Declaration are set forth in Section 3.7 (Governing Document Applicability and Binding Effect). Without limiting Section 3.7, each Owner shall reasonably comply, and shall ensure that the Owner's Residents, tenants, occupants, guests, invitees, service providers, and other Persons using the Project or Common Area through or under the Owner reasonably comply, with the Governing Documents in accordance with Section 212.5 of the Act.

Failure to comply shall constitute a violation of the Governing Documents and may result in enforcement action by the Association, including fines, Individual Assessments, recovery of damages, injunctive relief, or any combination thereof. In a proper case, an aggrieved Owner may also bring an enforcement action as permitted by law.

20.5. Constructive Notice

By acquiring any interest in a Lot, residing in the Project, entering upon any portion of the Project, or using any portion of the Common Area, each Owner, Resident, tenant, occupant, guest, invitee, and other Person is deemed to have received notice of, and to have accepted and agreed to be bound by, the provisions of this Declaration and the other Governing Documents, both personally and with respect to any interest they hold in, or use they make of, any portion of the Project.

20.6. Fiscal Year

The fiscal year of the Association shall commence on January 1 and end on December 31 of each calendar year. The initial fiscal year shall begin on the date of the Association's incorporation and end on the next December 31.

20.7. Director and Officer Compensation

No Director, Primary Officer under the Bylaws, committee member, or other volunteer shall receive compensation for service to the Association in that capacity. However, such individuals may be reimbursed for actual, reasonable expenses incurred in the performance of their authorized duties, subject to Board approval. Notwithstanding the foregoing, nothing in this Section shall prohibit the Association from compensating an appointed Officer for services rendered in that capacity to the extent authorized by the Bylaws, approved by the Board, and consistent with any applicable contractual or employment arrangement.

20.8. Conflicts

In the event of any conflict among applicable law, the Plat, this Declaration, the Articles of Incorporation, the Bylaws, Rules, Resolutions, policies, or any other Governing Document, the following order of priority shall apply, consistent with Section 228(5) of the Act: (1) the Act controls over any conflicting provision in any lower-priority source; (2) the Nonprofit Act, and any other law under which the Association is organized, controls over any conflicting provision in the sources listed in Subsections (3) through (6) below; (3) the Plat and this Declaration control equally over any conflicting provision in the sources listed in Subsections (4) through (6) below; (4) the Articles of Incorporation and any other organizational document filed with the Utah Division of Corporations and Commercial Code control over any conflicting provision in the sources listed in Subsections (5) and (6) below; (5) the Bylaws control over any conflicting Rule, Resolution, policy, guideline, procedure, or other Board-adopted instrument; and (6) Rules, Resolutions, policies, guidelines, procedures, and other Board-adopted instruments are subordinate to the sources listed in Subsections (1) through (5) above.

If the Plat and this Declaration conflict with one another, the conflict shall be resolved in the manner that best gives effect to both documents, the Act, the recorded land-use and ownership structure of the Project, and the intent that this Project is a lot-based planned unit development governed under the Act and not a condominium or cooperative.

20.9. Statutory Authority; Gap-Filling

To the extent this Declaration or any other recorded Governing Document is silent with respect to a matter governed by the Act or other applicable law, and such law affirmatively grants, delegates, or permits authority to the Association—whether expressly or as reasonably within the scope of powers conferred—without requiring express authorization in a recorded governing document, the Association may exercise such authority by rule, resolution, policy, or other appropriate action within the Association's authority, subject to and in compliance with all conditions, limitations, and procedural requirements imposed by law.

This Section shall be construed to give effect to statutory delegations of authority relating to the governance, management, operation, maintenance, and regulation of the Project, and shall not be interpreted to deny the Association the ability to carry out functions reasonably contemplated by applicable law in furtherance of the Association's statutory purposes merely because this Declaration is silent.

Nothing in this Section shall be construed to expand the scope, priority, or enforceability of any lien, assessment, Fine, Fee, or monetary charge beyond that expressly authorized by this Declaration and applicable law.

20.10. Amendment

This Declaration may be amended or restated with the approval of Members in Good Standing holding at least sixty-seven percent (67%) of the voting interests held by all Members in Good Standing, as determined in accordance with this Declaration and the Bylaws. Such approval shall be obtained at a meeting, by written ballot, or by any other lawful procedure authorized by the Bylaws and applicable law, subject to any notice, quorum, voting, approval, recordation, or other requirement imposed by the Act.

The Board shall cause any approved amendment or restatement to be prepared, reviewed, or conformed for recording by an attorney licensed to practice in the State of Utah with substantial experience in Utah homeowners association law. Upon approval, a Director is authorized to execute, certify, and cause the amendment or restatement to be recorded in the office of the County Recorder. No amendment shall be effective until it has been duly recorded in accordance with applicable law.

20.11. Incorporation of Governing Documents

For purposes of interpreting the Nonprofit Act as applied to the Association, this Declaration—including any amendments, restatements, or replacements thereof—shall, to the fullest extent permitted by law, be construed as though it were part of the Bylaws. Any reference in the Nonprofit Act to a provision of the Bylaws shall be deemed to include this Declaration, including provisions establishing authority, procedures, rights, or restrictions that appear in this Declaration rather than in the Bylaws.

All Governing Documents validly adopted under this Declaration, the Articles of Incorporation, or the Bylaws—including any Rules, Resolutions, or other duly enacted instruments, along with any amendments, restatements, or replacements thereof—shall be construed, to the extent permitted by law, as integrated and mutually reinforcing. Interpretation of this Declaration and all other Governing Documents shall be guided by the order of priority set forth in Section 228(5) of the Act.

If any provision of this Section is deemed invalid for purposes of the Nonprofit Act but remains valid under the Act, other applicable law, or another Governing Document, such provision shall continue in effect for those purposes. All remaining provisions shall remain enforceable to the fullest extent permitted by law.

Nothing in this Section shall be construed to alter, override, or subject to Bylaw procedures any provision of this Declaration, the Articles of Incorporation, or any other Governing Document incorporated or referenced herein. Each such document shall remain subject to its own terms and to the amendment and governance procedures applicable to it under the Governing Documents and applicable law. This incorporation is solely for purposes of construing references to “bylaws” under the Nonprofit Act and shall not be construed to merge or subordinate the authority of any such incorporated document.

All Governing Documents of the Association, whether or not separately recorded, are binding upon Owners to the extent authorized by and consistent with this Declaration, the Act, and applicable law. The enforceability of such Governing Documents derives from this Declaration, the Act, and applicable law, and the failure to record a Governing Document independently shall not impair its validity except to the extent independent recordation is required for that Governing Document to be effective.

20.12. Incorporation of Exhibits

All exhibits attached to this Declaration—including, without limitation, the Bylaws attached as **Exhibit B** and the Articles of Incorporation attached as **Exhibit C**—are incorporated into this Declaration by reference, are recorded contemporaneously herewith, and, together with this Declaration, constitute covenants running with the land that are binding upon and enforceable against all Lots within the Project, together with any Units and other Improvements located thereon.

20.13. No Estoppel or Reliance

No Owner, Resident, or other Person claiming any right, interest, or benefit through the Project may rely on any statement, representation, or authorization by the Board, any Director, the Manager, or any other agent of the Association that is contrary to, inconsistent with, or not authorized by the Governing Documents or applicable law, whether or not the Association, the Board, or any such Person understood or believed such statement or action to be lawful or authorized, regardless of the circumstances or the manner in which such statement or action was made.

Nothing in this Section limits the Association's ability to assert any equitable or legal claims or defenses—including estoppel, waiver, or similar doctrines—in enforcing the Governing Documents, protecting its interests, or defending itself in any legal or administrative proceeding.

20.14. No Representations or Warranties

EACH OWNER, BY ACCEPTING TITLE TO A LOT, AND EACH RESIDENT, TENANT, OCCUPANT, GUEST, OR INVITEE, BY RESIDING IN THE PROJECT OR ENTERING UPON ANY PORTION OF THE PROJECT, EXPRESSLY ACKNOWLEDGES, UNDERSTANDS, AND AGREES THAT THE ASSOCIATION, ITS BOARD, OFFICERS, DIRECTORS, AGENTS, AND MANAGER MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, UNDER THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENT, INCLUDING BUT NOT LIMITED TO ANY WARRANTY CONCERNING THE DESIGN, CONSTRUCTION, PHYSICAL CONDITION, MAINTENANCE, HABITABILITY, SUITABILITY, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE OF ANY PORTION OF THE PROJECT, INCLUDING ANY LOT, UNIT, COMMON AREA, LIMITED COMMON AREA, OR IMPROVEMENT THEREIN.

ALL SUCH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED TO THE FULLEST EXTENT PERMITTED BY LAW.

NO ORAL OR WRITTEN STATEMENT, REPRESENTATION, DISCLOSURE, OR OMISSION—WHETHER MADE BY THE ASSOCIATION, ITS REPRESENTATIVES, OR CONTAINED IN ANY MATERIALS OUTSIDE THE GOVERNING DOCUMENTS—SHALL BE DEEMED TO CREATE ANY WARRANTY OR MODIFY THE DISCLAIMERS SET FORTH HEREIN.

20.15. No Waiver

The failure, delay, or omission by the Association, its Board, or any authorized agent to enforce any provision of the Governing Documents shall not be deemed a waiver, abandonment, or relinquishment of the right to enforce such provision in the future, nor shall it be construed as a waiver of any other provision. No waiver of any breach or violation shall be effective unless made in a writing specifically identifying the provision being waived and signed by an authorized representative of the Association. Any such waiver shall apply only to the specific instance identified therein and shall not be construed as a continuing waiver or a waiver of any other provision, whether similar or dissimilar. No Owner, Resident, or other Person may rely on the Association's past conduct or prior non-enforcement as a defense to any current or future enforcement action.

The Board may determine, in good faith and in the reasonable exercise of its discretion, the timing, manner, and priority of enforcement of the Governing Documents, including the decision to address violations in phases or based upon materiality, hardship, impact on the Project, availability of resources, or other reasonable considerations. Selective or phased enforcement undertaken in good faith and in the reasonable exercise of discretion shall not constitute a waiver of enforcement rights or create a defense based upon unequal or inconsistent enforcement.

20.16. Time Limit for Claims

To the fullest extent permitted by applicable law, any claim, action, proceeding, or other form of litigation arising out of or related to this Declaration, the Bylaws, the Articles of Incorporation, or any other Governing Document, and brought by any Person against the Association or any Indemnitee, shall be commenced within twelve (12) months after the cause of action accrues. Any such claim not timely commenced shall be deemed waived and barred to the fullest extent permitted by applicable law.

This Section shall not apply to any claim, right, remedy, or limitation period that may not be shortened, waived, limited, or altered by the Governing Documents under the Act, the Nonprofit Act, fair housing or civil rights laws, consumer protection laws, records-inspection statutes, insurance law, or other applicable law.

20.17. Governing Law

This Declaration, and all other Governing Documents of the Association (unless otherwise expressly stated therein), shall be governed by, construed under, and enforced in accordance with the laws of the State of Utah, without regard to any conflict-of-laws principles. Any dispute relating to the Governing Documents, the Association, or the Project shall be subject to the exclusive jurisdiction of the courts located in the State of Utah, unless otherwise required by applicable law.

20.18. Jurisdiction

Any action, suit, or other proceeding relating to this Declaration, the Governing Documents, the Association, or the Project shall be brought exclusively in a state court located in the State of Utah or, if federal jurisdiction exists, in a federal court located within the State of Utah. To the fullest extent permitted by law, each current and former Owner, Resident, tenant, occupant, vendor, service provider, and any other Person who is subject to, who claims rights under, or who asserts claims relating to the Governing Documents, the Project, or the Association—including claims arising from their presence in, use of, or dealings with the Project—irrevocably consents to the personal jurisdiction of such courts and waives any objection to venue or forum non conveniens. This Section shall be binding upon each such Person regardless of whether their relationship with the Association or the Project is current, expired, or terminated.

20.19. Severability

If any provision of this Declaration or any other Governing Document, or the application thereof to any Person or circumstance, is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable (an "Invalid Term"), such Invalid Term shall be severed or, if permitted by law, modified and interpreted so as to most closely reflect the original intent of the Governing Documents. In any such event, the remaining provisions of the Governing Documents shall remain valid and enforceable to the fullest extent permitted by law.

20.20. Gender and Number

Except as otherwise expressly stated, all terms used in the Governing Documents—regardless of gender, number, or tense—shall be deemed to include the masculine, feminine, or neuter gender; the singular or plural number; and the past, present, or future tense, as the context and circumstances reasonably require to give effect to the intent of the Governing Documents.

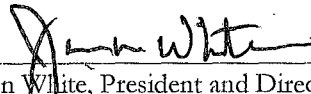
20.21. Headings

Except as otherwise expressly stated, the headings, captions, and titles used in the Governing Documents are included solely for convenience of reference and shall not be deemed to define, limit, or describe the scope or intent of any provision. They shall have no legal effect and shall not be used in the interpretation or construction of the Governing Documents.

IN WITNESS WHEREOF, the undersigned hereby certifies that this Second Amended and Restated Declaration was duly approved by Owners holding at least sixty percent (60%) of the total votes of the Association in compliance with Section 11.2.1 of the 2024 Declaration and all applicable procedural requirements.

ASSOCIATION

LEGACY BEACH AT BEAR LAKE HOA,
a Utah nonprofit corporation

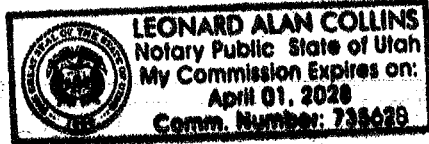


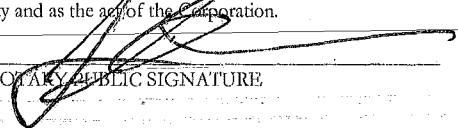
Jon White, President and Director

State of Utah)
) ss.
County of Cache)

On the 16 day of Sept, in the year 2024, the above-named individual personally appeared before me and acknowledged that the individual is the President and a Director of Legacy Beach at Bear Lake HOA, a Utah nonprofit corporation, and that the foregoing instrument was executed on behalf of the Corporation by proper authority and as the act of the Corporation.

(Seal)





NOTARY PUBLIC SIGNATURE

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EXHIBIT A – PLAT AND LEGAL DESCRIPTION

The Plat is hereby incorporated by reference into this **Exhibit A** and into this Declaration in its entirety for all purposes, including the legal description of the Land and the depiction of Lots, Units, Common Area, Limited Common Area, easements, and any other matters shown thereon.

Recorded Plats:

Phase 1: "LEGACY BEACH, PUD – FINAL PLAT," recorded on November 3, 2016, as Filing No. 90456 in the Rich County, Utah, Recorder's Office, as amended by "LEGACY BEACH, PUD, 2017 AMENDMENT – FINAL PLAT," recorded on January 11, 2018, as Filing No. 92534 in the Rich County, Utah, Recorder's Office, including Lots 1 through 15, 17, 18, 18A, and 19 through 34, inclusive.

Phase 2: "LEGACY BEACH, PUD, PHASE 2 – FINAL PLAT," recorded on August 3, 2021, as Filing No. 100888 in the Rich County, Utah, Recorder's Office, including Lots 38 through 49, inclusive.

Legal Description:

The Land consists of the real property described on and within the boundaries of the recorded plats referenced above, together with all Lots, parcels, Common Area, Limited Common Area, easements, rights, and other interests shown thereon or appurtenant thereto, as such plats may be amended, replatted, supplemented, corrected, or otherwise modified from time to time in accordance with applicable law.

Parcel NO: 41-21-312-0001 Through 0015, 41-21-312-0017 Through 0034, 41-21-312-0038, 41-21-313-0038 Through 0049

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EXHIBIT B – BYLAWS

A true and correct copy of the Bylaws of Legacy Beach at Bear Lake HOA, as adopted by the Association and as in effect on the date this Declaration is recorded, is attached to this Declaration for reference and recordation. The Bylaws are a separate Governing Document and may be amended in accordance with their terms, the Declaration, and applicable law.

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**FIRST AMENDED AND RESTATED BYLAWS
LEGACY BEACH AT BEAR LAKE
HOA**

Garden City, Rich County, Utah

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FIRST AMENDED AND RESTATED BYLAWS

These Bylaws are adopted on the date executed below by the Association, and are effective as of the date of recording in the recorder's office of the County.

1. RECITALS

- A. WHEREAS, Legacy Beach at Bear Lake HOA is a Utah nonprofit corporation organized to administer, manage, maintain, and enforce the covenants, conditions, restrictions, easements, assessments, and other obligations applicable to the Project known as Legacy Beach PUD, located in Garden City, Rich County, Utah; and
- B. WHEREAS, the Association is governed by the Utah Community Association Act, Utah Code § 57-8a-101 *et seq.*, and the Utah Revised Nonprofit Corporation Act, Utah Code § 16-6a-101 *et seq.*; and
- C. WHEREAS, Section 216 of the Act requires the Association to record its Bylaws in the office of the recorder of the county in which any part of the real estate included within the Association is located; and
- D. WHEREAS, the Association has adopted that certain Second Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Legacy Beach at Bear Lake HOA, recorded or to be recorded in the official records of the Rich County Recorder, which Declaration governs the Project and establishes the rights, duties, obligations, restrictions, assessments, maintenance obligations, insurance obligations, and other substantive covenants applicable to the Association, the Project, and the Owners; and
- E. WHEREAS, the Association desires to adopt these First Amended and Restated Bylaws to govern the Association's internal governance procedures, including Member meetings, voting, written ballots, Board structure, Board meetings, Officers, committees, rulemaking procedures, enforcement procedures, records, amendments, indemnification, and related corporate and procedural matters; and
- F. WHEREAS, these Bylaws are intended to supplement and implement the Declaration, the Articles of Incorporation, the Act, and the Nonprofit Act, but not to amend, limit, expand, or conflict with the Declaration; and
- G. WHEREAS, upon recording, these Bylaws shall amend, restate, replace, and supersede all prior bylaws of the Association, including any bylaws previously adopted, recorded, attached to, or incorporated by reference in any prior declaration or governing document of the Association;
- H. NOW THEREFORE, the Association hereby adopts these First Amended and Restated Bylaws of Legacy Beach at Bear Lake HOA, including these Recitals and all exhibits attached hereto, which shall be effective upon recording in the official records of the Rich County Recorder and shall govern the internal affairs and procedures of the Association, subject at all times to the Declaration, the Articles of Incorporation, the Act, the Nonprofit Act, and applicable law.

2. DEFINITIONS

For purposes of these Bylaws, the following terms shall have the following meanings, and such definitions govern the interpretation and application of these Bylaws. If a term defined in these Bylaws is also defined in the Declaration, the definition in these Bylaws shall govern for purposes of these Bylaws. Even so, the use of such term in these Bylaws shall, where relevant and as the context reasonably requires, be interpreted harmoniously with the corresponding term in the Declaration. Any definition or usage in these Bylaws is intended only for purposes of these Bylaws and not to alter the meaning or effect of the corresponding term in the Declaration.

- I. **Act.** "Act" means the Utah Community Association Act, Utah Code §§ 57-8a-101 *et seq.*, as amended from time to time.
- J. **Act, Nonprofit.** "Nonprofit Act" means the Utah Revised Nonprofit Corporation Act, Utah Code §§ 16-6a-101 *et seq.*, as amended from time to time.

- K. **Action.** "Action" and "action" each means an official action taken, decision made, or thing done by the Association, the Members, or the Board. An action may only be taken by the Members at a meeting of Members, by the Members through an action by written ballot without a meeting, by the Board at a Board meeting, or by the Board through an action without a Board meeting, each in accordance with these Bylaws and applicable law.
- L. **Action, Proposed.** "Proposed Action" and "proposed action" each mean a formal proposal to take an action in accordance with these Bylaws and applicable law.
- M. **Articles of Incorporation.** "Articles of Incorporation" mean the Association's articles of incorporation as amended or restated from time to time and as duly filed with the State of Utah.
- N. **Association.** "Association" means **Legacy Beach at Bear Lake HOA**, a Utah nonprofit corporation, or the name by which it may be renamed, merged, reinstated, reincorporated, or otherwise continued from time to time.
- O. **Attorney-in-Fact.** "Attorney-in-Fact" and "attorney-in-fact" have the meaning given in the Declaration.
- P. **Board.** "Board" and "Board of Directors" means the entity, regardless of name, with primary authority to govern the Association.
- Q. **Bylaws.** "Bylaws" mean the bylaws of the Association as duly amended or restated from time to time and as duly recorded in the recorder's office of the County.
- R. **Common Area.** "Common Area" has the meaning given in the Declaration.
- S. **Common Area, Limited.** "Limited Common Area" has the meaning given in the Declaration.
- T. **County.** "County" means Rich County in the State of Utah.
- U. **Declaration.** "Declaration" means the declaration of covenants, conditions, and restrictions of the Association as they may be duly amended or restated from time to time and as duly recorded in the recorder's office of the County.
- V. **Director.** "Director" means an individual duly elected or appointed as a member of the Board of Directors in accordance with these Bylaws and applicable law.
- W. **District, Assessment.** "Assessment District" has the meaning given in the Declaration.
- X. **Dwelling.** "Dwelling" has the meaning given in the Declaration.
- Y. **Good Standing.** "Good Standing" has the meaning given in the Declaration.
- Z. **Governing Documents.** "Governing Documents" has the meaning given in the Declaration.
- AA. **Improvement.** "Improvement" has the meaning given in the Declaration.
- BB. **Lot.** "Lot" has the meaning given in the Declaration. For purposes of these Bylaws, Lot is the governance reference for ownership, membership, voting, assessment, lien, eligibility, notice, enforcement, Good Standing, account status, and Association governance matters.
- CC. **Manager.** "Manager" has the meaning given in the Declaration.
- DD. **Member.** "Member" has the meaning given in the Declaration.
- EE. **Minutes.** "Minutes" means an official record of the actions taken in (as opposed to a transcript of) a meeting of Members, a Board meeting, a meeting of a committee, action taken by written ballot, or action taken without a Board meeting. Minutes should include: (1) the name of the Association; (2) the type of meeting or, if an action without a meeting, a description of the proposed action; (3) the date, time, and place of the meeting or, if an action without a meeting, events related to the proposed action; (4) the names of the Directors, Officers, and Owners or their proxies or attorneys-in-fact present at the meeting or, if an action without a meeting, involved in the action; and (5) whether a quorum was present at the meeting or, if an

action without a meeting, in the action. Once approved, Minutes shall be signed and dated by a Director or Officer to verify their approval.

FF. **Officer, Appointed.** "Appointed Officer" means an Officer appointed by the Board under Section 8.4 (Appointed Officers).

GG. **Officer, Primary.** "Primary Officer" means a Director holding the office of President, Vice President and Treasurer, or Secretary under Article 8.

HH. **Owner.** "Owner" has the meaning given in the Declaration.

II. **Owner Representative.** "Owner Representative" has the meaning given in the Declaration.

JJ. **Person.** "Person" has the meaning given in the Declaration.

KK. **Plat.** "Plat" has the meaning given in the Declaration.

LL. **Present Ownership Interest.** "Present Ownership Interest" has the meaning given in the Declaration.

MM. **Project.** "Project" has the meaning given in the Declaration.

NN. **Resident.** "Resident" has the meaning given in the Declaration.

OO. **Resolution.** "Resolution" has the meaning given in the Declaration.

PP. **Rule.** "Rule" has the meaning given in the Declaration.

QQ. **State.** "State" means the State of Utah.

RR. **Unit.** "Unit" has the meaning given in the Declaration.

SS. **Violation.** "Violation" means an act or condition that is not in compliance with the provisions of the Governing Documents.

TT. **Voting Interest.** "Voting Interest" has the meaning given in the Declaration.

3. BINDING NATURE OF BYLAWS

3.1. Covenants that Run with the Land

These Bylaws, as they may be amended or restated from time to time, including every term, condition, obligation, and provision herein, together with the Recitals, are intended to constitute and shall be deemed to constitute covenants running with the land and equitable servitudes appurtenant to each Lot within the Project. They shall be binding upon, and shall inure to the benefit of, the Association, each Owner, and their respective heirs, successors, personal representatives, and assigns. These Bylaws are recorded in the recorder's office of the County, as required by Section 216 of the Act, in order to provide record notice to all present and future Owners of their binding effect. The Recitals are incorporated into and made part of these Bylaws for all purposes.

3.2. Bylaws as Subordinate Covenants

These Bylaws are in addition to, and shall be interpreted and applied as subordinate to, the Declaration. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control.

3.3. Assessment Districts Do Not Affect Governance Rights

Assessment District classifications under the Declaration are used for assessment, maintenance, insurance, reserve, amenity-use, and other allocation or operational purposes established in the Declaration. Assessment District classification does not create a separate class of membership, separate voting group for general Association governance, separate board, separate quorum for general Association governance, separate legal entity, separate association, or separate governance authority. Each Lot remains subject to the membership,

voting, notice, eligibility, and governance provisions of the Declaration and these Bylaws according to the Voting Interest allocated to that Lot under the Declaration. Classification of a Lot within an Assessment District, including classification as a non-residential Lot or a Lot without a Dwelling, does not by itself constitute a violation, delinquency, or lack of Good Standing.

4. MEETINGS OF MEMBERS

4.1. Annual Meetings of Members

An annual meeting of Members shall be held during the first quarter of each calendar year, at a date, time, and location within the County as designated by the Board. The primary purpose of the annual meeting shall be the election of one or more members of the Board of Directors, along with the transaction of such other business as may properly come before the Members.

If the annual meeting is not held during the first quarter of any given year, the Board may call the meeting to be held as soon as reasonably practicable thereafter. If the Board fails to notice and schedule the meeting on or before April 30, any group of Members holding at least ten percent (10%) of the total Voting Interests may call and administer the annual meeting by providing notice in accordance with these Bylaws and the Act, provided that the business conducted at such a Member-called meeting shall be limited solely to the election of Directors for any positions then subject to election.

Once such a Member-called meeting has been duly noticed, the Board may not separately call or administer any meeting that overlaps in timing or effect, or that would compete with or interfere with the Member-called meeting, regardless of its stated purpose. The Member-called meeting shall be deemed the Association's official annual meeting for that year.

4.2. Special Meetings of Members

Special meetings of the Members may be called at any time by the Board or upon written request signed by a majority of the Members and delivered to the Board. Such a request shall state the specific purpose of the meeting. The Board shall designate the place, time, and purpose of any special meeting. The place shall be in the County.

If the Board fails to notice and schedule a duly requested special meeting within thirty (30) days after receiving the request, the Members who signed the request may call and administer the special meeting by providing notice in accordance with these Bylaws and the Act, provided that the business conducted at such a Member-called meeting shall be limited solely to the purpose stated in the original request.

4.3. Electronic Meetings of Members

To the extent arranged by the Board—or, in the case of a duly noticed Member-called meeting, by the Members organizing the meeting—some or all Members may participate in an annual or special meeting of Members by, or the meeting may be conducted entirely through the use of, any means of communication by which all individuals participating in the meeting may hear each other during the meeting, as allowed by Section 708 of the Nonprofit Act. A Member participating in such a meeting shall be considered present in person at the meeting.

4.4. Notice of Meetings of Members

The Association shall provide each Member entitled to vote at a meeting of Members written notice of the place, date, time, and purpose of the meeting no less than ten (10) days and no more than thirty (30) days before the meeting. Notice shall be mailed to Members by first-class or registered mail, delivered by electronic means such as email or posting on the Association's website, or otherwise given as allowed by law. If a Member has made written demand for notice by mail pursuant to Section 214 of the Act, notice to that Member shall be provided by first-class or registered mail.

Written notice of a meeting of Members shall include a description of any matter that must be approved by the Members or for which Member approval is sought.

When giving written notice of a special meeting of Members requested by a majority of the Members, the Association shall include the specific purpose or purposes stated in the request and a description of each matter for which Member approval is sought at the meeting.

4.5. Quorum at Meetings of Members

Except as otherwise provided in the Declaration or these Bylaws, the quorum required at a meeting of Members shall be those Members present in person or by proxy at the meeting.

4.6. Voting at Meetings of Members

Any action taken at a meeting of Members shall be taken by written ballot in accordance with these Bylaws and applicable law. Written ballots for such action may be delivered to the Members together with written notice of the meeting or at the meeting.

Within no more than ten (10) days after a vote at any meeting of Members, the Association shall provide notice to the Members of the action taken at the meeting. Notwithstanding the failure to provide such notice, the action taken shall remain valid.

4.7. Action by Written Ballot Without a Meeting

At the discretion of the Board—or, in the case of a properly submitted written request signed by a majority of the Members and delivered to the Board—any action that may be taken at a meeting of Members may instead be taken without a meeting if the Association delivers a proper written ballot to every Member eligible to vote, in accordance with Section 707 of the Nonprofit Act.

If the Board fails to authorize and deliver a written ballot for a duly requested Member-initiated action within thirty (30) days after receiving the request, the Members who signed the request may prepare and deliver the written ballot, provided that the action submitted for vote is limited solely to the purpose stated in the original request and the process complies with these Bylaws and the Nonprofit Act.

4.7.1. Effect

Any action taken by written ballot has the same effect as if the action had been taken at a meeting of Members and may be described as such in any document.

4.8. Meeting Minutes

The Secretary shall take and maintain Minutes of all meetings of Members, Board meetings, and actions taken without a meeting.

If the Secretary is unavailable, unwilling, or otherwise unable to perform these duties, the Board may designate any Director, Manager, or other responsible individual to take, prepare, finalize, or maintain such Minutes.

In the case of any Member-administered meeting or action by written ballot conducted in accordance with these Bylaws or applicable law, a person designated by the Members organizing and administering the action shall take and maintain Minutes of the proceedings. Such designation shall either be identified in the meeting notice or recorded in the Minutes themselves.

In any event, the Secretary—or the person duly designated in accordance with this Section—shall accept and maintain all such Minutes in the Association's official records in accordance with the Nonprofit Act.

To the extent practicable, at the end of each meeting, those present shall review the Minutes, make any needed corrections, and approve them, then direct the Secretary or other designated minute-taker to sign and date the approved Minutes.

Pursuant to the requirements of Section 1601 of the Nonprofit Act, all Minutes shall be kept in the permanent records of the Association.

4.9. No Fractional, Cumulative, or Other Unauthorized Voting

In all elections and voting matters conducted by the Association, the Members, the Board, or any other body governed by the Governing Documents, only voting methods expressly authorized in the Declaration or these Bylaws shall be permitted. Any form of fractional, cumulative, ranked-choice, weighted, or other unauthorized voting method is expressly prohibited. Any votes cast using unauthorized voting methods, or any variation thereof, shall be disregarded in their entirety.

4.10. Eligibility of Members to Vote; Good Standing Requirement

A Member must be eligible to vote in order for the Member's vote to be counted. To determine whether a Member is eligible to vote at a meeting of Members or in an action by written ballot without a meeting, the Association shall determine whether the Member was continuously in Good Standing during the thirty (30) day period immediately before: (1) the date of the meeting of Members; or (2) the date the written ballot is postmarked, sent, or otherwise delivered.

A MEMBER IS ELIGIBLE TO VOTE ONLY IF THE MEMBER WAS CONTINUOUSLY IN GOOD STANDING DURING THE ENTIRE THIRTY (30) DAY PERIOD DESCRIBED IN THIS SECTION. A MEMBER THAT WAS NOT IN GOOD STANDING AT ANY TIME DURING THAT THIRTY (30) DAY PERIOD IS NOT ELIGIBLE TO VOTE, EVEN IF THE MEMBER RETURNS TO GOOD STANDING BEFORE THE MEETING OR BEFORE SUBMITTING THE WRITTEN BALLOT.

A Member is in Good Standing only if all Owner(s) and Resident(s) of the Member's Lot are in Good Standing and if the Member's Lot itself is in Good Standing. Good Standing shall be determined under the definition of Good Standing and, as applicable, Section 11.9 (Effect of Violations and Fines on Good Standing).

A Member that is not eligible to vote is, for purposes of the Nonprofit Act, not entitled to vote.

4.11. Proxy Appointments by Members

Members entitled to vote may vote in person or by proxy at any meeting of Members. Each proxy appointment form used for a meeting of Members, or true and complete copy thereof, shall be retained with the Minutes of the corresponding meeting as part of the Association's permanent records.

4.11.1. Content

With respect to a Member's Lot, a proxy appointment form, or other written appointment permitted by Section 712 of the Nonprofit Act and sufficient for acceptance by the Association under these Bylaws, shall: (1) clearly appoint a named individual who is authorized to vote on behalf of the Member at a meeting of Members; and (2) include a statement that the appointing individual, by signing the proxy appointment, certifies under penalty of perjury that the provided information is complete, true, and correct and that, if the Owner is a legal entity or trust, the appointing individual is a duly authorized representative of the Owner for purposes of the proxy appointment (collectively, the "Required Proxy Content").

In addition to the Required Proxy Content, each proxy appointment form shall include clearly identified locations or fields for the appointing individual to provide the following information: (1) the physical address of the Lot for which the proxy is being appointed; (2) the printed name of the individual being appointed as proxy; (3) the date of the meeting for which the proxy is appointed or other period of time during which the proxy appointment is valid; (4) the day, month, and year the proxy appointment was signed; (5) the appointing individual's signature; and (6) the appointing individual's full legal name (collectively, the "Proxy Information").

Exhibit A is an example proxy appointment form that meets the requirements of these Bylaws.

4.11.2. Receipt

An original proxy appointment or a complete copy thereof, electronic or otherwise, must be received by the Association no later than the scheduled date and time of the meeting.

4.11.3. Validity

Each proxy appointment, or complete copy thereof, must be timely received by the Association. Any proxy appointment not timely received by the Association shall not be considered valid and shall not be effective.

Each proxy appointment form returned to the Association shall include all the Required Proxy Content and all of the required Proxy Information. Any other written appointment permitted by Section 712 of the Nonprofit Act shall include written information sufficient for acceptance by the Association under these Bylaws to determine that the appointment is authorized and to identify the applicable Member, Lot, proxy, and meeting or validity period.

If multiple proxy appointments are received for the same Lot, the most recently dated valid proxy appointment shall control. If the most recent valid proxy appointment cannot be determined from the face of the documents received, all such proxy appointments for that meeting shall be deemed invalid. Votes by invalid proxy shall be considered invalid.

The death or incapacity of the person appointing a proxy does not affect the proxy's authority unless notice of the death or incapacity is received by the Association before the proxy exercises the proxy's authority.

A duly executed proxy appointment signed by an attorney-in-fact, or other documentation appointing an attorney-in-fact that is sufficient under applicable law and timely received by the Association, shall be accepted in accordance with Section 712 of the Nonprofit Act.

4.11.4. Revocation

A proxy appointment may be revoked by the appointing Member or the Member's attorney-in-fact by: (1) attending the meeting and voting in person; (2) signing and delivering a writing stating that the proxy appointment is revoked; or (3) delivering a subsequent proxy appointment form or other valid proxy appointment, in each case received by the Association no later than the time the proxy is exercised.

4.12. Attendance and Conduct at Meetings of Members

All voting at a meeting of Members, including for the election of Directors, shall be conducted by means of written ballot in accordance with these Bylaws and applicable law.

The Board shall provide a reasonable opportunity during each meeting of Members for Owners present with respect to a Member's Lot to offer comments. The Board may designate a specific time period for such comments and may establish reasonable limits on duration or format.

Meetings of Members may be attended only by Members, Owners, and other individuals lawfully authorized under the Governing Documents or applicable law to act for or on behalf of a Member or Owner with respect to the meeting, including duly appointed proxies and attorneys-in-fact. Residents, tenants, and other individuals who are not so authorized may not attend meetings of Members unless expressly authorized by the Board for a specific purpose. The Board may invite third parties to attend and participate in meetings of Members as needed to support the business of the Association, including Managers, legal counsel, service providers, consultants, or other professionals.

The Board may adopt Rules governing decorum and procedural conduct at meetings of Members, so long as such Rules are not inconsistent with the Declaration, these Bylaws, or applicable law.

4.13. Written Ballots

4.13.1. Content

Required Ballot Content. Each written ballot shall: (1) briefly describe the one proposed action or election addressed by the ballot; (2) provide an opportunity to vote for or against, or as otherwise appropriate, with

respect to the proposed action or election; (3) specify the period of time during which the completed ballot must be received by the Association in order to be considered valid and counted; (4) indicate the number of valid returned ballots needed to meet quorum requirements; (5) state the percentage or other amount of approvals necessary to approve the proposed action; (6) include a statement that only one written ballot is allowed per Lot and that if more than one ballot is received by the Association from the Owner(s), proxy(ies), or agent(s) for the same Lot then all of the ballots received for that Lot shall be considered invalid and shall not be counted; (7) include a statement that the voter, by signing the ballot, certifies under penalty of perjury that the provided information is complete, true, and correct and that, if the Owner is a legal entity or trust, the voter is a duly authorized representative of the Owner for purposes of the written ballot; and (8) be accompanied by written information sufficient for Members to reach a reasonably informed decision on the proposed action or election (collectively the "Required Ballot Content").

Required Voting Information. In addition to the Required Ballot Content, each written ballot shall also include clearly identified locations or fields for the voter to provide the following information with respect to the applicable Owner and Lot: (1) the physical address of the Lot; (2) the printed full legal name of the Owner; (3) an indication as to whether the Owner is a legal entity or trust; (4) the current physical address of the Owner; (5) the voter's printed full legal name, if different than that of the Owner; (6) the voter's current physical address, if different than that of the Owner; (7) the voter's current email address; (8) the voter's current telephone number; (9) the voter's signature; and (10) an indication as to whether the voter signing the ballot is: (a) the Owner, (b) the Owner's proxy or agent, or (c) the Owner's authorized representative if the Owner is a legal entity (collectively the "Required Voting Information").

Except as otherwise provided by the Declaration or these Bylaws, the period of time during which completed ballots must be received by the Association shall be at least thirty (30) days and no more than ninety (90) days, or such other period of time allowed by law.

Except as otherwise provided by the Declaration or these Bylaws, the number of valid ballots required to meet quorum requirements shall be the number of valid ballots timely received by the Association.

Except as otherwise provided by the Declaration or these Bylaws, the percentage or other number of approvals necessary to approve a proposed action shall be a majority of the valid ballots cast. Alternatively, if the ballot is for the election of one or more candidates, the candidate(s) receiving the most votes shall be deemed elected.

A completed written ballot that, after reasonable investigation, cannot reasonably be verified by the Board to be what it purports to be: (1) shall not be considered valid and shall not be counted; or (2) within a reasonable period of time after receipt and review of the written ballot, but not to exceed ten (10) days, may be declared invalid and the results of the vote may be adjusted accordingly. Any such declaration shall be in writing, signed by at least a majority of the Directors, shall include the records of the investigation, and shall be kept with the Minutes of the action by written ballot.

Written ballots may be in electronic form, and signatures on written ballots may be scanned or may be digital or electronic signatures in any form considered valid and enforceable under Utah law.

Exhibit B is an example written ballot for voting on a single proposed action that meets the requirements of these Bylaws.

Exhibit C is an example written ballot for the election of one or more Directors that meets the requirements of these Bylaws. Such a ballot may need to be accompanied by additional written information sufficient for Members to reach a reasonably informed decision with respect to the candidates.

4.13.2. Delivery

Written ballots and any related information shall be delivered to Members in person, by mail, or by electronic means including email or a website, or as otherwise provided by law.

4.13.3. Receipt

Members shall have at least thirty (30) days from the day on which the written ballots and any related information are provided before their completed written ballots must be received by the Association, except as otherwise provided by law. Members may return their completed written ballots or complete copies thereof to the Association in person, by mail, by email, or by any other means allowed by law.

Notwithstanding the foregoing, when a written ballot is used at a meeting of Members, the completed written ballot shall be submitted in person or electronically when called for by the individual presiding at the meeting.

Once a vote by written ballot has been received by the Association, it cannot be revoked.

4.13.4. Validity

Each written ballot submitted to the Association must be timely received by the Association. Any written ballot that is not timely received by the Association shall be considered invalid and shall not be counted.

Each written ballot submitted to the Association shall include all the Required Ballot Content and all Required Voting Information. Any written ballot received by the Association shall be considered invalid and shall not be counted if the submitted ballot does not include all the Required Ballot Content and all Required Voting Information, or if any Required Voting Information is not provided in a reasonably legible form or in the identified locations or fields provided on the written ballot for such information.

If more than one otherwise valid written ballot is received by the Association from the Owner(s), their proxies, and/or agents for the same Lot, then all such written ballots received for that Lot shall be considered invalid and shall not be counted.

4.14. No Secret Ballots

As provided in the Declaration, ballots and votes cast by ballot shall not be secret, except to the extent required by applicable law. The use of secret ballots is prohibited for all meetings of the Members, meetings of the Board, and any other action conducted by or on behalf of the Association.

All written ballots—whether cast at a meeting or in an action by written ballot without a meeting—shall be preserved in their original form, together with a true and complete record of the votes cast, in the Association's official records as part of the Minutes of the corresponding meeting or action.

The Association, whether by its Board or any other agent, shall not redact, conceal, or otherwise obscure any portion of any written ballot in a manner that prevents or impairs identification of the ballot, the voter, or the vote cast, except to the extent otherwise required by applicable law. Copies of written ballots shall be made available in accordance with the Association's record inspection policies and applicable law, and shall be full and unaltered except to the extent otherwise required by applicable law.

5. BOARD OF DIRECTORS

5.1. Number of Directors

The Board shall consist of three (3) Directors. That is, there shall be three (3) positions on the Board, each to be filled by an individual elected or appointed in accordance with these Bylaws.

5.2. Term of Directors

Each Director shall serve a term of three (3) years. Thereafter, each Director elected in the ordinary course to an expired position shall serve a full three-year term, maintaining a staggered structure so that only one Director position is subject to election in any given year.

To establish staggered terms for the initial Board—or upon the reconstitution of the entire Board due to all positions becoming vacant—term lengths shall be determined based on the number of votes received in the election: the candidate receiving the highest number of votes shall serve a three-year term, the candidate receiving the next highest shall serve a two-year term, and the candidate receiving the third highest shall serve

a one-year term. In the event of a tie affecting the assignment of term lengths, the term to be assigned shall be determined by lot (such as a coin toss or random draw) conducted in a fair and open manner.

The resulting term assignments shall be recorded in the Minutes of the meeting at which the election occurred.

5.3. Eligibility Requirements for Directors

Each Director and nominee for Director shall be a natural person who is at least eighteen (18) years old and who is an Owner, a Resident spouse of an Owner, or an Owner Representative if the Owner is a legal entity or trust. **HOWEVER, SUCH PERSONS ARE ELIGIBLE TO BE A NOMINEE FOR DIRECTOR ONLY IF THEY, AND THEIR CORRESPONDING LOT, ARE IN GOOD STANDING.**

An Owner need not be a Resident to serve as a Director.

No more than one individual may serve as a Director on behalf of the same Lot at any given time, whether as an Owner, a trustee of a trust holding a Present Ownership Interest in the Lot, or an Owner Representative of a legal entity Owner of the Lot, regardless of the number of Owners, trustees, or Owner Representatives associated with the Lot.

If no eligible person self-certifies as a nominee for Director in accordance with Section 6.2 (Self-Certification Requirement), and if no eligible person is elected to serve as a Director, then the remaining Director(s) shall appoint a natural person who is not otherwise eligible under this Section to fill the vacancy as a temporary non-Member Director. If no Directors remain under these circumstances, the Manager may appoint a Board composed of temporary non-Member Directors, who shall serve in accordance with Section 5.2 (Term of Directors) until replaced in accordance with these Bylaws.

5.4. Powers and Duties of the Board

Except as limited by the Declaration or Articles of Incorporation, the Board shall have all the powers and duties provided for by law, including but not limited to administering the Association's affairs, performing the Association's responsibilities, and exercising the Association's rights as set forth in applicable law and the Governing Documents.

The Board may enter into, administer, enforce, renew, modify, or terminate contracts and administrative procedures necessary to implement any rental-management program authorized by the Declaration, provided that no Bylaw, Rule, Resolution, contract, or Board action may expand, reduce, waive, or materially modify any rental right, rental restriction, rental-management requirement, or rental-related charge established in the Declaration except as expressly authorized by the Declaration.

The authority of each Director is equal to that of all other Directors, regardless of any office a Director may hold.

5.5. Delegation of Powers and Duties of the Board

To the extent allowed by law, the Board shall have power and authority to delegate from time to time any of its powers, authorities, duties, or discretions to one or more Managers, Officers, committees, volunteers, or other agents, subject to any limitations in the Declaration, the Articles of Incorporation, and these Bylaws.

Except as limited by applicable law, the Declaration, the Articles of Incorporation, or these Bylaws, the Board acts in all instances on behalf of the Association.

To the extent required by the Declaration, the Board shall retain and supervise a professional Manager pursuant to a written management agreement. The Manager may perform administrative, ministerial, financial, recordkeeping, communication, maintenance-coordination, enforcement-support, and other functions delegated by the Board or authorized by the Governing Documents. No delegation to a Manager shall make the Manager a Director, Officer, Member, or separate governing body, and no delegation shall relieve the Board of any nondelegable duty under applicable law or the Governing Documents.

5.6. Resignation of Directors

A Director may resign at any time by delivering a written resignation to the Board. Unless otherwise specified in the written resignation, the resignation shall take effect upon delivery.

Failure by a Director to attend at least two (2) Board meetings called over a period of one (1) year shall be deemed a resignation by the Director if confirmed by an affirmative vote of the Board, unless the Director gave the Board advance written notice, electronic or otherwise, of the inability to attend each such meeting.

Failure by a Director to attend at least four (4) Board meetings called over a period of one (1) year shall be deemed a resignation by the Director if confirmed by an affirmative vote of the Board, regardless of whether the Director gave advance notice.

A DIRECTOR'S LACK OF GOOD STANDING, DETERMINED IN ACCORDANCE WITH THESE BYLAWS, FOR A PERIOD OF THREE (3) CONSECUTIVE MONTHS SHALL BE DEEMED A RESIGNATION BY THE DIRECTOR, EFFECTIVE AT THE END OF THE LAST DAY OF THE THIRD MONTH.

A Director's resignation under this Section shall also be effective as a resignation from any office(s) held by the Director.

At the time a resignation takes effect, voluntary or otherwise, a vacancy on the Board shall exist.

5.7. Removal of Directors

A Director may be removed from the Board at any time with or without cause. Removal of a Director from the Board shall require a vote by written ballot in which Members holding at least fifty-one percent (51%) of the total Voting Interests vote to remove the Director. The vote to remove the Director shall take place only at a special meeting of Members with the written notice stating that the purpose of the meeting is to vote to remove the Director.

A vote of the Board shall be insufficient to remove a Director from the Board.

6. NOMINATION AND ELECTION OF DIRECTORS

6.1. Nomination of Directors

Nominations for Director elections shall be made either in advance of a meeting of Members through a written solicitation issued by the Board or Manager, from the floor at a meeting of Members duly called for Director elections, or both, as determined by the Board. The Board shall ensure that at least one of these nomination methods is used.

If nominations are solicited in advance, the solicitation shall be delivered to all Members eligible to vote sufficiently in advance of the written notice of the meeting to allow qualified nominees to timely submit the required self-certification and to allow their names to be included on the written ballot delivered with the meeting notice. The solicitation shall specify the number of Directors to be elected, the term and eligibility requirements for Directors, the deadline for submitting written nominations, and a statement that each nominee must submit a signed self-certification to the Board accepting the nomination and confirming eligibility under Section 5.3 (Eligibility Requirements for Directors).

6.2. Self-Certification Requirement

To qualify as a solicited nominee for Director, each nominee must submit the required signed self-certification to the Board at least three (3) days before the written notice of the meeting is sent. Written ballots listing the names of all qualified self-certified nominees shall be included with the written notice of the meeting.

If nominations are permitted from the floor, each floor nominee must submit a signed self-certification to the Board accepting the nomination and confirming eligibility under Section 5.3 (Eligibility Requirements for

Directors) before the vote takes place. Members may vote for a qualified floor nominee by clearly writing the nominee's name on the written ballot.

6.3. Election of Directors

The election of Directors shall be conducted by written ballot in accordance with these Bylaws, with candidates elected based on the highest number of votes received.

Directors may serve consecutive terms if re-elected.

6.4. Vacancies on the Board

In the event of the death, resignation, or removal of a Director, his or her successor shall be selected by the remaining Director(s) and shall serve as a Director for the remainder of the term, and shall also assume the office held by his or her predecessor. Notwithstanding the foregoing, if the Director was properly removed by the Members, that Director shall not be eligible for selection to serve the remainder of his or her term.

If all positions on the Board become vacant, the Manager shall, in accordance with these Bylaws, call a special meeting of Members to elect a new Board of Directors. If the Association does not have a Manager, or if the Manager fails to call a special meeting of Members within two (2) weeks after all positions on the Board become vacant, the first group of ten percent (10%) or more of the Members may call and administer the special meeting by providing proper notice of a special meeting of Members to each Member in accordance with these Bylaws and, where reasonably practicable, by posting notice on the door of each Unit. Members at the noticed special meeting shall, in accordance with these Bylaws, elect a new Board of Directors.

To be proper in this situation, the notice of the special meeting of Members shall also include copies of the names, signatures, and Lot addresses of the Members constituting the required ten percent (10%) or more.

7. MEETINGS OF THE BOARD

7.1. Quarterly Board Meetings

Meetings of the Board shall be held quarterly, or more frequently as determined by the Board, at a date, time, and place designated by the Board. The place of any in-person Board meeting shall be in the County.

The Secretary shall take and maintain Minutes of actions taken at all Board meetings, regardless of the meeting type—in-person, electronic, or otherwise.

The Board may take action on Association business only at a Board meeting or through an action taken without a Board meeting in accordance with these Bylaws and applicable law. An incidental or social gathering of some or all members of the Board is not, by itself, a Board meeting solely because Association business is mentioned, so long as the gathering is not used to take action on Association business or to avoid the requirements of these Bylaws or applicable law governing Board action.

7.2. Electronic Board Meetings

As arranged by the Board, and consistent with Section 812(3) of the Nonprofit Act, any or all Directors may participate in a Board meeting by means of communication, or the meeting may be conducted in part or entirely through the use of any means of communication, electronic or otherwise, by which all Directors participating may hear each other during the meeting. A Director participating in such a meeting shall be considered present in person at the meeting.

7.3. Notice of Board Meetings to Directors

Notice of Board meetings shall be provided to Directors by email or other electronic means at least forty-eight (48) hours before a Board meeting, or by any other lawful means. This notice requirement shall be deemed waived for a Board meeting held to address an emergency for which forty-eight (48) hours' notice is not reasonable.

Directors shall provide an email address to the Secretary for purposes of notice of Board meetings.

7.4. Notice of Board Meetings to Owners

Consistent with Section 226(3) of the Act, the Association shall provide notice of a Board meeting to each Owner who has requested notice of Board meetings in writing and has provided an email address for that purpose. Notice shall be provided by email, except to the extent otherwise allowed by law. Notice is not required if: (1) notice of the Board meeting is included in a Board meeting schedule previously provided to the Owner; or (2) the Board meeting is to address an emergency and each Director receives notice of the Board meeting less than forty-eight (48) hours before the meeting.

The Secretary shall maintain an annual list of Owners who have requested notice of Board meetings, together with the email addresses provided for that purpose. To continue receiving notice for the following fiscal year, an Owner must renew the request in writing and provide the Owner's current email address.

Notice of a Board meeting to Owners shall state the date, time, and location of the Board meeting. If any Director may participate in the Board meeting by electronic means, the notice shall also include the information necessary to allow attending Owners to participate by the electronic means.

7.5. Quorum at Board Meetings

A majority of the Directors then in office shall constitute a quorum sufficient for the Board to conduct Association business, unless otherwise required by law, the Declaration, the Articles of Incorporation, or these Bylaws.

7.6. Attendance and Conduct at Board Meetings

Each Board meeting shall be open to each Owner or the Owner's representative if designated in writing. The Board may also permit attendance by invited Officers, Managers, legal counsel, service providers, consultants, or other appropriate persons. Residents, tenants, and other individuals who are not Owners or otherwise authorized to attend may not attend Board meetings unless expressly authorized by the Board for a specific purpose.

Owners who attend Board meetings may be present for all open portions of discussion, deliberation, and decisions of the Board. Notwithstanding the foregoing, the Board may close a Board meeting or a portion of a Board meeting to Owners only in order to: (1) consult with an attorney for the purpose of obtaining legal advice; (2) discuss ongoing or potential litigation, mediation, arbitration, or administrative proceedings; (3) discuss a personnel matter; (4) discuss a matter relating to contract negotiations, including review of a bid or proposal; (5) discuss a matter that involves an individual if the discussion is likely to cause the individual undue embarrassment or violate the individual's reasonable expectation of privacy; or (6) discuss a delinquent assessment or fine.

At each Board meeting, and consistent with Section 226(4) of the Act, the Board shall provide each Owner a reasonable opportunity to offer comments. The Board may limit Owner comments to one specific time period during the Board meeting and may establish reasonable limits on the order, duration, and format of Owner comments, provided that the comment period and any such limits do not materially impair the reasonable opportunity required by applicable law.

Owners attending Board meetings shall comply with all reasonable policies and procedures established by the Board for attendance and conduct at Board meetings. The Board may adopt further reasonable policies and procedures regarding conduct at Board meetings so long as they are not inconsistent with these Bylaws or applicable law.

7.7. Action without a Board Meeting

As further described in the following subsections, and consistent with Section 813 of the Nonprofit Act, the Board may take any action without a Board meeting that may be taken at a Board meeting by written approval, electronic or otherwise, of the proposed action in accordance with this Section. Any action so approved shall have the same effect as though taken at a Board meeting, and may be described as such in any document.

The Secretary shall keep and maintain Minutes of actions taken without a Board meeting.

7.7.1. Written Notice

Written notice of an action to be taken without a Board meeting shall be sent by any Director to all other Directors. Such written notice is required to state: (1) the action to be taken; (2) a reasonable time by which each Director must respond to the notice; (3) that failure to respond by the time stated in the notice will have the same effect as: (a) abstaining in writing by the time stated in the notice; and (b) failing to demand in writing by the time stated in the notice that the action not be taken without a Board meeting. Such notice may be sent to Directors electronically or otherwise. Notwithstanding the foregoing, parts (2), (3)(a), and (3)(b) of the written notice requirements shall be deemed waived if all Directors vote in response to the notice.

7.7.2. Voting

In response to a written notice of an action to be taken without a Board meeting, each Director may, not later than the time stated in the notice, return his or her signed writing to the other Directors either: (1) for the action; (2) against the action; (3) abstaining from voting; or (4) demanding that the action not be taken without a Board meeting. Such a signed writing may be returned electronically or otherwise.

A Director's failure to timely respond to the written notice shall have the same effect as abstaining in writing by the time stated in the notice and failing to demand in writing by the time stated in the notice that the action not be taken without a Board meeting.

In the event of a Director's timely demand that action not be taken without a Board meeting, and unless the demand is timely revoked before the end of the time stated in the notice, the action cannot be taken without a Board meeting. Otherwise, the action is approved only if, by the end of the time stated in the notice, the affirmative votes received equal or exceed the minimum number of votes that would be necessary to take the action at a Board meeting at which all of the Directors then in office were present and voted.

A Director who has voted, abstained, or demanded that the action not be taken without a Board meeting may revoke the vote, abstention, or demand by a signed writing received by all other Directors before the end of the time stated in the notice.

Signatures on writings may be scanned or may be digital. Signatures may be electronic and in any form consistent with Utah law. An email, text, or other electronic writing transmitted from a Director that clearly communicates his or her vote, abstention, demand, or revocation regarding an action shall be considered a signed writing for purposes of taking an action without a Board meeting.

7.7.3. Effect

Any action taken without a Board meeting has the same effect as if the action had been taken at a Board meeting, and may be described as such in any document.

7.8. Proxy Appointments by Directors

Directors shall attend Board meetings personally and not by proxy. No proxy appointment by a Director for purposes of a Board meeting or action without a Board meeting shall be effective.

7.9. Action by the Board

Any act of the Board shall be valid if approved by a majority of the Directors present at a Board meeting at which a quorum is present, unless otherwise required by law, the Declaration, the Articles of Incorporation, or these Bylaws. Each Director present shall have one vote.

8. OFFICERS

8.1. Officers

The Primary Officers of the Association shall be: (1) a President, (2) a Vice President and Treasurer, and (3) a Secretary.

The Association may also have one or more Appointed Officers as provided in these Bylaws.

8.2. Offices Held by Directors

Each primary office shall be held by a Director. Immediately following the election or appointment of a Director, each Director shall be deemed, by operation of these Bylaws and without separate election or appointment as a Primary Officer, to hold the office corresponding to that Director's position in the staggered Board term cycle as follows: (1) the Director in the first year of the Director's term shall serve as Secretary; (2) the Director in the second year of the Director's term shall serve as Vice President and Treasurer; and (3) the Director in the third year of the Director's term shall serve as President.

A Director's status as a Primary Officer does not give the Director any authority separate from or greater than the authority held by the Board or Directors under the Governing Documents or applicable law.

8.3. Eligibility Requirements for Officers

Each Primary Officer shall at all times be a Director and shall satisfy the eligibility requirements applicable to Directors under these Bylaws.

Any natural person who is at least eighteen (18) years old and who is deemed qualified by the Board may serve as an Appointed Officer, whether or not such individual is an Owner, Resident, Member, or Director.

8.4. Appointed Officers

The Board may appoint one or more Appointed Officers from time to time. Each Appointed Officer shall hold office for such period, have such administrative authority, and perform such administrative duties as the Board may determine and memorialize in the Minutes of the Board meeting at which such Appointed Officer is appointed.

An Appointed Officer is not a Director by virtue of such appointment and may not exercise any authority reserved to the Board, the Directors, the Members, or the Primary Officers under the Declaration, these Bylaws, or applicable law.

8.5. President as Chair of the Board

For purposes of Section 105 of the Act, the Utah Department of Commerce Homeowner Associations Registry, and any other governmental, financial, banking, insurance, tax, or administrative form that requests or requires identification of the Association's chair of the Board, president, chief officer, or similar Association official, the President shall be considered the chair of the Board and, for such purposes, the Association's principal Officer, unless the Board designates another Director or Officer for a particular form, filing, certification, signature, or administrative purpose.

The President's status as chair of the Board or principal Officer of the Association is for administrative, filing, registration, certification, signature, and form-completion purposes only and does not give the President any authority separate from or greater than the authority held by the Board or Directors under the Governing Documents or applicable law.

8.6. Duties of Primary Officers

The Primary Officers shall perform the duties provided in this Section and such other administrative, certification, signature, recordkeeping, financial, meeting, or form-completion duties as may be authorized or directed by the Board, the Governing Documents, or applicable law. All Officer duties are subject to the authority and control of the Board. No Officer may take action on behalf of the Association except as authorized by the Board, the Governing Documents, or applicable law.

8.6.1. President

The President shall: (1) serve as chair of the Board as provided in these Bylaws; (2) preside at meetings of the Members and meetings of the Board, unless the Board designates another person to preside; (3) sign contracts, certifications, filings, forms, notices, resolutions, instruments, and other documents on behalf of

the Association when authorized or directed by the Board, the Governing Documents, or applicable law; (4) coordinate with the Manager and other agents of the Association as authorized or directed by the Board; and (5) perform such other administrative duties as may be authorized or directed by the Board, the Governing Documents, or applicable law.

8.6.2. Vice President and Treasurer

The Vice President and Treasurer shall: (1) perform the duties of the President when the President is unavailable, unwilling, or unable to perform such duties, unless the Board designates another person to perform such duties; (2) coordinate, assist with, or help oversee the Association's financial records, accounts, budgets, reports, deposits, disbursements, and financial controls as authorized or directed by the Board; (3) sign checks, payment authorizations, financial reports, tax forms, banking forms, certifications, and other financial or administrative documents on behalf of the Association when authorized or directed by the Board, the Governing Documents, or applicable law; (4) render or cause to be rendered financial reports to the Board and Members as required by the Board, the Governing Documents, or applicable law; and (5) perform such other administrative or financial duties as may be authorized or directed by the Board, the Governing Documents, or applicable law.

8.6.3. Secretary

The Secretary shall: (1) take, prepare, maintain, or cause to be taken, prepared, and maintained Minutes of meetings of the Members, meetings of the Board, and actions taken without a meeting, as provided in these Bylaws; (2) give, deliver, or cause to be given or delivered notices, written ballots, proxy appointment forms, and other meeting or voting materials as required by the Board, the Governing Documents, or applicable law; (3) maintain or cause to be maintained proxy appointments, written ballots, records of votes, meeting attendance records, and other Association records as required by these Bylaws, the Governing Documents, or applicable law; (4) authenticate records of the Association when required or appropriate; (5) sign or attest approved Minutes, certifications, filings, forms, notices, resolutions, instruments, and other documents on behalf of the Association when authorized or directed by the Board, the Governing Documents, or applicable law; and (6) perform such other administrative, recordkeeping, notice, or certification duties as may be authorized or directed by the Board, the Governing Documents, or applicable law.

8.7. Delegation and Performance of Officer Duties

Unless otherwise limited by the Declaration, these Bylaws, or applicable law, and notwithstanding the assignment of duties to particular Officers in Section 8.6 (Duties of Primary Officers), the Board may authorize, direct, assign, or delegate the performance of any administrative, certification, signature, recordkeeping, financial, meeting, form-completion, or other Officer duty to any Director, Officer, Appointed Officer, Manager, committee member, volunteer, agent, professional, or other responsible Person deemed appropriate by the Board.

Any such authorization, direction, assignment, or delegation may be general or limited, temporary or continuing. Except to the extent otherwise provided in a written agreement approved by the Board, any such authorization, direction, assignment, or delegation may be modified or withdrawn by the Board at any time, with or without cause. If such authorization, direction, assignment, or delegation is made under or in connection with a written agreement, any modification, withdrawal, amendment, termination, or nonrenewal of the agreement shall be governed by the terms of the agreement and applicable law. The Board should memorialize any material authorization, direction, assignment, or delegation in the Minutes of a Board meeting, in a written agreement, in a Resolution, or in another Association record approved or accepted by the Board.

Notwithstanding the foregoing, no Officer duty may be authorized, directed, assigned, delegated, or performed in a manner that allows any Person to take an action, make a decision, conduct a hearing, cast a vote, approve a matter, or exercise authority that the Declaration, these Bylaws, or applicable law requires to be taken, made, conducted, cast, approved, or exercised by the Board, the Directors, or the Members.

The delegation or performance of an Officer duty by any Person does not make that Person a Director or Officer, does not give that Person any authority reserved to the Board, the Directors, the Members, or the Primary Officers under the Declaration, these Bylaws, or applicable law, and does not relieve the Board of its ultimate authority and responsibility for the governance of the Association.

8.8. Terms, Vacancies, Resignation, and Removal of Primary Officers

In accordance with Section 8.2 (Offices Held by Directors), a Primary Officer shall hold office for so long as the Director holds the Board position to which that office corresponds under these Bylaws.

A vacancy in a primary office occurs only when the corresponding Director position becomes vacant. Any successor Director elected or appointed to fill a vacant Director position shall automatically assume the primary office corresponding to that Director position, by operation of these Bylaws and without separate election or appointment as an Officer.

A Primary Officer may not resign from office separately from resigning as a Director. A resignation by a Director shall also constitute resignation from the primary office held by that Director.

A Primary Officer may not be removed from office separately from removal as a Director. Removal of a Director shall also constitute removal from the primary office held by that Director.

8.9. Resignation and Removal of Appointed Officers

An Appointed Officer may resign at any time by delivering written notice to the Board. Unless the written notice specifies a later effective date, the resignation shall be effective upon delivery.

The Board may remove an Appointed Officer at any time, with or without cause, unless otherwise provided in a written agreement approved by the Board. Removal as an Appointed Officer does not affect any separate contractual rights or obligations that may exist under a written agreement approved by the Board.

9. COMMITTEES

9.1. Authority to Establish Committees

The Board may establish one or more committees of the Board, advisory committees, advisory boards, auxiliaries, working groups, or other similar bodies as the Board deems appropriate to provide advice, service, assistance, recommendations, investigation, administration, or other support to the Association.

9.2. Composition and Appointment

The Board shall determine the composition, members, chair, purpose, authority, duties, procedures, and duration of each committee or other body established under this Article, subject to the Declaration, these Bylaws, and applicable law. The Board may appoint, remove, replace, or reappoint any committee member at any time, with or without cause, unless otherwise provided in a written agreement approved by the Board.

9.3. Board Committees

A committee of the Board that is authorized to exercise any authority of the Board shall be created and composed in accordance with Section 16-6a-817 of the Nonprofit Act and shall consist only of Directors unless otherwise allowed by applicable law. Any such committee may exercise only the authority expressly delegated to it by the Board and may not exercise any authority that the Nonprofit Act, the Act, the Declaration, these Bylaws, or applicable law prohibits a committee from exercising.

9.4. Advisory and Service Committees

Any committee or other body that includes one or more voting members who are not Directors shall be advisory or service-oriented only and may not exercise any power or authority reserved to the Board, the Directors, or the Members under the Nonprofit Act, the Act, the Declaration, these Bylaws, or applicable law.

9.5. Board Control

The Board may modify or terminate any committee or other body established under this Article, modify or revoke any authority or duty assigned to it, and adopt further policies and procedures regarding its composition, authority, duties, responsibilities, proceedings, conduct, or any other matter, subject to the Declaration, these Bylaws, and applicable law. The creation of, delegation of authority to, or action by any committee or other body does not relieve the Board or any Director of any duty or standard of conduct imposed by the Declaration, these Bylaws, or applicable law.

10. RULEMAKING PROCEDURES

10.1. Authority for Rulemaking

In accordance with Section 217 of the Act and other applicable law, and subject to the limitations in Sections 218 and 219 of the Act, the Declaration, the Articles of Incorporation, and these Bylaws, the Board may adopt, amend, modify, cancel, limit, create exceptions to, expand, or enforce Rules.

10.2. Standard Rulemaking Procedure

Except as provided in Section 10.3 (Emergency Rulemaking), before adopting, amending, modifying, canceling, limiting, creating exceptions to, or expanding a Rule, the Board shall: (1) at least fifteen (15) days before the Board meeting at which the action will be considered, deliver notice to the Owners as provided in Section 10.4 (Notice for Rulemaking) that the Board is considering a change to a Rule; and (2) provide an open forum at the Board meeting giving Owners an opportunity to be heard before the Board takes the action.

Within fifteen (15) days after the date of a Board meeting at which the Board approves a change to a Rule, the Board shall deliver to the Owners, as provided in Section 10.4, a copy of the approved change.

10.3. Emergency Rulemaking

Notwithstanding Section 10.2 (Standard Rulemaking Procedure), the Board may adopt a Rule without first giving notice to the Owners if the Board determines that there is an imminent risk of harm to the Common Area, an Owner, an occupant of a Lot, a Lot, or a Unit. After adopting an emergency Rule, the Board shall provide notice of the Rule to the Owners as required by Section 10.4 (Notice for Rulemaking).

10.4. Notice for Rulemaking

Notices relating to Rules or changes thereto may be provided to Owners by first-class mail, registered mail, email, text message, posting on the Association's website, or any other method authorized by the Declaration, these Bylaws, the Act, the Nonprofit Act, or other applicable law.

If an Owner has made written demand for notice by mail pursuant to Section 214 of the Act, notice to that Owner shall be provided by mail.

Except as otherwise required by the Act, the Nonprofit Act, the Declaration, the Articles of Incorporation, or these Bylaws, a notice relating to Rules or changes thereto shall be sufficient if the notice is fair and reasonable under Section 214 of the Act.

10.5. Effective Date of Rules

Except as otherwise provided in these Bylaws or stated in the Rule or Board action adopting the Rule, a Rule or any change thereto shall be effective upon adoption by the Board. The Board shall deliver a copy of the Rule or change to the Owners as required by Section 10.4 (Notice for Rulemaking) and Section 217 of the Act.

10.6. Limitations on Rulemaking

In addition to other limitations prescribed by the Act and other applicable law, the Declaration, the Articles of Incorporation, and these Bylaws, the rulemaking authority of the Association, whether exercised through the Board, the Members, or otherwise, shall be limited as provided in this Section and applicable law.

Any Rule, Association action, or other exercise of authority that violates such limitations shall be void and unenforceable to the extent of the violation. Nothing in this Section shall limit the Association or any other Person from taking lawful action against illegal conduct, enforcing the Governing Documents in a lawful manner, or recovering damages to the extent allowed by the Governing Documents and applicable law.

10.7. Equal Treatment

Except as otherwise allowed by the Act, other applicable law, the Declaration, the Articles of Incorporation, or these Bylaws, a Rule shall treat similarly situated Owners similarly and shall treat similarly situated Residents similarly.

11. ENFORCEMENT PROCEDURES

11.1. Authority for Enforcement

In accordance with Sections 208, 212.5, and 213 of the Act, the Association shall have the right, authority, and responsibility to enforce the Governing Documents and, to the extent allowed by the Governing Documents and applicable law, assess fines for violations of the Governing Documents. The Board shall administer and enforce the Governing Documents in a fair, reasonable, and consistent manner. In determining the appropriate enforcement response in a particular matter, the Board may exercise the enforcement discretion allowed by Section 213 of the Act, but may not be arbitrary, capricious, or act against public policy in taking or not taking enforcement action.

Failure to enforce any provision of these Bylaws shall not constitute a waiver, modification, abandonment, or termination of that provision or any related requirement, right, power, authority, or remedy established by these Bylaws, nor shall any such failure constitute grounds for any claim of waiver, abandonment, estoppel, laches, selective enforcement, or other loss or limitation of enforcement authority under these Bylaws. Any modification, abandonment, or termination of a provision of these Bylaws may be effected only by amendment of these Bylaws in accordance with their terms and applicable law.

11.2. Persons Subject to Enforcement

Owners, Residents, tenants, guests, invitees, and, to the extent allowed by the Governing Documents and applicable law, all Persons who enter upon or in any way make use of the Common Area shall comply with the Governing Documents.

To the extent authorized by the Declaration, these Bylaws, the Rules, or applicable law, an Owner may be held responsible for violations of the Governing Documents committed by the Owner, the Owner's Residents, tenants, guests, invitees, or other Persons for whom the Owner is responsible. If a Lot is leased or rented, the tenant and Owner may be held jointly and severally liable for violations of the Governing Documents to the extent allowed by Section 218 of the Act and the Governing Documents.

11.3. Reporting a Violation

Any Owner or Resident may report an alleged violation of the Governing Documents to the Board or Manager. A violation report should include: (1) the name, address, email address, and phone number of the Owner or Resident making the report; (2) the name and address of the Owner or Resident, or the address of the Lot, allegedly in violation; (3) a description of the alleged violation, including the approximate date and time, date range, or time period during which the alleged violation occurred, continued, or was witnessed by the individual making the report; (4) identification of the provision(s) of the Governing Documents that were allegedly violated; and (5) a certification by the individual making the report substantially stating the following:

"I CERTIFY UNDER PENALTY OF PERJURY THAT I PERSONALLY WITNESSED THE VIOLATION I AM REPORTING AND THAT, TO THE BEST OF MY KNOWLEDGE, THE INFORMATION I AM PROVIDING IS TRUE AND CORRECT. I understand that I may be called as a witness of the violation if my report results in an informal hearing before the Board." A violation report should include pictures of the alleged violation, if possible.

Exhibit D is an example violation report form that meets the requirements of these Bylaws.

The Board, Manager, or other Person authorized by the Board may investigate, confirm, or act on an alleged violation regardless of whether a violation report has been submitted. An alleged violation is not an actual violation for purposes of these enforcement procedures unless confirmed by the Board, Manager, or other Person authorized by the Board and a notice of violation or notice of fine, as applicable, has been issued.

11.4. Notice of Violation

In the event of a violation of the Governing Documents, the Association should issue a notice of violation against the offending Lot, Owner, Resident, tenant, or other responsible Person, as the case may be. A notice of violation shall constitute a written warning for purposes of Section 208 of the Act.

A notice of violation shall only be issued for a violation of a Rule, covenant, condition, restriction, or other provision in the Governing Documents.

11.4.1. Content

A notice of violation shall be in writing and shall include: (1) identification of the Lot and, as applicable and available, the Owner, Resident, tenant, or other Person involved in the violation; (2) a brief description of the violation; (3) the date on or about which the violation occurred, was discovered, or, if applicable, the time period during which the violation occurred or continued; (4) identification of the provision(s) of the Governing Documents that were violated; (5) a statement that the Board may assess a fine if: (a) a continuing violation remains unresolved beyond a stated period of time, which period shall be not less than forty-eight (48) hours after the effective date of the notice of violation or such longer period as may be required by law or stated in the notice; or (b) a similar violation occurs within one (1) year after the effective date of the notice of violation; and (6) a statement explaining how the violation can be resolved, if the violation is capable of being resolved.

Exhibit E is an example notice of violation that meets the requirements of these Bylaws.

11.4.2. Delivery

A notice of violation should be delivered by email to the Owner's email address shown in the Association's records and by first-class mail to the Owner's mailing address shown in the Association's records, but may be delivered by registered or certified mail, return receipt requested, or in any other manner authorized by the Declaration, these Bylaws, or applicable law. If an Owner has made written demand for notice by mail pursuant to Section 214 of the Act, notice to that Owner shall be provided by mail.

If the violation involves a tenant or other Resident of a Lot, the notice of violation shall be delivered to the Owner of the Lot and should also be delivered to the tenant, Resident, or other responsible Person.

Copies of all issued notices of violation shall be maintained in the records of the Association.

11.4.3. Violation Effective Date

A notice of violation is effective at the earliest of the following: (1) the date received; (2) the date sent by email to the email address shown for the recipient in the Association's records, unless the Association receives an automated delivery-failure notice; (3) five (5) days after the date of mailing by first-class mail; or (4) the date the mailing receipt is signed by or on behalf of the addressee when the notice is sent by registered or certified mail, return receipt requested. Any period of time for resolution stated in a notice of violation shall begin on the effective date of the notice.

11.5. Notice of Fine

Before a notice of fine for a violation may be issued, a notice of violation for a similar violation must have first been issued pursuant to Section 11.4 (Notice of Violation).

In the event of a violation of the Governing Documents, and after issuance of a preceding notice of violation or notice of fine for a similar violation, the Association should issue a notice of fine against the offending Lot, Owner, Resident, tenant, or other responsible Person, as the case may be, provided that: (1) a continuing violation remained unresolved after the period of time for resolution stated in the preceding notice of violation; (2) after a fine has been assessed, a continuing violation continued for ten (10) days or longer after the date the fine was assessed; or (3) a similar violation occurred within one (1) year after the effective date of the preceding notice of violation or notice of fine.

A notice of fine shall only be issued for a violation of a Rule, covenant, condition, restriction, or other provision in the Governing Documents.

11.5.1. Content

A notice of fine shall be in writing and shall include: (1) identification of the Lot and, as applicable and available, the Owner, Resident, tenant, or other Person involved in the violation; (2) a brief description of the violation; (3) the date on or about which the violation occurred, was discovered, or, if applicable, the time period during which the violation occurred or continued; (4) identification of the provision(s) of the Governing Documents that were violated; (5) the date on which the preceding notice of violation or notice of fine was sent or became effective; (6) the amount of the fine being assessed and where the amount is specified in the Governing Documents; (7) a statement that the fine shall be assessed as of the date stated in the notice of fine; (8) a statement that the fine is due and payable immediately or as otherwise provided by the Governing Documents, whichever is later; (9) a statement that late charges and interest may apply if the fine is not timely paid, subject to the Act and these Bylaws; (10) a statement that Lots, Owners, Residents, or Members may not be in Good Standing as provided in the definition of Good Standing and Section 11.9 (Effect of Violations and Fines on Good Standing); (11) a statement that the fine constitutes a personal obligation and may be enforced only to the extent permitted by applicable law, and that no fine shall be secured by a lien except as expressly authorized by statute; (12) a statement that an additional fine may be assessed if: (a) the violation continues for ten (10) days or longer after the date the fine is assessed; or (b) a similar violation occurs within one (1) year after the effective date of the notice of fine; and (13) a statement explaining how the violation can be resolved, if the violation is capable of being resolved.

Exhibit F is an example notice of fine that meets the requirements of these Bylaws.

11.5.2. Delivery

A notice of fine should be delivered by email to the Owner's email address shown in the Association's records and by first-class mail to the Owner's mailing address shown in the Association's records, but may be delivered by registered or certified mail, return receipt requested, or in any other manner authorized by the Declaration, these Bylaws, or applicable law. If an Owner has made written demand for notice by mail pursuant to Section 214 of the Act, notice to that Owner shall be provided by mail.

If the violation involves a tenant or other Resident of a Lot, the notice of fine shall be delivered to the Owner of the Lot and should also be delivered to the tenant, Resident, or other responsible Person.

Copies of all issued notices of fine shall be maintained in the records of the Association.

11.5.3. Fine Effective Date

A notice of fine is effective at the earliest of the following: (1) the date received; (2) the date sent by email to the email address shown for the recipient in the Association's records, unless the Association receives an automated delivery-failure notice; (3) five (5) days after the date of mailing by first-class mail; or (4) the date the mailing receipt is signed by or on behalf of the addressee when the notice is sent by registered or certified

mail, return receipt requested. Any period of time for resolution stated in a notice of fine shall begin on the effective date of the notice.

11.6. Informal Hearing

If an Owner timely requests an informal hearing to dispute a fine under Section 208 of the Act, the Board shall conduct the hearing as required by Section 208 of the Act.

11.7. Schedule of Fines

For purposes of this Article, a "similar violation" means a violation of the same Rule or provision of the Governing Documents as identified in the applicable notice of violation or notice of fine, as contemplated by Section 208 of the Act.

11.7.1. First Violation

A notice of violation shall be issued for a first violation. No fine shall be assessed upon issuance of the notice of violation.

11.7.2. Second Violation

A fine in the amount of Fifty Dollars (\$50.00) shall be assessed if: (1) a continuing violation remains unresolved after expiration of the period stated in the preceding notice of violation; or (2) a second similar violation occurs within one (1) year after the effective date of the preceding notice of violation.

11.7.3. Third Violation

A fine in the amount of One Hundred Dollars (\$100.00) shall be assessed if: (1) after the preceding fine has been assessed, a continuing violation continues for ten (10) days or longer after the date the preceding fine was assessed; or (2) a third similar violation occurs within one (1) year after the effective date of the preceding notice of fine.

11.7.4. Fourth Violation

A fine in the amount of One Hundred Fifty Dollars (\$150.00) shall be assessed if: (1) after the preceding fine has been assessed, a continuing violation continues for ten (10) days or longer after the date the preceding fine was assessed; or (2) a fourth or subsequent similar violation occurs within one (1) year after the effective date of the preceding notice of fine.

11.8. Amount of Fines

The fine amounts stated in Section 11.7 (Schedule of Fines) are minimum baseline fine amounts and may not be reduced by the Board. The Board may, by Rule adopted in accordance with Article 10 (Rulemaking Procedures), increase the amount of the fine imposed for a second violation under Section 11.7.2, provided that the increased amount is reasonable and generally applicable. If the Board increases the amount of the fine imposed for a second violation, the fine amounts imposed for third violations and fourth or subsequent violations shall automatically increase by the same percentage as the increase applied to the second-violation fine. Any Rule increasing fine amounts shall state the increased second-violation fine amount and the resulting third-violation and fourth-or-subsequent-violation fine amounts.

11.9. Effect of Violations and Fines on Good Standing

For purposes of determining the effect of a violation or fine on Good Standing, Good Standing is a status determined by the facts and circumstances existing at the applicable time under the definition of Good Standing, Section 11.4.3 (Violation Effective Date), and, as applicable, Section 11.5.3 (Fine Effective Date).

Pursuant to the Good Standing definition, an Owner, Resident, or Lot is in Good Standing when the applicable facts and circumstances satisfy the requirements for Good Standing. **AN OWNER, RESIDENT, OR LOT IS NOT IN GOOD STANDING WHEN THE APPLICABLE FACTS AND CIRCUMSTANCES DO NOT SATISFY THE REQUIREMENTS FOR GOOD STANDING. A**

Member is in Good Standing only if all Owner(s) and Resident(s) of the Member's Lot are in Good Standing and the Member's Lot itself is in Good Standing.

Voting eligibility based on Good Standing is determined under Section 4.10 (Eligibility of Members to Vote; Good Standing Requirement). A notice of violation, notice of fine, unresolved violation, or unpaid fine shall affect Good Standing only to the extent provided in the definition of Good Standing and the specific Bylaw provisions identified in this Section.

11.10. Assessment and Collection of Fines

The amount of a Fine shall be charged to the account of the applicable Lot and Owner effective as of the date stated in the notice of fine. A Fine is a personal obligation of the Owner and, to the extent allowed by the Governing Documents and applicable law, may also be pursued against any Resident, tenant, or other Person responsible for the violation.

A Fine shall not, by itself, constitute an Assessment or create a lien against a Lot. However, to the extent expressly authorized by the Declaration and permitted by applicable law, an unpaid Fine, together with related attorney fees, collection costs, enforcement costs, damages, and other amounts incurred by the Association in connection with the violation, may be converted to, assessed as, or collected as an Individual Assessment against the applicable Lot and Owner.

If a violation continues unresolved through the fourth violation stage, if any Fine remains unpaid, or if the Board otherwise determines that legal action, collection action, or legal advice is appropriate, the Association may refer the matter to legal counsel or another appropriate professional for further action. The Owner and, to the extent allowed by the Governing Documents and applicable law, any responsible Resident, tenant, or other Person may be liable for attorney fees, collection costs, enforcement costs, damages, and other amounts incurred by the Association in connection with the violation.

12. CORPORATE RECORDS

12.1. Current Owner and Resident Contact Information; Continuing Duty; Good Standing

Upon becoming an Owner or Resident, and upon reasonable request of the Association, each Owner and Resident shall provide the Association with current contact information, including: (1) the Owner's or Resident's full legal name and, if the Owner is a legal entity, the state in which the legal entity was formed; (2) the address of the Owner's or Resident's primary residence or, if the Owner is a legal entity, the address of its principal office; (3) the address of the Lot by which the Person is an Owner or Resident; (4) the Owner's or Resident's email address; and (5) the Owner's or Resident's telephone number.

EACH OWNER AND RESIDENT HAS A CONTINUING DUTY TO KEEP THE OWNER'S OR RESIDENT'S CONTACT INFORMATION CURRENT WITH THE ASSOCIATION. The Association may rely on the contact information shown in the Association's records for purposes of delivering notices, violation notices, fine notices, meeting notices, written ballots, statements, invoices, records, and other Association communications. An Owner's or Resident's failure to provide or maintain current contact information does not invalidate any notice or communication delivered in accordance with the contact information then shown in the Association's records.

AN OWNER OR RESIDENT WHO FAILS TO PROVIDE OR MAINTAIN CURRENT CONTACT INFORMATION IS NOT IN GOOD STANDING AND IS IN VIOLATION OF THESE BYLAWS FOR SO LONG AS THE FAILURE CONTINUES.

12.2. Record Keeping

Consistent with Sections 227(1) of the Act and 1601 of the Nonprofit Act, and in addition to all other requirements under applicable law, the Association shall keep copies of the following records (the "Records") at its principal office or such other location permitted by law: (1) the Declaration; (2) the Plat; (3) the Articles

of Incorporation; (4) these Bylaws; (5) any adopted Resolutions; (6) the Rules; (7) the Minutes of all meetings of Members held over the most recent three (3) year period; (8) the Minutes of all Board meetings held over the most recent three (3) year period; (9) records of all actions taken without a meeting over the most recent three (3) year period; (10) records of all actions taken by a committee of the Board in place of the Board; (11) records of waivers of notice of meetings of Members, the Board, or any committee of the Board; (12) all written communications to Members generally as Members for the most recent three (3) year period; (13) appropriate accounting records; (14) a record of Members in a form that permits preparation of a list of the name and address of each Member and the number of votes each Member is entitled to vote; (15) a list of the names, addresses, and email addresses of the current Directors and Officers; (16) the Association's most recent annual report delivered to the Utah Division of Corporations, if any; (17) the Association's most recent annual and other published financial statements, if any, for periods ending during the last three (3) years; (18) the most recent budget of the Association; (19) the most recent reserve analysis or reserve study of the Association; (20) certificates of insurance for each insurance policy held by the Association, or copies of the policies themselves; (21) profit and loss statements for the previous three (3) fiscal years; and (22) balance sheets for the previous three (3) fiscal years.

12.3. Record Availability

The Association shall make the Records available to Owners as required by Section 227 of the Act, Part 16 of the Nonprofit Act, these Bylaws, and other applicable law.

If the Association has an active website or online owner portal used for Association records; the Association shall make the Governing Documents, the most recent approved Minutes, and the most recent budget of the Association available to Owners, free of charge, through the website or online owner portal. If the Association does not have an active website or online owner portal, the Association shall make physical copies of those documents available to Owners during regular business hours at the Association's address registered with the Utah Department of Commerce under Section 105 of the Act, or at another location permitted by applicable law.

12.3.1. Written Request for Records

An Owner may submit a written request to inspect or copy one or more Records. Any such request shall include: (1) the Association's name; (2) the Owner's name; (3) if the Owner is a legal entity, reasonable documentation establishing the requester's authority to act on behalf of the Owner; (4) the address of the Owner's Lot; (5) the Owner's or authorized representative's email address; (6) a description of the specific Record or Records requested; and (7) the Owner's election or request regarding inspection, copying, hard copies, electronic scans, third-party duplication, use of the Owner's own imaging equipment, email delivery, or other method of production allowed by applicable law.

To the extent required by the Nonprofit Act for the particular Records requested, the written request shall be made in good faith and for a proper purpose, shall describe with reasonable particularity the purpose and the Records the Owner desires to inspect or copy, and the requested Records shall be directly connected with the described purpose.

12.3.2. Permitted Redactions

The Association may redact from any Record produced for inspection or copying any information that the Association is permitted or required to redact under applicable law, including without limitation: (1) Social Security numbers; (2) bank account numbers; (3) personal identifying information; (4) communications protected by the attorney-client privilege or work-product doctrine; and (5) any other information that may or must be withheld, redacted, or protected under applicable law.

12.3.3. Records Copying and Production Costs

If an Owner requests that the Association provide copies or electronic scans of Records, the Owner shall pay to the Association the maximum amount permitted by applicable law, which is currently: (1) ten cents (\$.10)

per page; and (2) twenty dollars (\$20.00) per hour for the time of the Association's employee, Manager, or other agent; provided, however, that if the copies or electronic scans are produced by a recognized third-party duplicating service, the Owner shall pay the actual amount charged by that service as provided by applicable law.

If an Owner requests electronic transmission of Records, the Association shall not charge the Owner for costs associated with the electronic transmission, as required by Section 227 of the Act. The Association may fulfill a request by posting the requested Records to the Association's website or online owner portal to the extent allowed by Section 227 of the Act.

If an Owner requests that a recognized third-party duplicating service make copies or electronic scans of Records, the Association shall arrange for delivery and pickup of the original Records as required by Section 227 of the Act, and the Owner shall pay the duplicating service directly. If an Owner requests to bring imaging equipment to the inspection, the Association shall provide the necessary space, light, and power for the imaging equipment as required by Section 227 of the Act.

Any amount charged under this Section constitutes a personal obligation of the Owner requesting the Records, is due and payable upon invoicing, and does not constitute an Assessment and shall not be secured by a lien, except to the extent expressly permitted by applicable law.

12.3.4. Time for Compliance

The Association shall comply with a written request to inspect or copy Records within the time required by applicable law, currently within two (2) weeks after the day on which the Association receives the request.

13. AMENDMENTS

13.1. Amendment of Bylaws

The power to amend, restate, or replace these Bylaws is reserved exclusively to the Members in Good Standing and may not be exercised by the Board. These Bylaws may be amended, restated, or replaced only by approval of at least sixty-seven percent (67%) of the Members in Good Standing. Such approval shall be obtained by an action by written ballot, with or without a meeting, conducted in accordance with these Bylaws and applicable law.

A Director may execute, certify, and record any duly approved amendment, restatement, or replacement of these Bylaws. Any such instrument shall be prepared at the request of the Board by an attorney licensed to practice law in the State of Utah.

13.2. Limitations on Bylaw Amendments

No amendment to these Bylaws may amend, restate, replace, impair, or conflict with the Declaration, the Plat, the Articles of Incorporation, or applicable law. Without limiting the foregoing, no amendment to these Bylaws may alter: (1) the Lot-based allocation of Voting Interests; (2) the existence, classification, reclassification, or effect of any Assessment District; (3) any assessment, maintenance, insurance, reserve, or cost-allocation obligation established in the Declaration; (4) any Common Area, Limited Common Area, Amenity, or use right or limitation established in the Declaration; (5) any rental right, rental restriction, or rental-management requirement established in the Declaration; (6) any professional-management requirement established in the Declaration; or (7) any amendment threshold or approval right established in the Declaration, except by a duly approved and recorded amendment to the Declaration.

13.3. Amendment Effective Date

An amendment, restatement, or replacement of these Bylaws shall not be effective until duly recorded in the recorder's office of the County.

14. PROCEDURAL IRREGULARITIES

14.1. Waiver of Procedural Irregularities

TO THE FULLEST EXTENT PERMITTED BY THE DECLARATION, THESE BYLAWS, AND APPLICABLE LAW, PROCEDURAL IRREGULARITIES, DEFECTS, OMISSIONS, OR INACCURACIES SHALL BE DEEMED WAIVED IF NOT TIMELY AND SPECIFICALLY OBJECTED TO AS PROVIDED IN THIS ARTICLE.

A procedural irregularity, defect, omission, or inaccuracy in connection with any notice, meeting, written ballot, proxy appointment, vote, Minutes, Board action, Member action, committee action, or other Association procedure shall not invalidate the action taken unless the irregularity, defect, omission, or inaccuracy materially affected the outcome of the action or materially impaired a Person's rights under the Governing Documents or applicable law.

To the fullest extent permitted by the Declaration, these Bylaws, and applicable law, each Owner waives any objection to a procedural irregularity, defect, omission, or inaccuracy if: (1) the Owner attends the meeting or participates in the action and does not object when the irregularity, defect, omission, or inaccuracy is known or reasonably should be known; (2) the Owner receives notice of the action taken and does not object in writing within thirty (30) days after receiving notice; or (3) the Owner otherwise fails to object within the time and manner required by these Bylaws or applicable law.

An Owner's attendance at a meeting waives objection to lack of notice or defective notice of the meeting, except to the extent the Owner attends for the express purpose of objecting to the meeting, the transaction of business at the meeting, or the consideration of a matter not lawfully noticed.

14.2. Objections to Irregularities

Except for an objection made at a meeting, an objection to a procedural irregularity, defect, omission, or inaccuracy shall be made in a writing signed by the objecting Owner and delivered to the Board. The date on which the writing is received by the Board shall control for purposes of determining whether the objection was timely.

Whether made at a meeting or in writing, an objection shall be specific, shall identify the particular provision of the Governing Documents or applicable law alleged to have been violated, and shall include a brief statement of the facts supporting the objection.

A purported objection that does not comply with this Section shall not be considered a valid objection.

14.3. Non-Waivable Irregularities

NOTHING IN THIS ARTICLE WAIVES OR VALIDATES ANY ACTION, IRREGULARITY, DEFECT, OMISSION, OR INACCURACY THAT IS NON-WAIVABLE UNDER THE DECLARATION, THESE BYLAWS, OR APPLICABLE LAW. Any procedural irregularity or inaccuracy resulting from fraud, bad faith, or a knowing and intentional violation of the Governing Documents or applicable law shall not be waived under this Article.

15. INDEMNIFICATION

15.1. Indemnification by the Association

To the fullest extent permitted by the Nonprofit Act, the Act, the Declaration, the Articles of Incorporation, these Bylaws, and other applicable law, the Association shall indemnify each Director, Officer, committee member, volunteer, Manager, employee, and other agent of the Association against claims, actions, suits, proceedings, liabilities, losses, damages, judgments, settlements, fines, penalties, costs, and expenses, including reasonable attorney fees and costs, incurred by such Person personally or in such Person's official capacity by reason of the Person's service to or on behalf of the Association.

Indemnification under this Section applies only to the extent the Person acted in good faith and in a manner the Person reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal proceeding, had no reasonable cause to believe the Person's conduct was unlawful. The Association shall not indemnify any Person to the extent indemnification is prohibited by the Nonprofit Act or other applicable law.

The indemnification provided in this Section shall continue as to any Person who has ceased to be a Director, Officer, committee member, volunteer, Manager, employee, or other agent of the Association and shall inure to the benefit of the heirs, personal representatives, executors, administrators, successors, and assigns of such Person.

15.2. Advancement of Expenses

To the fullest extent permitted by the Nonprofit Act and other applicable law, the Association shall advance or reimburse reasonable expenses incurred by a Director, Officer, committee member, volunteer, Manager, employee, or other agent of the Association in connection with a claim, action, suit, or proceeding before final disposition of the matter, provided that the Person has satisfied any written affirmation, undertaking, determination, authorization, or other requirement imposed by the Nonprofit Act or other applicable law.

Any undertaking required for advancement of expenses shall be accepted to the fullest extent permitted by the Nonprofit Act, including without security and without regard to the Person's financial ability to repay, unless otherwise required by applicable law.

15.3. Directors and Officers Insurance Requirement

Mandatory Coverage: The Association shall obtain and maintain Directors and Officers liability insurance, or equivalent nonprofit association liability insurance, that protects the Association and its Directors, Officers, committee members, volunteers, employees, Managers, and the Manager's employees against claims arising from alleged governance-related acts, errors, or omissions, to the extent such coverage is reasonably available on commercially reasonable terms.

To the extent available and insurable on commercially reasonable terms, such coverage should include coverage for: (1) wrongful acts, errors, or omissions in the performance of official duties; (2) mismanagement, negligence, or breach of duty; (3) failure to maintain adequate reserves or to comply with statutory reserve-funding requirements; (4) failure to enforce the Governing Documents or comply with applicable law; (5) failure to maintain required records, Minutes, disclosures, or financial reporting; (6) breach of contract, to the extent permitted by law and insurable under applicable policy terms; (7) claims for monetary or non-monetary relief, including injunctive or declaratory remedies; (8) claims brought under fair housing, anti-discrimination, or civil-rights laws; (9) defamation, libel, slander, or similar reputational harm; (10) third-party claims brought by vendors, governmental entities, or other non-Member parties; (11) defense costs paid outside policy limits; and (12) acts or omissions of committee members acting within the scope of their delegated authority.

Coverage Limits: The policy shall provide limits of not less than Two Million Dollars (\$2,000,000.00) per claim, unless the Board determines, based on a written good-faith analysis recorded in the Minutes, that such coverage limit is unavailable or commercially unreasonable in light of premium cost, available coverage options, Association size, Association assets, claim history, and relevant risk factors.

Deductible: The policy shall include a deductible not exceeding One Thousand Dollars (\$1,000.00) per claim, unless the Board determines, based on a written good-faith analysis recorded in the Minutes, that a higher deductible is commercially reasonable in light of premium cost, available coverage options, Association size, Association assets, claim history, and relevant risk factors.

Tail Coverage: The Association shall use commercially reasonable efforts to obtain Directors and Officers liability insurance that includes at least one (1) year of tail, extended-reporting, or similar post-termination coverage following policy expiration, cancellation, or replacement, to protect against post-termination claims arising from acts or omissions occurring during the policy term.

16. GENERAL

16.1. Principal Place of Business

The principal place of business of the Association shall be at the address indicated in the Utah Department of Commerce Homeowner Associations Registry, or any successor registry, as such address may change from time to time.

16.2. Applicability

These Bylaws shall apply to and be binding upon all Owners and Residents and, to the extent not prohibited by law, all Persons who enter upon or in any way make use of the Common Area.

16.3. Fiscal Year

Unless otherwise provided by the Declaration, the fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of each year, except that the first fiscal year of the Association shall begin on the date of its incorporation.

16.4. Conflicts

Notwithstanding anything to the contrary in the Governing Documents, and consistent with Section 228(5) of the Act, in the event of a conflict between or among the Governing Documents and applicable law, the following order of priority shall control: (1) the Act; (2) the Nonprofit Act; (3) the Plat and the Declaration, which control equally; (4) the Articles of Incorporation or any other organizational document filed in accordance with the Nonprofit Act; (5) these Bylaws; and (6) Rules and other association rules or policies adopted by the Board. A Resolution may not conflict with, and shall yield to, any source of authority having superior priority under this Section.

16.5. Interpretation of Nonprofit Act References to Bylaws

For purposes of applying the Nonprofit Act to the Association, references in the Nonprofit Act to the Association's "bylaws," including phrases such as "unless otherwise provided in the bylaws," "in accordance with the bylaws," "as provided in the bylaws," "pursuant to the bylaws," or similar references, shall, to the fullest extent permitted by law and as the context reasonably requires, be interpreted to include and be satisfied by the Declaration, the Plat, the Articles of Incorporation, these Bylaws, Resolutions, Rules, and other Governing Documents, consistent with the priority of authority established by Section 228(5) of the Act and Section 16.4 (Conflicts).

Nothing in this Section incorporates, merges, amends, restates, replaces, subordinates, or overrides any Governing Document. Each Governing Document remains subject to its own terms, priority, amendment requirements, approval requirements, recording requirements, and governance procedures under the Governing Documents and applicable law.

If any application of this Section is determined to be invalid, unenforceable, or inapplicable for purposes of the Nonprofit Act, that determination shall not affect the validity, enforceability, priority, or effect of any Governing Document under the Act, the Declaration, the Plat, the Articles of Incorporation, these Bylaws, or other applicable law.

16.6. Compensation

No Director, Primary Officer, committee member, or other volunteer shall receive compensation for services provided in such capacity. However, Directors, Officers, committee members, and other volunteers may be reimbursed for actual expenses incurred in the performance of their duties, provided such expenses were approved in writing in advance by the Board; otherwise, such expenses may be reimbursed at the Board's discretion.

A Manager, contractor, employee, Appointed Officer, or other Person compensated by the Association may, unrelated to the Person's compensated services, serve in any other capacity authorized by these Bylaws, but shall not receive additional compensation for such service unless expressly authorized by a written agreement approved by the Board and not prohibited by the Governing Documents or applicable law.

16.7. No Third-Party Beneficiaries

Except as expressly provided in these Bylaws or required by applicable law, these Bylaws are adopted for the governance of the Association and the rights and obligations of the Association, Owners, Residents, Members, Directors, Officers, and other Persons expressly subject to these Bylaws, and are not intended to create rights in any third-party beneficiary.

16.8. No Presumption Against Drafter

These Bylaws shall be interpreted according to their plain meaning and purpose, and no presumption or rule of construction shall apply against any Person as the drafter of these Bylaws.

16.9. No Estoppel or Reliance

To the fullest extent permitted by applicable law, no Person may rely on any oral or written statement, representation, approval, authorization, waiver, or action by the Board, any Director, any Officer, the Manager, or any other agent of the Association that is contrary to the Governing Documents or applicable law, unless the statement, representation, approval, authorization, waiver, or action is contained in a written instrument or Association record duly authorized under the Governing Documents and applicable law. No claim of estoppel, waiver, detrimental reliance, apparent authority, or similar equitable theory shall be enforceable against the Association based on unauthorized reliance.

Nothing in this Section limits the Association's ability to assert any equitable or legal claim or defense, including estoppel, waiver, lack of authority, or similar doctrines, in enforcing the Governing Documents, protecting its interests, or defending itself in any legal, administrative, or other proceeding.

16.10. No Waiver of Bylaws

Failure of the Association at any time to enforce any provision of these Bylaws shall not constitute a waiver, modification, abandonment, or termination of that provision or any related requirement, right, power, authority, or remedy established by these Bylaws, nor shall any such failure constitute grounds for any claim of waiver, abandonment, estoppel, laches, selective enforcement, or other loss or limitation of enforcement authority under these Bylaws. Any modification, abandonment, or termination of a provision of these Bylaws may be effected only by amendment of these Bylaws in accordance with their terms and applicable law.

16.11. Time Limit for Claims

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, AND EXCEPT FOR CLAIMS THAT MAY NOT LAWFULLY BE LIMITED BY THESE BYLAWS, ANY CLAIM, ACTION, PROCEEDING, OR OTHER FORM OF LITIGATION ARISING OUT OF OR RELATED TO THESE BYLAWS AND BROUGHT AGAINST THE ASSOCIATION OR ANY DIRECTOR, OFFICER, MANAGER, COMMITTEE MEMBER, VOLUNTEER, EMPLOYEE, CONTRACTOR, OR OTHER AGENT OF THE ASSOCIATION SHALL BE COMMENCED WITHIN TWELVE (12) MONTHS AFTER THE CLAIM ACCRUES. ANY SUCH CLAIM NOT COMMENCED WITHIN THAT TWELVE (12) MONTH PERIOD SHALL BE DEEMED WAIVED AND BARRED TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

This Section does not shorten or limit any limitations period to the extent such shortening or limitation is prohibited by applicable law, and does not apply to claims based on fraud, willful misconduct, or any other matter that may not lawfully be limited by these Bylaws.

These Bylaws shall be governed by and construed in accordance with the laws of the State of Utah, without regard to principles of conflicts of laws.

Any action, suit, or other proceeding arising out of or related to these Bylaws shall be brought in a court of the State of Utah or in a federal court located in the State of Utah. To the extent not prohibited by law, all Owners and Residents, and all other Persons who at any time have entered upon or in any way made use of the Common Area, irrevocably consent and submit to the exclusive jurisdiction of such courts for the purpose of any such action, suit, or proceeding.

If any term, condition, provision, covenant, sentence, clause, phrase, or portion of these Bylaws is held invalid, illegal, or unenforceable for any reason by a court of competent jurisdiction, such invalid, illegal, or unenforceable portion shall be severed, limited, reformed, or interpreted to the extent permitted by law so as to best accomplish the original intent of the provision and these Bylaws. The remaining portions of these Bylaws shall remain in full force and effect. Nothing in this Section shall be construed to amend, restate, replace, restructure, or affect the validity or enforceability of any other Governing Document.

All references in these Bylaws shall be read with such changes in gender, number, tense, or form as the context may require.

Unless expressly stated otherwise, headings in these Bylaws are for convenience of reference only and shall not limit or otherwise affect the meaning of these Bylaws.

ASSOCIATION


Laura Cottage, Director Jon M. White

On the 14 day of Sept, in the year 2014, the above-named individual personally appeared before me and acknowledged that he is a Director of Legacy Beach at Bear Lake HOA, a Utah nonprofit corporation, and that the foregoing instrument was executed on behalf of the Association by authority of its Board of Directors.

 **LEONARD ALAN COLLINS**
Notary Public State of Utah
My Commission Expires on:
April 01, 2026
Comm. Number: **738628**

NOTARY PUBLIC SIGNATURE

EXHIBIT A – EXAMPLE PROXY APPOINTMENT FORM

PROXY APPOINTMENT FORM

Lot Address: _____

Meeting Date: _____

With respect to the Member's Lot identified above, the undersigned appoints the following individual to act as proxy for the Member at the meeting of Members identified above, including any lawful adjournment of that meeting:

Name of Proxy: _____

This proxy appointment revokes any prior proxy appointment for the same meeting and Lot unless otherwise required by applicable law.

Signed: _____ Date: _____

I am signing as: ☐ Owner ☐ Owner Representative ☐ Attorney-in-Fact or ☐ other authorized agent.

Signer's Name: _____

Owner's Name: _____ (if different than signer's name)

BY SIGNING THIS PROXY APPOINTMENT, I CERTIFY UNDER PENALTY OF PERJURY THAT THE INFORMATION PROVIDED IN THIS PROXY APPOINTMENT IS COMPLETE, TRUE, AND CORRECT; THAT I AM AUTHORIZED TO SIGN THIS PROXY APPOINTMENT WITH RESPECT TO THE LOT IDENTIFIED ABOVE; AND THAT, IF THE OWNER IS A LEGAL ENTITY OR TRUST, I AM A DULY AUTHORIZED REPRESENTATIVE OF THE OWNER FOR PURPOSES OF THIS PROXY APPOINTMENT.

EXHIBIT B – EXAMPLE WRITTEN BALLOT FOR A PROPOSED ACTION

Title of Proposed Action: _____

(Attach a description of and information about the proposed action sufficient for Members to reach a reasonably informed decision regarding the proposed action.)

Ballot Deadline: This completed written ballot must be received by the Association no later than: _____

Quorum Requirement: Unless otherwise stated in the attached information for this proposed action, quorum is the number of valid written ballots timely received by the Association.

Approval Requirement: This proposed action will be approved only if: _____

☐ Yes

☐ No

Lot Address: _____

Owner Name: _____

Is the Owner a Legal Entity or Trust? ☐ Yes ☐ No; **NOTE:** Owner's full legal name required.

Owner Address: _____

Voter Name: _____

Title: _____

Required only if different than Owner Name; **NOTE:** Voter's full legal name required.

Voter Address: _____

Required only if different than Owner Address.

Email: _____

Phone: _____

Signature: _____

Date: _____

I am signing as: ☐ Owner ☐ Owner Representative ☐ Proxy Holder ☐ Attorney-in-Fact ☐ other authorized agent.

BY SIGNING THIS BALLOT, I CERTIFY UNDER PENALTY OF PERJURY THAT: the information provided is complete, true, and correct; I am authorized to sign this ballot for the Lot identified above; and, if the Owner is a legal entity or trust, I am duly authorized to act on the Owner's behalf for this action by written ballot.

IMPORTANT: All requested information is required unless stated otherwise. To be valid and counted, this completed ballot must be received by the Association by the Ballot Deadline stated above. Only Members eligible to vote under the Bylaws may vote. A Member who is not eligible to vote is not entitled to vote for purposes of the Nonprofit Act.

WARNING: ONLY ONE BALLOT IS ALLOWED PER LOT. IF MORE THAN ONE WRITTEN BALLOT IS RECEIVED BY THE ASSOCIATION FROM THE OWNER(S), PROXY HOLDER(S), OR AGENT(S) FOR THE SAME LOT, THEN ALL WRITTEN BALLOTS RECEIVED FOR THAT LOT SHALL BE CONSIDERED INVALID AND SHALL NOT BE COUNTED.

EXHIBIT C – EXAMPLE WRITTEN BALLOT FOR AN ELECTION OF CANDIDATE(S)

Written Ballot – Election of Directors

Ballot Deadline: This completed written ballot must be received by the Association no later than: _____

Quorum Requirement: Unless otherwise stated in the attached information for this election, quorum is the number of valid written ballots timely received by the Association.

Election Requirement: The candidate(s) receiving the most votes will be elected. Vote for _____ of the following candidates:

☐ Candidate 1 ☐ Candidate 2 ☐ Candidate 3

Lot Address: _____

Owner Name: _____

Is the Owner a Legal Entity or Trust? ☐ Yes ☐ No; **NOTE:** Owner's full legal name required.

Owner Address: _____

Voter Name: _____ Title: _____

Required only if different than Owner Name; **NOTE:** Voter's full legal name required.

Voter Address: _____

Required only if different than Owner Address.

Email: _____ Phone: _____

Signature: _____ Date: _____

I am signing as: ☐ Owner ☐ Owner Representative ☐ Proxy Holder ☐ Attorney-in-Fact ☐ other authorized agent.

BY SIGNING THIS BALLOT, I CERTIFY UNDER PENALTY OF PERJURY THAT THE INFORMATION PROVIDED IN THIS BALLOT IS COMPLETE, TRUE, AND CORRECT; THAT I AM AUTHORIZED TO SIGN THIS BALLOT WITH RESPECT TO THE LOT IDENTIFIED ABOVE; AND THAT, IF THE OWNER IS A LEGAL ENTITY OR TRUST, I AM A DULY AUTHORIZED REPRESENTATIVE OF THE OWNER FOR PURPOSES OF THIS ELECTION BY WRITTEN BALLOT.

IMPORTANT: All information requested above is required unless indicated otherwise. This completed ballot must be received by the Association by the Ballot Deadline stated above or it will be invalid and not counted. Only Members eligible to vote under the Bylaws may vote. A Member that is not eligible to vote is, for purposes of the Nonprofit Act, not entitled to vote.

WARNING: ONLY ONE BALLOT IS ALLOWED PER LOT. DO NOT SELECT MORE THAN THE NUMBER OF CANDIDATES YOU ARE INSTRUCTED TO SELECT ON THIS BALLOT. IF MORE THAN THE ALLOWED NUMBER OF CANDIDATE(S) ARE SELECTED, THIS BALLOT SHALL BE CONSIDERED INVALID AND SHALL NOT BE COUNTED. IF MORE THAN ONE WRITTEN BALLOT IS RECEIVED BY THE ASSOCIATION FROM THE OWNER(S), PROXY HOLDER(S), OR AGENT(S) FOR THE SAME LOT, THEN ALL WRITTEN BALLOTS RECEIVED FOR THAT LOT SHALL BE CONSIDERED INVALID AND SHALL NOT BE COUNTED.

EXHIBIT D – EXAMPLE VIOLATION REPORT FORM

VIOLATION REPORT FORM

My Name: _____, Phone: _____

My Address: _____, Email: _____

Name and address of Owner, Resident, tenant, other Person, or Lot allegedly in violation:

Description of alleged violation, including the approximate date and time, date range, or time period during which the alleged violation occurred, continued, or was witnessed:

Provision(s) of the Governing Documents that were allegedly violated:

Please provide pictures or other supporting information, if available.

My Certifying Signature: _____ Date: _____

I CERTIFY UNDER PENALTY OF PERJURY THAT I PERSONALLY WITNESSED THE VIOLATION I AM REPORTING AND THAT, TO THE BEST OF MY KNOWLEDGE, THE INFORMATION I AM PROVIDING IS TRUE AND CORRECT. I UNDERSTAND THAT I MAY BE CALLED AS A WITNESS OF THE VIOLATION IF MY REPORT RESULTS IN AN INFORMAL HEARING BEFORE THE BOARD.

EXHIBIT E – EXAMPLE NOTICE OF VIOLATION

NOTICE OF VIOLATION

Date of Notice: _____

Lot Address: _____

This is a formal notice that a violation of the Governing Documents has occurred with respect to the Lot identified above.

Provision(s) of the Governing Documents violated: _____

<copy relevant text of applicable provisions here>

The violation occurred, was discovered, or continued on or about the following date, date range, or time period: _____. The violation, including the Owner, Resident, tenant, or other Person involved, if applicable and available, is described as follows:

The violation can be resolved by:

If this is a continuing violation, the violation must be resolved by: _____

Failure to resolve a continuing violation by the deadline stated above, or the occurrence of a similar violation within one (1) year after the effective date of this notice of violation, as determined under the Bylaws, may result in a fine being assessed as allowed by the Governing Documents and applicable law.

Failure to timely resolve this violation may also result in further enforcement action as allowed by the Governing Documents and applicable law, including attorney involvement, legal proceedings, and effects on Good Standing and voting eligibility to the extent provided in the Bylaws.

This notice of violation constitutes a written warning for purposes of Section 208 of the Act.

All communication regarding this notice shall be in writing to: _____

<HOA Name>

Email: _____

EXHIBIT F -- EXAMPLE NOTICE OF FINE

NOTICE OF FINE

Date of Notice: _____

Lot Address: _____

This is a formal notice that a fine is being assessed for a violation of the Governing Documents with respect to the Lot identified above.

Provision(s) of the Governing Documents violated: _____

<copy relevant text of applicable provisions here>

The violation occurred, was discovered, or continued on or about the following date, date range, or time period: _____. The violation, including the Owner, Resident, tenant, or other Person involved, if applicable and available, is described as follows: _____

A prior notice of violation or notice of fine for a similar violation was sent or became effective on: _____.

FINE AMOUNT: \$ _____. This amount must be paid ☐ by _____ or ☐ within _____ days of the date of this notice. Late charges and interest may apply if the fine is not timely paid, subject to applicable law and the Bylaws. The fine amount is specified in Section 11.7 of the Bylaws.

The violation can be resolved by: _____

If this is a continuing violation, an additional fine may be assessed if the violation continues for ten (10) days or longer after the date this fine is assessed. A similar violation occurring within one (1) year after the effective date of this notice of fine, as determined under the Bylaws, may also result in an additional fine.

All communication regarding this notice shall be in writing to:

<HOA Name>

Email: _____

This Fine may affect Good Standing as provided in the definition of Good Standing and Section 11.9 of the Bylaws. This Fine is a personal obligation and, by itself, is not an Assessment and does not create a lien against a Lot. To the extent expressly authorized by the Declaration and permitted by law, an unpaid Fine and related enforcement amounts may be converted to, assessed as, or collected as an Individual Assessment against the applicable Lot and Owner.

EXHIBIT C – ARTICLES OF INCORPORATION

A true and correct copy of the Articles of Incorporation of Legacy Beach at Bear Lake HOA, as filed with the Utah Division of Corporations and Commercial Code and as in effect on the date this Declaration is recorded, is attached to this Declaration for reference.

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State of Utah
Department of Commerce
Division of Corporations & Commercial Code
Articles of Incorporation (Nonprofit)

EXPEDITE

JAN 21 '16 PM 4:47

RECEIVED

JAN 21 2016

Utah Div. Of Corp. & Comm. Code

Important: Read instructions before completing form

Non-Refundable Processing Fee: \$30.00

1. Name of Corporation:	Legacy Beach at Bear Lake HOA			
2. Purpose:	See attached			
3. Who/What is the name of the Registered Agent (Individual or Business Entity or Commercial Registered Agent)? Garden City 70 West, LLC (9492286-0160)				
The address must be listed if you have a non-commercial registered agent. What is a commercial registered agent? Address of the Registered Agent: 470 North 2450 West				
City: Tremonton State UT Zip: 84337				
4. Name, Signature and Address of Incorporator (attach additional page if there is more than 1 incorporator)	J. Burdette Stocking			
	Name 470 North 2450 West Tremonton UT 84337			
	Address City State Zip			
	Signature: <i>B. Stocking</i> Date: 01/21/2016			
5. Voting Members: The nonprofit corporation ☒ will ☐ will not have voting members.				
6. Shares: The nonprofit corporation ☐ will ☒ will not issue shares evidencing membership or interests in water or other property rights. The aggregate number of shares that the nonprofit corporation has authority to issue shall be [redacted] The shares ☐ will ☐ will not be divided up in to classes. Type 1: [redacted] Number of Shares: [redacted] Statement: [redacted] Type 2: [redacted] Number of Shares: [redacted] Statement: [redacted]				
7. Assets: Upon dissolution assets of the corporation will be distributed in a manner consistent with law.				
8. Principal Address:	470 North 2450 West Tremonton UT 84337			
9. Name and Address of Directors: (attach an additional page if there are more than 3 directors)	1. Name		Select Position from the dropdown Position	
	Address		City State Zip	
	2. Name		Select Position from the dropdown Position	
	Address		City State Zip	
	3. Name		Select Position from the dropdown Position	
	Address		City State Zip	
	Under GRAMA (63-2-201), all registration information maintained by the Division is classified as public record.			
	Optional Inclusion of Ownership Information: This information is not required.			
	Is this a female owned business? ☐ Yes ☒ No			
	Is this a minority owned business? ☐ Yes ☒ No If yes, please specify: Select/Type the race of the owner here			

Date: 01/22/2016
Receipt Number: 5305213
Amount Paid: \$30.00

01/14

State of Utah
Department of Commerce
Division of Corporations and Commercial Code
I hereby certify that the foregoing has been filed
and approved on this 21 day of Jan. 2016
in this office of this Division and hereby issued
This Certificate therefor.

Examiner

MW

Date 1-22-2016

Randy Berg
Division Director

E 111759 B R13 P 698

9672036

JAN 21 '16 PM4:47

Legacy Beach at Bear Lake Homeowners Association

RECEIVED

Additional information for Application for Incorporation

JAN 21 2016

Utah Div. Of Corp. & Comm. Coda

Line 2.

The purpose of this corporation is to manage the activities of the Home Owners Association, to buy and sell property, engage employees and subcontractors to manage associated activities, to assess and collect fees for maintenance of company assets, and to engage in any lawful act or activity for which corporations may be organized under the Utah Revised Business Corporation Act.

EXHIBIT D – ASSESSMENT DISTRICTS

This **Exhibit D** is incorporated into and made part of the Declaration. The Assessment District categories, classification criteria, and initial composition of each Assessment District are set forth herein. Each Assessment District category shall continue to exist even if no Lots are classified within such Assessment District at any given time.

The Project includes the following Assessment District categories for purposes of budgeting, reserve funding, and assessment of District Common Expenses, based on the exclusive or disproportionate benefit conferred by certain Maintenance Obligations, Common Area, Limited Common Area, insurance obligations, or other expense categories allocated under the Declaration.

1. Assessment District 1 — Detached Residential District

Assessment District 1 (“AD1”), the Detached Residential District, consists of each Lot for so long as the Lot: (a) contains a Dwelling that is a Detached Unit; and (b) is not classified within AD3 or AD4. As of the recordation date of this Declaration, Lots initially classified within AD1 are Lots 6–10, 12–15, 17, 18, and 19–21, inclusive, as shown on the Plat recorded as **Exhibit A** to the Declaration. The foregoing initial classification is provided for administrative clarity only and does not limit automatic reclassification pursuant to this Exhibit.

2. Assessment District 2 — Attached Residential District

Assessment District 2 (“AD2”), the Attached Residential District, consists of each Lot for so long as the Lot: (a) contains a Dwelling that is an Attached Unit; and (b) is not classified within AD3 or AD4. As of the recordation date of this Declaration, Lots initially classified within AD2 are Lots 23–34, 38–41, 42–45, and 46–49, inclusive, as shown on the Plat recorded as **Exhibit A** to the Declaration. The foregoing initial classification is provided for administrative clarity only and does not limit automatic reclassification pursuant to this Exhibit.

3. Assessment District 3 — Combined Dwelling District

Assessment District 3 (“AD3”), the Combined Dwelling District, consists of each Lot containing or physically supporting any portion of a Combined Dwelling for so long as the Combined Dwelling satisfies the requirements for classification as a Combined Dwelling under this Declaration. As of the recordation date of this Declaration, Lots initially classified within AD3 are Lots 1–5, inclusive, as shown on the Plat recorded as **Exhibit A** to the Declaration. The foregoing initial classification is provided for administrative clarity only and does not limit automatic reclassification pursuant to this Exhibit.

4. Assessment District 4 — Non-Dwelling District

Assessment District 4 (“AD4”), the Non-Dwelling District, consists of each Lot that does not contain a Dwelling, whether or not a Unit or other Improvement is located thereon, for so long as such condition remains satisfied and regardless of the Lot’s prior classification within AD1, AD2, or AD3. As of the recordation date of this Declaration, Lots initially classified within AD4 are Lots 11 and 18A, as shown on the Plat recorded as **Exhibit A** to the Declaration. The foregoing initial classification is provided for administrative clarity only and does not limit automatic reclassification pursuant to this Exhibit.

5. Classification Hierarchy

Where a Lot satisfies the criteria for more than one Assessment District, classification shall be determined automatically in accordance with the following order of priority: (a) AD4 supersedes AD3, AD2, and AD1; (b) AD3 supersedes AD2 and AD1; and (c) AD2 supersedes AD1. Classification and reclassification occur automatically upon satisfaction of the applicable criteria and do not require amendment to the Declaration or this Exhibit.

Classification and reclassification occur automatically upon satisfaction of the applicable criteria and do not require amendment to the Declaration or this Exhibit, subject to the reclassification timing provisions of Section 12.1.2 (Reclassification Timing) of the Declaration.

6. Allocation of Common Expenses and District Common Expenses

Common Expenses and District Common Expenses shall be allocated among the Lots in accordance with Article 6 (Operation and Maintenance), Article 12 (Assessments and Fees), Article 13 (Budgets and Association Funds), and, for administrative reference, as reflected in **Exhibit D-1** (Expense Allocation Chart).

Exhibit D-1 identifies and classifies categories of expense incurred by the Association by designating whether such expense constitutes a Common Expense allocated among all Lots or a District Common Expense allocated solely to Lots within one or more Assessment Districts.

Exhibit D and **Exhibit D-1** are incorporated into this Declaration solely for administrative and budgeting purposes and are intended to classify and summarize expense categories consistent with Articles 6 (Operation and Maintenance), 12 (Assessments and Fees), 13 (Budgets and Association Funds), and 15 (Insurance).

Exhibit D and **Exhibit D-1** do not create, expand, limit, or modify any Maintenance Obligation, insurance responsibility, assessment authority, Voting Interest, ownership rights, or lien rights established elsewhere in this Declaration. In the event of any inconsistency between this **Exhibit D**, **Exhibit D-1**, and the text of the Declaration, the Declaration shall control.

The Board shall have the authority to apply **Exhibit D** and **Exhibit D-1** in adopting annual budgets, establishing reserve contributions, and levying Assessments, provided, however, that the Board shall not reallocate expenses between Common Expenses and District Common Expenses except as expressly permitted by this Declaration or by amendment adopted in accordance with Section 20.10 (Amendment).

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EXHIBIT D-1 -- EXPENSE ALLOCATION CHART

This Expense Allocation Chart is adopted pursuant to Article 6 (Operation and Maintenance), Article 12 (Assessments and Fees), and Article 13 (Budgets and Association Funds) of this Declaration and reflects, for administrative and budgeting purposes only, the allocation of Common Expenses and District Common Expenses arising from the Maintenance Obligations and insurance responsibilities described in the Declaration. This Exhibit does not create, expand, limit, or modify any Maintenance Obligation, insurance responsibility, assessment authority, expense allocation, or legal duty established elsewhere in the Declaration. To the extent of any inconsistency, the operative provisions of the Declaration shall control.

	EXPENSES	C ¹	AD1	AD2	AD3	AD4	DESCRIPTION & AUTHORITY
1	Common Area maintenance	X	--	--	--	--	Common Area maintenance, repair, and replacement. §§6.1, 12, 13.5.
2	Snow removal	X	--	--	--	--	Common Area snow removal. §6.1.6.
3	Pest control	X	--	--	--	--	Common Area pest control. §6.1.5.
4	Property insurance (Common Area) [†]	X	--	--	--	--	Property insurance coverage for Common Area Improvements. §§12, 13.5, 15.2.
5	General liability insurance	X	--	--	--	--	General liability insurance coverage for Common Area. §15.5.
6	Directors & Officers insurance	X	--	--	--	--	Association Directors and Officers insurance coverage. §15.6.
7	Crime/fidelity insurance	X	--	--	--	--	Association crime/fidelity insurance coverage. §15.7.
8	Workers' compensation	X	--	--	--	--	Association workers' compensation insurance coverage (if applicable). §15.8.
9	Umbrella/excess liability insurance	X	--	--	--	--	Association umbrella/excess liability insurance coverage (if applicable). §15.5.
10	Earthquake insurance	X	--	--	--	--	Project-wide earthquake insurance coverage, if obtained and allocated as a Common Expense. §15.3.
11	Flood insurance	X	--	--	--	--	Project-wide flood insurance, if obtained and allocated as a Common Expense. §15.4.
12	Reserve study	X	--	--	--	--	Association reserve study and update. §14.
13	Reserve component (Common)	X	--	--	--	--	Common reserve component. §13.5.2.
14	AD2 Attached Unit exterior maintenance	--	--	X	--	--	Attached Unit exterior maintenance, repair, and replacement, above grade, for Lots classified within Assessment District 2. §§6.3.1; 6.3.2, 12, 13.6.
15	Property insurance (AD2 Attached Units) [†]	--	--	X	--	--	Property insurance coverage for Attached Units located on Lots classified within Assessment District 2. §§15.2, 13.6.
16	Reserve component (AD2)	--	--	X	--	--	Assessment District 2 reserve component for Lots classified within Assessment District 2. §13.6.2.

¹ C = Common Expense; AD1 = Assessment District 1 Expense; AD2 = Assessment District 2 Expense; AD3 = Assessment District 3 Expense; AD4 = Assessment District 4 Expense.

[†] Deductible obligations and related funding are allocated pursuant to Section 13.9 (Insurance Deductible Fund).

	EXPENSES	C ¹	AD1	AD2	AD3	AD4	DESCRIPTION & AUTHORITY
17	Property insurance deductible	--	--	--	--	--	Not a budgeted expense except to the extent funded through the Insurance Deductible Fund. Deductible obligations are allocated following a covered loss in accordance with §§13.9, 15.2.3.
18	Lots 1-5 Exclusive-Use Limited Common Area	--	--	--	--	--	Gazebo, recreation area, hot tub, pickleball court, and related immediately appurtenant exterior areas adjacent to Lots 1 through 5, including Improvements, utilities, mechanical systems, cleaning, safety, code compliance, operation, maintenance, repair, replacement, reconstruction, modification, risk, liability, insurance deductibles, and uninsured losses attributable thereto. If the Association incurs a cost for these areas, the cost may be charged back to the Owner of Lots 1 through 5 as an Individual Assessment against Lots 1 through 5. Not a Common Expense and not a District Common Expense, including not an AD3 District Common Expense, except to the extent a specific cost is expressly made an Association obligation under the Declaration. See §§6.2.2, 12.4.5, and Exhibit E, row 21.

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EXHIBIT E – MAINTENANCE RESPONSIBILITY CHART

This Maintenance Responsibility Chart is adopted as an interpretive aid to Article 6 (Operation and Maintenance) and Article 7 (Party Walls) of this Declaration and summarizes the allocation of maintenance, hazard-mitigation, and related operational responsibilities among the Association (“A”) and Owners (“O”) as set forth in the Declaration. This Exhibit does not create, expand, limit, or modify any Maintenance Obligation or legal duty, or allocate any expense, assessment, or insurance responsibility; any such matters are governed by the operative provisions of the Declaration, including without limitation Articles 6, 7, 11, 13, and 15, and applicable law. To the extent of any inconsistency, the operative provisions of the Declaration shall control.

	AREA / ITEM	A ²	O	DESCRIPTION & AUTHORITY
1	Common Area	X	--	All Common Area as designated on the Plat or in the Declaration, including Common Area serving one or more Assessment Districts. §§6.1, 6.1.2. See limitations in §6.1.4.
2	Private streets	X	--	Private streets, alleys, drives, parking lots, visitor and unassigned stalls, drive aisles; pavement & striping. §6.1.1(1).
3	Private sidewalks	X	--	Sidewalks, trails, pathways, and pedestrian easements. §6.1.1(2).
4	Common Area landscaping, shoreline, and drainage structures	X	--	Landscaped areas, open space tracts, shoreline stabilization improvements (including seawalls, bulkheads, revetments, and related protective structures); lake-access areas (including beaches, launch areas, and similar waterfront access areas or improvements), drainage structures, catch basins, and stormwater conveyance systems. §6.1.1(3).
5	Amenities	X	--	Amenities, including: (a) the Clubhouse located on Lot 22, including interior facilities such as the fitness or gym area; (b) the East Pool, pool house, and associated restrooms; (c) the West Pool, pool house, and associated restrooms; (d) the East and West hot tubs; (e) the West splash pad; (f) the West pickleball courts; (g) the West gazebos; (h) the East boat dock, including associated piers, boat slips, finger extensions, and related mooring structures; (i) all other structures and facilities related to the foregoing; and (j) any other recreational or community-use areas, structures, and facilities part of or constructed on the Common Area from time to time. §6.1.1(4); Amenities list in §6.1.1, items (a)–(j).
6	Common signage, lighting, entry features	X	--	Signage, lighting, and entry features. §6.1.1(5).
7	Common utility infrastructure	X	--	Utility lines, utility corridors, easements, and related infrastructure that serve the Project generally and are not part of or exclusively serving a particular Lot or Unit. Any branch or segment that exclusively serves a single Lot, Unit, or Combined Dwelling is Owner-responsible unless expressly designated as Common Area or Limited Common Area. §§6.1.1(6), 6.3.
8	Common refuse, storage, and maintenance facilities	X	--	Refuse collection areas, dumpster enclosures, and related service facilities, storage buildings, maintenance facilities, equipment sheds, and other similar operational or service improvements. §6.1.1(7).
9	Owner-created Common Area litter, debris, and hazards	--	X	Keep Common Area neat and clean and free of litter, debris, or hazards created by Owner, Resident, or their guests; avoid unreasonable obstruction and interference with the Association's Maintenance Obligation. §6.1.3.

² A = Association Responsibility; O = Owner Responsibility.

	AREA / ITEM	A ²	O	DESCRIPTION & AUTHORITY
10	Common Area pest control	X	--	Pest or wildlife mitigation within Common Area (Board discretion). §6.1.5.
11	Common Area snow removal and transient hazards	X	--	Snow removal on Common Area private streets, alleys, drives, parking lots, drive aisles, visitor and unassigned parking stalls, sidewalks, pathways, pedestrian access routes, and refuse collection or dumpster enclosure areas, together with reasonable access to entry features and community mailboxes (Board discretion). §6.1.6. No duty to identify, monitor, or remediate other transient hazards; discretionary action only. §6.1.4.
12	Perimeter fencing and authorized Limited Common Area fencing	X	--	Perimeter fencing of the Project. §6.1.7. Any authorized new or altered fencing installed on Limited Common Area. §6.3.7.
13	Limited Common Area, except Lots 1-5 Exclusive-Use Limited Common Area	X	--	All Limited Common Area, except the Lots 1-5 Exclusive-Use Limited Common Area, including without limitation exterior patios, decks, balconies, porches, stoops, and similar attached exterior elements; concrete slabs, retaining walls, privacy walls, dividing walls, and related hardscape improvements; entry walkways, stairways, and access paths; driveway segments, garage aprons, and assigned parking stalls; window wells, light wells, areaways, and below-grade exterior recesses; limited lawn and landscaped areas, fencing, and related improvements immediately adjacent to a Lot or the Unit located on a Lot; utility lines, conduits, meters, shutoffs, and service equipment located outside a Unit; and other areas designated on the Plat or in the Declaration as Limited Common Area and reserved for the exclusive or preferential use of one or more specific Lots, but fewer than all Lots. §6.2.1. See Owner condition-related responsibilities in §§6.2.5-6.2.8. See Attached Unit exceptions in §6.3.1.
14	Limited Common Area snow, litter, debris, and hazard removal	--	X	Snow, ice, standing water, debris, litter, and similar transient hazards occurring within Limited Common Area appurtenant to a Lot, including patios, decks, balconies, porches, stoops, entry walkways or stairways serving the Lot, driveway segments, garage aprons, assigned parking stalls, limited landscaped areas immediately adjacent to the Lot, or other Limited Common Area appurtenant to the Lot. §§6.2.5, 6.2.6, 6.2.8.
15	Limited Common Area pest control	--	X	Pest or wildlife conditions affecting Limited Common Area appurtenant to a Lot are Owner-responsible, subject to the Association's discretionary right, but not obligation, to perform pest or wildlife mitigation within Limited Common Area. §§6.2.5, 6.2.7.
16	Detached Units and Combined Dwellings	--	X	Lot, Unit, Combined Dwelling, Unit interior, Unit exterior, and any improvements, components, systems, mechanical equipment, HVAC condenser, heat pump, compressor, utility service line, meter, or similar component that exclusively serves the Lot, Unit, or Combined Dwelling, unless expressly designated as Common Area or Limited Common Area. §§6.3, 6.3.3.

	AREA / ITEM	A ²	O	DESCRIPTION & AUTHORITY
17	Attached Units—Owner-responsible components	--	X	Unit interior and, regardless of physical location outside the boundaries of the Unit, any Improvement including mechanical equipment, HVAC condenser, heat pump, compressor, utility service line, meter, or similar component that exclusively serves the Unit; further including consumable items; exterior glass; skylights; screens and similar components; windows and window frames and bucks; window wells and their contents both within and below; doors and door frames and bucks; garage doors and door frames; garage floors; foundation walls, slabs, and related structures and components that are installed substantially below grade; exterior water spigots and hose bibs; and utility equipment, lines, conduits, and similar components, or any portion thereof, that exclusively serve the Attached Unit. §§6.3, 6.3.1.
18	Attached Units—Association-responsible exterior components	X	--	To the extent above grade: exterior wall siding, stucco, stone, brick, trim, vents, and similar components, including finish and paint; roof coverings, underlayment, sheathing, flashing, fascia, soffit, and vents; rain gutters and downspouts; exterior-mounted light fixtures and other exterior electrical devices; and other originally installed exterior components serving the Attached Unit. §§6.3.1, 6.3.2.
19	Weatherproofing elements	--	X	Weatherproofing elements of any Unit, Combined Dwelling, or other Owner-responsible Improvement; including weather barriers, seals, flashing, caulking, and other protective measures necessary to prevent intrusion of water, moisture, air, or other substances. §6.3.5.
20	Interior party walls	--	X	Interior Party Walls shared by or serving two or more Units and not included within the Association's expressly assigned Maintenance Obligation, including maintenance, repair, and replacement. §7.2.
21	Lots 1–5 Exclusive-Use Limited Common Area	--	X	Gazebo, recreation area, hot tub, pickleball court, and related immediately appurtenant exterior areas adjacent to Lots 1 through 5. Owner of Lots 1 through 5 is responsible for maintenance, repair, replacement, reconstruction, modification, operation, utilities, cleaning, safety, code compliance, risk, liability, and use-related obligations. §§6.2.2, 12.4.5.

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