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Moose Hollow Homeowners Association, Inc.
3605 N Huntsman Path
P.O. Box 1169
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AMENDED AND RESTATED

DECLARATION OF CONDOMINIUM

OF THE

MOOSE HOLLOW & CASCADES AT MOOSE HOLLOW CONDOMINIUM PROJECT

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THIS AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OF THE MOOSE HOLLOW & CASCADES AT MOOSE HOLLOW CONDOMINIUM PROJECT ("**Declaration**") is made as of this _____ day of _____, 2018 by the Moose Hollow Homeowners Association, Inc., a Utah nonprofit corporation (the "**Association**") in order to govern the common affairs of the Association's members, protect property values and enforce the covenants, conditions, restrictions and rules of the Association.

RECITALS

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

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

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

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

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

F. On or about February 25, 1999, WCA and the Association's Management Committee adopted the Bylaws of the Moose Hollow Homeowners Association, Inc. (the "**Original Bylaws**"). The Original Bylaws were never recorded in the Weber County Recorder's Office.

G. The Association was formed on March 31, 1999, when the Articles of Incorporation of the Moose Hollow Homeowners Association were filed with the Division of Corporations and Commercial Code of the Utah Department of Commerce.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DECLARATION

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

ARTICLE 1 - DEFINITIONS

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

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

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

1.3 "**Annual Budget**" has the meaning provided in Section 9.1.1 below.

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

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

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

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

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

(a) Any storage area located in any Building that is not an Owner's Storage Closet;

(b) Any closets, cabinets, or similar storage areas or portions of the Clubhouse that are used or designated by the Association as storage area including, without limitation, the garage located in the lower level of the Clubhouse;

(c) Any closets, cabinets or similar storage areas located in or around the swimming pool/ hot tub area that are used or designated by the Association as storage area; and

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

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

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

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

(a) Each building located within the Project that contains Units;

(b) the Clubhouse and the Office/Pool Building; and

(c) any other building or structure located within the Project, whether as of the recording date of this Declaration or any future date.

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

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

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

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

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

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

1.16 "**Clubhouse**" means and refers to that certain building that is identified on the Phase 7 Cascades Map as "Clubhouse." As noted under Section 1.35, the building that is identified as a "Clubhouse" on the Phase 1 Cascades Map shall serve as the Office/Pool Building.

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

(a) Any real property included within the Project (excluding the individual Units) whether leasehold or in fee simple, including all Common Improvements constructed on such real property;

(b) Those portions of the Project that are owned, operated, controlled and/or managed by the Association for the common benefit of the Owners including, without limitation, any open spaces, storm water detention areas, drainage easement areas, and any Association Storage Areas;

(c) All portions of the Project designated or described as Common Area pursuant to the Governing Documents and/or the Plat Maps;

(d) All portions of the Project designated or described as Limited Common Area pursuant to the Governing Documents and/or the Plat Maps;

(e) Those areas and improvements described under Section 3.5 of this Declaration; and

(f) All other portions of the Project (excluding the individual Units) that are normally in common use by the Owners, or that are necessary or convenient to the Project's use, existence, maintenance, safety, operation and/or management.

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

1.18 "**Common Improvements**" means, refers to, and includes any infrastructure, buildings, structures, facilities, equipment and improvements that have been or may be installed, constructed or attached on or to any portion of any Common Area.

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

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

(b) Any outdoor lighting, fences, landscaping, sidewalks, pathways, recreation facilities, Project entryway monuments or signs, Private Streets, parking areas, and each Cascades Courtyard;

(c) Any gutters, downspouts or similar systems designed to drain water off and away from any Building;

(d) Roof and gutter de-icing cable systems or equipment (or any other similar ice removal systems or equipment) that has been installed by the Association on any Building or any portion of the Common Areas;

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

(f) Any improvements extending into or surrounding any Common Areas (including Limited Common Areas) that are intended for the use, safety or benefit of one or more Owners, such as railings or dividing walls;

(g) Any water spigot that is connected to a common water line (*i.e.* the water line is connected to a water meter that is billed to the Association). The previous sentence does not apply to any water spigots located inside any Unit (*e.g.* kitchen and bathroom sink spigots/faucets) or any Private Exterior Spigot (as that term is defined under Section 1.50). Any water spigot connected to a water meter that is billed to an individual Unit is deemed to be a part of that Unit and therefore is not a Common Improvement;

(h) Any and all components of any Fire Suppression System, subject to Section 7.6 of this Declaration;

(i) Any Limited Common Improvement; and

(j) In general, all apparatus, installations, improvements, buildings, structures, and facilities located within the Project that are intended and existing for the Owners' common use or benefit including, for example but without limitation, mailbox banks, gazebos or similar landscaping features, pedestrian bridges and walkways, vehicular bridges, dumpster enclosures, the Clubhouse, the Office/Pool Building, and any recreational Common Improvements such as the volley ball court, swimming pool/hot tub facilities.

As more particularly set forth in this Declaration, the manner in which various Common Improvements may be used shall be determined, managed and controlled by the Board on behalf of the Association, including through the Rules and Regulations.

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

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

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

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

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

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

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

The Limited Common Area of the Moose Hollow Units is identified on the Moose Hollow Maps as "Limited Common Use." The Limited Common Areas of the Cascades Units are erroneously identified on the Cascades Maps as "Limited Public Use" and are also identified using terms such as "Limited Common Use," "Private Entrance" and "Private Courtyard."

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

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

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

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

1.27 "**Majority of the Owners**" means more than Fifty Percent (50%) of the total number of all the Owners, provided all such Owners are entitled to vote. As set forth under Section 4.3, only one vote may be cast for each Unit. The term "Majority of the Owners" does not merely refer to a majority of the Owners who choose to vote on a particular matter or who attend a meeting at which a vote occurs.

1.28 "**Member**" shall mean and refer to the Owner of a Unit (whether or not such Unit serves as the Owner's primary residence). Each Member is entitled to participate and vote upon matters involving the Association that require a vote by the Members as more particularly set forth in the Governing Documents. Each Owner shall be a Member of the Association and shall be entitled to one membership for each Unit so owned by such Member.

1.29 "**Moose Hollow Building**" means and refers to any Building that contains Moose Hollow Units as depicted on a Moose Hollow Map.

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

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

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

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

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

1.35 "**Office/Pool Building**" means and refers to that certain building identified on the Phase 1 Cascades Map as a "Clubhouse." The purposes for which the Office/Pool Building may be used are described under Section 7.2.

1.36 "**Operating Expenses**" mean and refer to:

(a) Any costs or expenses lawfully incurred by the Association pursuant to the Governing Documents or the Acts;

(b) Expenditures lawfully made or incurred by or on behalf of the Association for the administration, maintenance, repair, or replacement of the Common Areas (including Common Improvements); excluding, however, any items that are lawfully expensed from or paid out of the Reserve Fund, as permitted by the Condominium Act and/or this Declaration;

(c) Administrative costs and expenses incurred by the Board or the Association in creating, revising, interpreting or enforcing the Governing Documents;

(d) Any sums which are required by the Board and/or the Manager to perform or exercise their functions, duties, or rights under the Acts or the Governing Documents;

(e) Expenses related to the operation, management and regulation of the Project;

(f) Any other expenses lawfully and reasonably allocated by the Association among the Owners as determined by a majority vote of the Board members;

(g) Any sums deemed by the Board as necessary to address any budget deficit(s) remaining from any previous fiscal year(s);

(h) Any sums deemed by the Board as necessary to create and/or maintain an adequate Reserve Fund; and

(i) Any other items that are identified or defined as Operating Expenses under the Condominium Act or the Governing Documents.

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

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

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

1.39 "**Owner's Storage Closets**" means and refers to the individual storage closets located in each Moose Hollow Building that are not attached to any Units and are accessed through doors located in the Foyer Area. Each Owner's Storage Closet shall be identified using the same number as the Unit for which the use of that Owner's Storage Closet has been limited, set aside or reserved. The purposes for which Owner's Storage Closets may be used are set forth under Section 8.19. Owner's Storage Closets are only located in the Moose Hollow Buildings and are not located in any of the Cascades Buildings.

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

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

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

1.43 "**Project**" means all of the real property described in Exhibit "A," which is attached to and made part of this Declaration, including all Buildings, Units, Common Areas and Common Improvements located on such real property, including all easements, rights, and appurtenances belonging thereto.

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

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

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

1.47 "**Reserve Fund**" means and refers to that certain fund more particularly identified and described under Section 9.5, which shall be used to cover (a) the cost of repairing, replacing or restoring Common Areas, including, without limitation, Common Improvements that have a useful life of three (3) years or more and a remaining useful life of less than thirty (30) years; (b) the cost of acquiring new equipment or making new improvements to the Common Area, where such equipment or improvements have a useful life of three (3) years or more; and/or (c) the costs and expenses incurred in making any other improvements, repairs or acquisitions described in the most recent reserve fund analysis; provided, however, that with respect to each

of the matters described in the foregoing clauses, such costs or expenses cannot reasonably be funded from the Annual Budget or other funds of the Association. The Reserve Fund may also be used for other purposes as may be specified in this Declaration or the Condominium Act. For example, as set forth under Section 10.3.1, under certain extenuating circumstances, the Board may use the Reserve Fund to cover an Annual Budget shortfall.

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

Prior to adopting, approving, amending, updating and/or clarifying any Rules and Regulations, no later than fifteen (15) days prior to taking such action, the Board must email the Owners notice of such proposed Board action. The Board must then allow the Owners an opportunity to be heard at a Board meeting before the Board takes any such action. The Board must then email a copy of the newly adopted, amended, updated or clarified Rule or Regulation to the Owners no later than fifteen (15) days after the date of the Board meeting.

The requirements of the previous paragraph shall only apply to the Board's adoption, approval, amendment and/or clarification of a Rule or Regulation, and shall not apply to any action of the Board to enforce a particular Rule or Regulation.

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

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

The boundaries of each Unit shall be determined as set forth under Section 3.3 of this Declaration. Each Unit includes an undivided interest in the Common Areas that are appurtenant to such Unit. Units may be further depicted and defined on the Plat Maps.

Mechanical equipment and appurtenances located within any one Unit or located outside of such Unit but designated and designed to serve only that specific Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall be all surfaces of any structural or load-bearing walls, all flooring materials, all wall materials, all ceilings materials, any exterior and interior windows, window frames and window systems, any exterior and interior doors and door systems (including any garage doors and any entryway doors that provide access between a Unit and a Foyer Area or Cascades Courtyard) and any drywall, wallpaper, paint, trim, flooring, carpeting, tile and any other material constituting any part of any finished surface of any wall, floor, or ceiling of such Unit. All wires, conduits or other public utility lines or installations that only serve a particular Unit shall be considered part of that Unit. Any vertical or horizontal pipes, tubes, vents, ducts, exterior ventilation grills/covers or similar items including, without limitation, water, laundry, heating, cooling or ventilation pipes or ducts

that only serve a particular Unit shall be considered part of that Unit. Any structural features or any other property of any kind, including fixtures and appliances within a particular Unit, that may be removed without jeopardizing the soundness, safety, or usefulness of the remainder of the Building in which such Unit is located shall be considered part of that Unit. Any subfloors located between the upper and lower floors of the same Unit shall be deemed part of that Unit.

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

Any fireplace that is located within a particular Unit as well as any portion or components of such fireplace (including, for example and without limitation, the lintel, damper, flue and any other portion or component of the fireplace located on the interior portion of the Building) shall also be considered part of that Unit. Any portion or component of the fireplace that is located on the exterior or roof of the Building (including, for example and without limitation, any flashing, chase cover, mortar crown, or chimney cap) shall not be considered part of any Unit.

Any and all components of any Fire Suppression System, including any such components located within the boundaries of a Unit, shall not be considered a part of any Unit.

ARTICLE 2 – DECLARANT, MASTER DECLARATION AND MASTER BOARD

2.1 Declarant

The Declarant no longer holds any interest in any portion of the Project, and the Project has been completed in its entirety. Accordingly, the Association hereby declares, to the maximum extent permitted by law, that the Declarant no longer has any influence or authority over the Project whatsoever, and no longer holds any rights that may have been reserved or assigned to Declarant in connection with the Project, under the provisions of any recorded or unrecorded agreements, declarations, bylaws, rules or regulations, or any amendments or supplements to any such agreements, declarations, bylaws, rules or regulations, or any similar recorded or unrecorded documents that may have been recorded or enforced against the Project.

2.2 Master Declarations

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

2.3 Master Declarant / Master Board

Based upon the Association's reasonable investigation and due diligence, the Association has also concluded that neither Wolf Star nor WCP nor any Master Board (as that term is used in the Original Declaration) has ever exercised any influence or authority whatsoever over the

Project. Accordingly, the Association hereby declares, to the maximum extent permitted by law, that neither Wolf Star nor WCP nor any Master Board has ever had, nor shall ever have, any influence or authority over the Project whatsoever.

ARTICLE 3 – DESCRIPTION OF PROJECT

3.1 Description of Land

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

3.2 Buildings and Improvements

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

3.3 Unit Location and Description

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

(a) The upper boundary of the Unit shall be the lower surface of the joists, studs or any other building materials, of the uppermost ceiling of the Unit, to which the drywall or any other ceiling material is attached;

(b) The lower boundary of the Unit shall be the upper surface of the subfloor material, joists, or any other material to which the flooring material is attached, of the lowermost floor of the Unit; and

(c) The vertical boundaries of the Unit shall be the interior surface of the framing studs or any other building materials, of the outermost perimeter walls of the Unit, to which the drywall or other wall materials may be attached.

3.4 Access to Common Area Walkways

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

3.5 Common Improvements Located Within Unit Boundaries

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

(a) All structural components of any Buildings containing Units, including, without limitation, foundations, perimeter and load-bearing walls and roofs;

(b) All additions or improvements to the structural components of any Buildings containing Units;

(c) Any utility pipes, lines, systems or other infrastructure that service another Unit and/or more than one Unit, and all ducts, wires, conduits and other accessories used therewith; and

(d) All repairs, alterations, modification and/or replacements of any of the foregoing.

3.6 Limited Common Areas

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

(a) Any balcony or patio area which is directly attached to and accessed from a particular Unit or Units shall be the Limited Common Area of such Unit(s). The boundaries of said balcony or patio area are defined by the interior surfaces of any walls, floor, ceiling, doors, windows, ground, railings or fences enclosing said balcony or patio areas.

(b) Any Owner's Storage Closet that has been limited, set aside or reserved for use by a particular Unit shall be the Limited Common Area of such Unit. The boundaries of said Owner's Storage Closet shall be defined by the interior surfaces of the outermost perimeter walls, floor, ceiling, and door enclosing said Owner's Storage Closet.

(c) Any Association Storage Areas with the boundaries of such Association Storage Areas being defined by the interior surfaces of the outermost perimeter walls, floor, ceiling, and door enclosing said Association Storage Area.

(d) Any Foyer Area with the boundaries of such Foyer Area being defined by the interior surfaces of the outermost perimeter walls, floor, ceiling, and any doors enclosing said Foyer Area.

(e) Any Cascades Courtyard.

(f) As used in this Section 3.6, the term "interior surfaces" shall mean decorative finishes, stucco, wallpaper, drywall paper or any other similar material applied to or covering the surfaces of such walls, ceilings, ground or floor (including, for example, paint, wallpaper, paneling, carpeting and tiles). Any such decorative finishes, coverings or similar materials shall be deemed a part of said Limited Common Area.

3.7 Percentage Interest in Common Areas and Common Improvements

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

ARTICLE 4 – OWNERS' ASSOCIATION

4.1 Form of Association

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

4.2 Membership

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

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

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

4.3 Voting

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

4.3.2 Voting Owner. There shall be one vote and one "voting representative" for each Unit. If a person owns more than one Unit, that person shall have the votes for each Unit owned. For Units held in trust, the Owner shall be the acting trustee of the trust at the time. The voting representative for a particular Unit shall be designated by the Owner (or all Owners) of such Unit by written notice to the Board, and need not be an Owner of that Unit. However, that voting representative must be an Owner of at least one Unit in the Project. This "voting representative" designation shall be revocable at any time by actual notice to the Board from a party having an ownership interest in a Unit, or by actual notice to the Board of the death or judicially declared incompetence of any party with an ownership interest in that Unit. This power of designation and revocation may be exercised by the guardian of an Owner, and the administrators or executors of an Owner's estate. Where no designation is made, or where a designation has been made but is revoked and no new designation has been made, the voting representative of each Unit shall be the group composed of all of its Owners.

4.3.3 Joint Owner Disputes. The vote for a Unit must be cast as a single vote, and fractional votes shall not be allowed. Unless notified in writing, the Board and the Association may assume that any joint Owner is authorized to cast the vote for such Unit. In the event of any dispute or disagreement concerning the authority to cast a vote for any Unit owned by two or more Owners, or if the joint Owners of a Unit are otherwise unable to agree among themselves as to how their vote or votes shall be cast, no vote shall be cast for such Unit until such disagreement or dispute is resolved by the joint Owners to the satisfaction of the Board. In the event more than one vote is cast for a particular Unit, none of said votes shall be counted and said votes shall be deemed void.

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

4.3.5 Notice of Owners' Vote. The Association may provide all Owners with notice of any matter upon which the Owners must vote, or have been invited to vote, in any manner permitted under Section 20.3 of this Declaration.

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

4.3.7 Electronic Ballots. Provided electronic ballots are not prohibited be any applicable Utah law, rule or regulation, in any instance where voting on a matter is permitted or required herein, the Association may utilize online balloting as provided and administered through a reputable third party online/website service. The Association may not simply send an email to Owners requesting they vote by replying to the email. The approval of a majority of the votes actually cast via such electronic ballots shall be sufficient to approve such matter, except where a different threshold is specifically required by this Declaration or the Bylaws.

4.4 Association Bylaws

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

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

4.5 Attorney in Fact

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

ARTICLE 5 – BOARD OF DIRECTORS

5.1 Board Purpose

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

5.2 Board Approvals

Any actions requiring Board approval under the Governing Documents including, without limitation, any actions the Board is permitted to take or approve without prior approval of the Owners (such as, for example, the imposition of certain Special Assessments per Section 9.3 of this Declaration) must be adopted and approved by a majority vote of the Board (*i.e.* more than half of the Board members).

5.3 Board Authority

5.3.1 With the exception of extenuating circumstances under which the Board may, pursuant to Section 10.3.1, use the Reserve Fund to pay certain Operating Expenses, the Board shall pay all Operating Expenses out of the Operating Fund, including but not limited to the following:

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

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

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

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

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

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

(g) Materials, Supplies and Labor. Costs for materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure by law, or which in the Board's reasonable opinion shall be necessary or proper for the operation of the Common Areas or for the enforcement of the Governing Documents; provided, however, if for any reason such materials, supplies, labor, services,

maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided to or for the benefit of any particular Unit(s) or their Owner(s) as a result of any damage caused by the willful or negligent act or omission of such Owner(s), or such Owner's tenants, family members, guests or invitees, then the cost thereof may be charged to the Owner(s) of such Unit(s) via Special Assessment as reasonably determined by a majority vote of the Board.

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

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

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

(k) Additions / Capital Improvements. Any costs related to the construction, or installation of new capital improvements shall be governed by and subject to the following conditions:

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

(ii) Owner Approval. If the proposed capital improvement would materially alter the nature of the Project, the capital improvement must be approved by no less than sixty-seven percent (67%) of the Owners. If the cost of constructing or installing the capital improvement exceeds the Capital Improvement Ceiling, such cost must be approved by a Majority of the Owners.

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

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

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

5.3.4 Board Access. The Board and its agents or designees, may enter and access any Common Area at any time, and may enter and access any Unit or any Limited Common Area in accordance with Section 6.12.

5.4 Delegation of Board Authority

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

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

6.1 Units

6.1.1 General Unit Maintenance. Subject to the Governing Documents, each Owner shall, at such Owner's sole expense, have the duty to maintain, repair and replace his or her Unit including, without limitation, any and all equipment, appliances, appurtenances, improvements, and/or fixtures that are attached to and/or solely service his or her Unit, including any damage not covered by insurance. For example, and without limitation of the previous sentence, each Owner shall, at such Owner's sole expense, have the duty to maintain, repair and replace any and all exterior and interior windows, window frames and window systems (including repairing or replacing any broken glass or damaged screens) and any exterior and interior doors and door

systems of his or her Unit (including any garage doors and any entryway doors that provide access between a Unit and a Foyer Area or Cascades Courtyard), as well as any fan units (including fans, fan motors, and fan enclosures), plumbing fixtures, water heaters, systems and lateral pipes or valves that service only his or her Unit, including any damage not covered by an insurance claim. In addition, each Owner shall be required to repair and replace any exterior door and door systems, and any exterior window and window systems, damaged by such Owner or his or her tenants, family members, guests or invitees. Owners may not paint or place any signs or decorative objects on the outside of any exterior door, except as may be permitted or authorized by the Rules and Regulations.

Each Unit shall be maintained so as not to detract from the health, safety or uniform appearance of the Project and so as not to adversely impact the value or use of any other Unit. Each Owner shall keep his or her Unit clean, safe, and in a sanitary condition. The Board may, by rule, adopt, promulgate and enforce further requirements for the repair, maintenance and appearance of a Unit required for each Owner, in accordance with the terms of this Declaration and/or the Bylaws.

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

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

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

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

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

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

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

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

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

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

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

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

6.1.4.6 If an Owner wishes to reconstruct any common wall that was partially or completely removed pursuant to this Section 6.1, that Owner must first obtain the Board's written consent, and the Owner must engage the services of a contractor that is adequately qualified, bonded and insured to perform such work. Such common wall must be reconstructed in a manner that does not: (a) damage or impair the structural integrity or mechanical systems of the Building or either Unit or any other Units; (b) reduce the support or functionality of any portion of the Common Areas and/or Common Improvements, or the support or functionality of another Unit; or (c) compromise any structural components of the Building or either Unit or any

other Units. The common wall must also be reconstructed in a manner that meets or exceeds the quality and specifications of other such common walls in the Project (*e.g.* dimensions, quality of materials, sound-proofing, etc.) as determined by the Board. The Owner must obtain, from a qualified engineer, a final inspection report confirming that the reconstruction of the common wall fully complies with the above requirements, and must provide the Board with a certified copy of such final inspection report.

6.1.4.7 The provisions of this Subsection 6.1.4 shall only apply to interior common walls that separate Units. This Subsection 6.1.4 shall not apply to any other common walls including, for example but without limitation, any common walls or other partitions that separate Limited Common Areas of such Units, which is addressed by Section 6.2.3.

6.2 Limited Common Areas – Patios, Decks and Balconies

6.2.1 Care and Maintenance. The Association shall be responsible for maintaining and repairing reasonable and normal wear and tear to any patio, deck or balcony that is attached to or appurtenant to a Unit or Units. If, however, any maintenance or repair is required beyond reasonable wear and tears and/or if such maintenance or repair is required due to the willful or negligent acts or omissions of an Owner, or such Owner's tenants, family members, guests or invitees, the cost of such maintenance or repair may be charged to the Owner(s) of such Unit(s) via a Reimbursement Assessment as reasonably determined by a majority vote of the Board. Owners are prohibited from modifying, painting, decorating, or in any way altering their patio, deck, balcony without obtaining the Board's prior written approval, which may be granted or denied in the Board's sole discretion. Each Owner shall keep his or her patio, deck or balcony in a neat and attractive condition, including removing any trash or debris, so as to preserve the appearance and esthetics of the Project. The Board may establish Rules clarifying the manner in which patios, decks or balconies are to be used or maintained.

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

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

6.2.4 Ice and Snow Removal. Each Owner must at all times keep his or her patio, deck and/or balcony clear of ice and snow. Such ice and snow must be removed in a safe and prudent manner so as to avoid injury to any individuals, or damage to any personal or real property. If such ice and snow removal results in damage to any portion of any Common Area or any Limited Common Area (for example, patio, deck or balcony surface damage caused by ice chipping) the Association may repair such damage and impose on the Owner deemed by the Board as responsible for such damage a fine equal to the entire cost of such repair. An Owner will be held responsible and liable for injury to any individuals, or damage to any personal or real property, caused by the ice or snow removal activities of any third party (*i.e.* the Owner's tenant, guest, or any snow removal contractor). If the Association and/or Manager determines that ice or snow must be removed from any Owner's Limited Common Area, and the Owner fails to properly keep such Limited Common Area clear of ice and snow, the Association and/or Manager may (but shall not be obligated to) cause the removal of such ice and snow, and the Owner will be charged by the Association for the cost of such removal.

If the Association and/or Manager fails, for any reason or no reason, to cause the removal of ice or snow from any Limited Common Areas, the Association and/or Manager shall not be held responsible or liable for any bodily injury, or any damage to any personal or real property, that may be directly or indirectly caused by such ice or snow.

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

6.2.6 Damage or Injury. Each Owner will be personally liable, will be held financially liable to the Association, and may be fined by the Association for any damage (beyond normal or reasonable wear and tear) that may be caused to his or her Limited Common Area due to the actions or inactions of such Owner or the tenants, family members, guests or invitees of such Owner. Likewise, each Owner shall be held responsible for any damage or injury caused to any personal or real property, or to any individual, as a result of such Owner's failure (or failure by the tenants, family members, guests or invitees of such Owner) to properly use, care for and/or maintain his or her Limited Common Area(s) as required by this Section 6.2 and any other provisions of the Governing Documents.

6.3 Limited Common Areas – Owner's Storage Closets

Unless otherwise specifically set forth in the Governing Documents, the care and maintenance of any Owner's Storage Closet (including the exterior door to such Owner's Storage Closet) shall be the sole responsibility of the Owner(s) of the Unit for which the use of such Owner's Storage Closet has been limited, set aside or reserved. Owners are prohibited from altering or modifying any portion of their Owner's Storage Closet (including the exterior door to such Owner's Storage Closet) without the Board's prior written approval.

6.4 Limited Common Areas – Foyer Areas

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

6.5 Limited Common Areas – Cascades Courtyards

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

6.6 Access to Units and Limited Common Areas

As set forth under Section 57-8-7 of the Condominium Act, after reasonable notice has been given to the occupant of a particular Unit, the Board and its agents or designees (including the Manager) may access a Unit (including any Limited Common Area that is attached to such Unit) as necessary to maintain, repair or replace any Common Area or Common Improvement: (A) from time to time during reasonable hours, as may be necessary for non-emergency maintenance, repair, or replacement of such Common Area or Common Improvement; or (B) at any time for the purpose of making any emergency repairs to such Common Area or Common Improvement.

No Owner, tenant or other occupant of any Unit or Limited Common Area shall unreasonably prevent, prohibit or delay access to such Unit or Limited Common Area by the Board, or by the Board's agents or designees, or by the Manager, in connection with any of the purposes described under this Section 6.6.

6.6.1 Non-Emergency Maintenance, Repair or Replacement

Any such access to any Unit or Limited Common Area made for the purpose of non-emergency maintenance, repair, or replacement of any Common Areas or Common Improvements shall be made with as little inconvenience to the Owners, tenants or any other occupant of such Unit or Limited Common Area as is reasonably practicable, and any damage caused to any Unit or Limited Common Area (or to any Common Area or Common Improvements) shall be repaired by the Board and paid for out of the Operating Fund.

As used in this Section 6.6, and as set forth under Section 57-8-7 of the Condominium Act, in the case of non-emergency maintenance, repair, or replacement of any Common Areas or Common Improvements, the term "reasonable notice" means written notice that is hand delivered to an adult occupant (18 year or older) of the Unit (or the Unit to which the Limited Common Area is attached) no less than 24 hours prior to the proposed access. If no one responds to the door at the time hand-delivery is attempted, such hand-delivery may be accomplished by posting the written notice on the door of the Unit.

In order to account for the possibility that the occupant of the Unit may be someone other than the Unit's Owner, in addition to hand-delivering a written notice or posting written notice on the Unit's door, notice must also be emailed to the Owner of the Unit, as well as the property manager of the Unit, provided the Owner has provided the Manager with the Owner's email address and such property manager's email address.

6.6.2 Emergency Maintenance, Repair or Replacement

If any such access to a Unit or Limited Common Area is made for the purpose of emergency repairs, any damage caused to the Unit or Limited Common Area (or to any Common Area or Common Improvements) shall be repaired by the Association and paid for out of the Operating Fund, unless such access was necessary to perform emergency repairs resulting from the actions or inactions of the Owner or any tenant or other occupant of a particular Unit or Limited Common Area, in which case the cost of repairing any damage to any Unit(s) or Limited Common Area(s) (or damage to any Common Area or Common Improvements) shall be charged (as a Reimbursement Assessment) to the Unit of the Owner, tenant or occupant whose actions or inactions caused the need for such emergency repairs.

As used in this Section 6.6, and as set forth under Section 57-8-7 of the Condominium Act, in the case of emergency repairs of any Common Areas or Common Improvements, the term "reasonable notice" means any notice that is reasonable under the circumstances. Regardless of such circumstances, the Owner and the property manager of the Unit shall be emailed notification that the Unit and/or Limited Common Area was accessed for emergency purposes no later than 24 hours after the Unit and/or Limited Common Area was accessed (provided, of course, the Owner has provided the Manager with the Owner's email address and such property manager's email address).

As used in this Section 6.6, the term "emergency repairs" means any repairs that, if not made in a timely manner, will likely result in immediate and substantial damage to any part of the Project (including another Unit or Units) as reasonably determined by the Board and/or the Manager. 24-hour advance notice is not required in such emergency situations.

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

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

As used in this Section 6.7, the term "reasonable notice" means: (i) written notice that is hand delivered to the Unit no less than 24 hours prior to the proposed entry; or (ii) in the case of an emergency situation, notice that is reasonable under the circumstances.

6.8 Building Exterior Appearance

In order to preserve a uniform exterior appearance of the Project, no changes whatsoever shall be commenced, erected, maintained, made or done by any Owner to the exterior of any Unit or to any Limited Common Area (*e.g.* patios, decks, balconies, etc.) without the Board's prior written approval. The Board shall have sole discretion to establish, regulate and determine the exterior appearance of the Buildings. The Board may require and otherwise regulate painting and other decorative finishing of the Buildings including, without limitation, any Common Areas (including Limited Common Areas) and prescribe the type and color of such decorative finishes, and may prohibit, require or regulate any modification or decoration of such Buildings, including Common Areas or Limited Common Areas undertaken or proposed by any Owner. This power of the Board extends to screens, doors, windows, awnings, railings, decorations, or any other visible portions of each Unit and each Building. Accordingly, the Board may restrict, prescribe or regulate the exterior color of the exterior doors of each Unit as well as any items that may be attached to outside of such exterior doors. The Board may also restrict, prescribe or regulate the screen or glass exterior doors of each Unit including, for example and without limitation, the type, color and hardware of any such screen or glass exterior doors and the maintenance thereof. No aluminum foil, newspapers, or any other similar materials may be used to cover the interior or exterior side of any windows of any Unit. Awnings or sunshades are not allowed on the exterior of any Building, unless the color, style, construction material, installation method, and uniformity of appearance have been approved by the Board in advance and in writing.

6.9 Installation of Improvements

Owners are strictly prohibited from installing or attaching any improvements or decorations on any portion of the Project located outside of a Unit, that may, in any manner whatsoever, impact or alter the exterior appearance of any Building and/or the health, safety or uniform appearance of the Project without first obtaining the Board's prior written permission. The installation or attachment of improvements or decorations referenced in the prior sentence includes, for example and without limitation, any exterior windows, window frames or window systems, exterior screens, doors or door systems, exterior ventilation grills/covers, any hot tubs, whirlpools, Jacuzzis or similar equipment/improvements, any Communications Devices, and any exterior heating, ventilating or air conditioning ("**HVAC**") systems, fan units, plumbing fixtures, water heaters, pipes or valves.

6.10 Penetration, Alteration or Removal of Exterior Building Walls

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

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

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

6.11 Certain Work Strictly Prohibited

Notwithstanding any other provisions of the Governing Documents, no Owner shall do any work or make any alterations or changes which would jeopardize the soundness or safety of any portion of the Project, reduce its value or impair any easement or hereditament, without in every such case the unanimous written consent of all the other Owners being first obtained.

6.12 Nonconforming Improvements

Any improvement that was installed prior to the recording of this Declaration that fails to comply with any provision of this Declaration, but was previously approved by the Board in writing, may be retained by the present Owner, and all subsequent Owners, of such improvement as a "**Nonconforming Improvement**." The Owner of such Nonconforming Improvement must present the Association with proof of such prior written Board approval. Any proposed changes or additions to a Nonconforming Improvement must be submitted to the Board, and the Board may require that such changes or additions incorporate any modifications necessary to bring the Nonconforming Improvement into compliance with this Declaration or any other Governing Document. The Association reserves the right to review, inspect and/or demand the immediate removal of any improvement that was not previously approved by the Board in writing and/or fails to comply with the requirements of this Declaration.

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

ARTICLE 7 – USE, MANAGEMENT AND MAINTENANCE OF COMMON IMPROVEMENTS

7.1 Generally

The Association shall maintain, repair, replace and manage the use of Common Improvements. As more particularly set forth in the Governing Documents, an Owner may be held liable and financially responsible for the cost of maintaining, repairing or replacing any Common Improvement (including any Limited Common Improvement) that has been damaged or destroyed by such Owner or his or her family members, tenants, guests or invitees.

7.2 Clubhouse

The Clubhouse is a Common Improvement that is owned, operated and managed by the Association for the benefit of the Owners. The Clubhouse may be reserved for use by Owners. The Clubhouse may also be reserved for use by an Owner's tenants or any other person who is not an Owner provided the Board has approved such use in advance and in writing. The Board has the sole discretion to permit or deny such use by any Owner's tenants or any other person who is not an Owner. The Clubhouse must be used consistent with Rules and Regulations that may be periodically adopted and/or amended by the Board.

7.3 Office/Pool Building

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

7.4 Recreational Common Improvements

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

7.5 Parking, Sidewalks, Stairways and Walkways

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

Unless otherwise set forth in the Governing Documents, the Association shall be responsible for contracting for, scheduling, arranging, and paying for the reasonable removal of ice and snow from (A) all parking spaces, and other parking areas located within the Project; (B) any portions of the Project identified on the Cascades Courtyards, (C) portions of the Project identified on the Cascades Maps as Private Entrances, and (D) all sidewalks, exterior stairways, and other walkways located within the Project as reasonably determined by the Board. This Section 7.5 shall not be construed to impose upon the Association or the Board any particular or elevated duty or standard of care with regard to the removal of ice or snow from such areas.

7.6 Fire Suppression Systems

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

If the Association's routine maintenance, repair and/or replacement of any part of any Fire Suppression System requires the removal of any ceiling, wall or flooring materials located within any Unit, the Association shall pay for up to $500 of the cost of remediating such items (*i.e.* drywall replacement, repainting, etc.). The previous sentence shall not apply to (A) any maintenance, repair or replacement work caused by damage or loss covered by the Association's and/or an Owner's property insurance policy as described under Subsection 12.1.1(e), in which case the cost of such remediation will be covered by all or any portion of the deductible on the Association's policy up to $10,000; or (B) any maintenance, repair or replacement work the Association may perform on a Fire Suppression System due to the actions or inactions of an Owner or his or her family members, tenants, guests or invitees. Owners are prohibited from installing any sprinkler system in their Unit or any other portion of the Project, and the Association shall have no liability or responsibility whatsoever for the maintenance, repair or replacement of any such unauthorized sprinkler systems.

ARTICLE 8 – PROJECT USE RESTRICTIONS

8.1 Use of Units

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

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

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

8.2 Parking

Unless otherwise permitted by the Board in advance and in writing, no private passenger vehicle (*e.g.* automobiles, sedans, vans, SUVs) shall be parked or left on any portion of the Project other than the Project's designated parking areas. No motor homes, campers, trailers, boats, vehicles designed and operated as off-road equipment for racing, dragging and other sporting events, commercial vehicles, or any trucks or other vehicles larger than three quarter (3/4) ton shall be permitted on any portion of the Project unless they are being used for the immediate purposes of moving or delivering items to a Unit or to the Manager or Association. Parked vehicles shall not block access to any gates or any emergency access roads or fire hydrants.

Parking spaces located within the Project may only be used for the parking of private passenger vehicles that are operative and have been properly registered with a governmental motor vehicles department or division. The Board may require removal of any vehicle or equipment that is inoperative or is not properly registered, or any unsightly vehicle, and any other equipment or item improperly stored in any parking space, or other parking area. If such vehicle, equipment or item is not removed, the Board may cause removal at the risk and expense of the owner thereof. The use of parking spaces, or any other parking areas located within the Project, may be further clarified or regulated by Rules and Regulations that may be adopted by the Board from time to time, provided that such Rules and Regulations may not permit any use that is prohibited under this Section 8.2. Without limiting the generality of the foregoing, the Board may adopt Rules and Regulations governing the long-term parking of vehicles.

8.3 Garbage and Refuse

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

8.4 Drones Prohibited

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

8.5 Radio and Television Antennas

The construction, installation, use and/or operation of any broadcasting, receiving, satellite and/or wireless signal dishes, antennas or similar devices located anywhere in the Project is governed by the provisions of Section 8.27 of this Declaration. No Citizens Band, amateur radio or other transmission shall be permitted from any portion of the Project, except under emergency situations.

8.6 Clothes Lines

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

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

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

8.8 Power Equipment and Car Maintenance

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

8.9 Drainage

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

8.10 Mineral Exploration

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

8.11 Mailboxes

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

8.12 Exterior Fires / Open Flame Grills

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

8.13 Diseases and Insects

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

8.14 Water Use

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

8.15 Private Exterior Spigots

Private Exterior Spigots (as defined under Section 1.50) may only be used by the Owner(s) of such Private Exterior Spigots, or may be used with the prior consent of such Owner(s). The Owner of any Private Exterior Spigot may place a lock on his or her Private Exterior Spigot in order to prevent unauthorized use, provided such lock does not damage any Common Area or Common Improvements and has been approved by the Board in advance and in writing.

8.16 Fair Housing

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

8.17 Common Drive and Walks

Common drives, walks, corridors and stairways shall be used exclusively for normal transit and/or pedestrian traffic and no obstructions shall be placed thereon or therein.

8.18 Patios, Decks and Balconies

The patios, decks and balconies of each Unit shall be maintained in a safe and neat manner. The patios, decks and balconies of each Unit are generally intended for keeping and using items that are commonly kept and used in such areas, such as patio furniture. Accordingly, Owners (and the tenants, family members, guests or any other occupants of any Unit) shall not use such areas for the general storage of items or for the storage of excessive or unsightly personal property or similar items. Owners (and the tenants, family members, guests or any other occupants of any Unit) must also refrain from allowing any items (including, for example and without limitation, rugs, towels or clothing) to hang from or dangle over the walls or railings of any patio, deck and/or balcony. This restriction does not apply to the proper display of the American flag.

8.19 Retail or Commercial Activities

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

8.20 Storage Areas and Closets

8.20.1 Owner's Storage Closets

Owner's Storage Closets may be used for the storage of personal property, provided that such personal property does not include any flammable or dangerous items such as, for example and without limitation, firearms, gasoline, propane tanks, fireworks, toxic or hazardous

materials, or any similarly dangerous or potentially dangerous items. Any question or dispute regarding whether or not certain personal property may be stored in an Owner's Storage Closet shall be answered or resolved by a majority vote of the Board.

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

8.20.2 Association Storage Areas

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

8.20.3 Determination of Owner's Storage Closet vs. Association Storage Area

Any questions or disputes regarding any closet or storage area located within the Project, including, for example and without limitation (A) questions or disputes as to whether a particular closet or storage area is an Owner's Storage Closet or an Association Storage Area, or (B) questions or disputes as to whether a particular Owner's Storage Closet is limited, set aside or reserved for use by a particular Unit, shall be resolved by a majority vote of the Board. Unless or until a particular closet or storage area located within the Project has been deemed by the Board as limited, set aside or reserved for use by a particular Unit (or certain Units) to the exclusion of any other Units, that closet or storage area shall be deemed an Association Storage Area.

8.21 Storage Sheds

Owners are prohibited from temporarily or permanently installing or placing a storage shed on any portion of the Project including, for example and without limitation, any patio, deck or balcony. As used in this Section 8.21, the term "storage shed" specifically and solely refers to any freestanding structure designed for the purpose of storing personal property. Any question or dispute regarding whether or not a particular storage structure or container meets the definition of a "storage shed" shall be answered or resolved by a majority vote of the Board. The Board may also adopt a Rule that defines, describes and/or clarifies any matters related to the restrictions of this Section 8.21.

8.22 Proximity to Golf Course

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

8.23 Signs

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

8.24 Nuisances

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

8.25 Hot Tubs

8.25.1 Moose Hollow Buildings

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

8.25.2 Cascades Buildings

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

8.26 Animals

8.26.1 Owners/Tenants. Owners are permitted to keep pets/animals in their Unit subject to this Section 8.26 and any other provision of the Governing Documents. Tenants are prohibited from keeping any pets/animals in any Unit.

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

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

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

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

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

8.26.7 Additional Board Rules. The Board may adopt additional rules restricting the maintenance and keeping of animals within the Project and their enforcement, including, without limitation, the assessment of fines to Owners who violate such rules.

8.27 Communication Devices

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

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

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

8.27.3 FCC Rules. All Communication Device installations must be performed in complete compliance with all applicable laws, rules and regulations. If permits are required, the Owner is solely responsible for obtaining all such permits prior to installation. The provisions of this Section 8.27 are intended to comply with applicable FCC rules, as may be amended from time to time. All requirements of such FCC rules are hereby incorporated as part of this Section 8.27. In the event any portion of this Section 8.27 is held to conflict with any applicable laws, rules or regulations, those portions shall be deemed stricken and all other portions of this Section 8.27 regarding Communication Device installation, maintenance, use and insurance will remain in full force and effect.

8.27.4 Waiver. No requirements or restrictions of this Section 8.27 may be verbally waived or changed by the Board. Any such waiver or change will be effective only when placed in writing, specifically stating the nature of the waiver, and has been approved by a majority vote of the Board. If any Owner receives the benefit of any waiver or change of the provisions of this Section 8.27, it shall be that Owner's responsibility and obligation to keep and safeguard the written waiver or change and to produce it upon any future request of the Board.

8.27.5 Common Improvement Exception. The restrictions and requirements of this Section 8.27 shall not apply to any satellite or communications devices or systems that may be constructed, installed, erected, maintained and/or replaced within the Project as Common Improvements for the benefit of the Owners.

8.28 Leases and Short-term Rentals

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

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

8.29 Occupancy Limitations

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

The occupancy limitation of each Unit shall be as follows:

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

The total number of occupants allowed in each Unit shall not include children that are five (5) years old or younger. No Unit may be advertised or offered for short-term or long-term rental in any manner that permits or encourages use of the Unit in excess of that Unit's occupancy limitation.

8.30 Use of Recreational Common Improvements / Common Areas

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

8.31 Compliance with Declaration

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

8.32 Effect on Insurance

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

8.33 Rules and Fines

The Board may adopt, clarify, promulgate and/or enforce Rules and Regulations that further address the use of any portion of the Project in order to ensure compliance with the general guidelines of this Article 8 and other provisions of the Governing Documents. The Board must follow the procedures set forth under Section 1.48 prior to adopting, clarifying or promulgating any such Rules and Regulations.

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

8.33.1 Procedures for Assessment of Fines

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

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

(i) describes the violation;

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

(iii) states the Board may, in accordance with the provisions of Section 57-8-37 of the Condominium Act, assess fines against the Owner if a continuing violation is not cured or if the Owner commits similar violations at any time within one (1) year after the day on which the Board gives the Owner the written warning or assesses a fine against the Owner; and

(iv) if the violation is a continuing violation, states a time that is not less than forty-eight (48) hours after the day on which the Board gives the Owner the written warning by which the Owner must cure the violation.

(b) The Board may assess a fine against an Owner if:

(i) at any time within one year after the day on which the Board gives the Owner a written warning described under Subsection 8.33.1(a), the Owner commits another violation of the same rule or provision identified in the written warning; or

(ii) for a continuing violation, the Owner does not cure the violation within the time period that is stated in the written warning described under Subsection 8.33.1(a).

(c) After the Board assesses a fine against any Owner under this Section 8.33, the Board may, without further warning, assess an additional fine against the Owner each time the Owner:

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

(ii) allows a violation to continue for ten (10) days or longer after the day on which the Board assesses the fine.

(d) The provisions of this Subsection 8.33.1 shall apply to any Owner who owns multiple Units in which continuing violations, similar violations and/or violations of the same rule or provision have occurred even if such violations have been committed by different individuals (*e.g.* tenants or guests at different Units that are owned by the same Owner).

8.33.2 Limitations Regarding Amount Dollar of Fines

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

(b) Any fine assessed by the Board shall:

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

(ii) be in the amount provided for in the Governing Documents and in accordance with Subsection 8.33.2(a); and

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

8.33.3 Informal Hearing

(a) Any Owner who is assessed a fine under this Section 8.33 may request an informal hearing before the Board to dispute the fine no later than thirty (30) days after the day on which the Owner receives notice that the fine is assessed.

(b) At any hearing described under this Subsection 8.33.3, the Board shall:

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

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

(c) As used in this Section 8.33, the phrase "means of electronic communication" means an electronic system that allows individuals to communicate orally in real time. Such means of electronic communication includes (i) web conferencing, (ii) video conferencing; and (iii) telephone conferencing.

(d) If an Owner timely requests an informal hearing under this Subsection 8.33.3, no interest or late fees may accrue until after the management committee conducts the hearing and the Owner receives a final decision.

8.33.4 Appeal

(a) An Owner may appeal any fine assessed under this Subsection 8.33 by initiating a civil action no later than one hundred eighty (180) days after:

(i) if the Owner timely requests an informal hearing under Subsection 8.33.3, the day on which the Owner receives a final decision from the Board; or

(ii) if the Owner does not timely request an informal hearing under Subsection 8.33.3, the day on which the time to request an informal hearing under Subsection 8.33.3 expires.

8.33.5 Delegation of Board Authority

(a) Subject to Subsection 8.33.5(b), the Board may delegate the Board's rights and responsibilities under this Section 8.33 to the Manager.

(b) The Board may not delegate the Board's rights or responsibilities described in Subsection 8.33.3(b).

8.33.6 Fees, Costs and Expenses

The Association shall be entitled to recover reasonable attorney fees, costs and expenses incurred in the enforcement of the Governing Documents, including the enforcement and collection of fines.

8.33.7 Consistency with Condominium Act Requirements

The procedures set forth under this Section 8.33 are intended to be consistent with the requirements of Section 57-8-37 of the Condominium Act as of the date this Declaration is recorded in the Recorder's Office. The Association and the Board must at all times comply with any amendments to the Condominium Act that may govern the manner in which fines are required to be assessed, imposed and/or collected.

ARTICLE 9 – BUDGET AND EXPENSES

9.1 Association Budget and Estimated Expenses

9.1.1 Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year that begins on January 1 of each calendar year and ends on the subsequent December 31st of that same year. Not less than thirty (30) days prior to the annual Owners' meeting, the Board (or the Manager, if so requested by the Board) shall prepare and furnish to the Owners an operating budget (the "**Annual Budget**") which shall set forth an itemization of expenditures for the upcoming fiscal year. At the same time the Annual Budget is provided to the Owners, the Board may also provide the Owners with information concerning the Reserve Fund, including current balance, anticipated disbursements from the Reserve Fund for the next fiscal year (including the purpose for such disbursements), anticipated deposits to the Reserve Fund for the next fiscal year, and such other matters concerning the Reserve Fund as the Board, in its discretion, deems appropriate. Except as otherwise provided herein, disbursements from the Reserve Fund shall be generally consistent with the most recent reserve analysis, as reviewed and updated by the Board. The Board may furnish the Annual Budget and information concerning the Reserve Fund and the reserve analysis to the Owners by posting copies thereof on the Association's website.

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

document for the Annual Assessments for the fiscal year to which the Annual Budget applies, and as a major guideline under which the Project shall be operated and managed during such fiscal year.

The proposed Annual Budget and Annual Assessments shall become effective as of the date of the annual Owners' meeting unless the Annual Budget is specifically disapproved by a vote of at least a Majority of the Owners either at the annual Owners' meeting or at a special meeting that is held and completed not later than forty-five (45) days following the date of the annual Owners' meeting.

Unless the Annual Budget is specifically disapproved by a Majority of the Owners the Annual Budget and Annual Assessments shall be deemed approved. Notwithstanding the foregoing, however, if the Annual Budget and Annual Assessments are disapproved by a Majority of the Owners, or the Board fails for any reason to establish the Annual Budget and Annual Assessments for a particular fiscal year, until such time as a new Annual Budget and new schedule of Annual Assessments has been established, the Annual Budget and the Annual Assessments in effect for the previous fiscal year shall continue for the succeeding fiscal year.

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

9.1.2 Annual Budget Shortfall. If the sum estimated and budgeted for the Annual Budget at any time proves inadequate for any reason to meet the Operating Expenses the Board may impose a Special Assessment pursuant to Subsection 10.3.1, below. By way of example, and not limitation, such a shortfall in the Annual Budget may be caused by the failure of any individual Owner (or group of Owners) to pay their Annual or Special Assessment(s), or could result from an unanticipated increase in Operating Expenses caused by, for example, increased snow removal costs due to rising fuel costs or exceptionally heavy snowfall.

9.1.3 Annual Budget Excess. If the actual Operating Expenses for any fiscal year is less than the Annual Budget amount for such fiscal year, the Board may, in its discretion, and by majority vote: (A) deposit all or any part of such excess into the Reserve Fund or (B) deposit all or any part of such excess into a separate special fund (*e.g.* a special capital improvement fund or a fund the Board may establish in order to cover the maintenance, repair, replacement or acquisition of specific Common Improvements, etc.) to be included in the next fiscal year's Annual Budget.

9.2 Reserve Fund Line Item

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

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

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

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

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

9.3 Operating Fund

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

9.4 Reserve Analysis

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

9.4.2 Reserve Analysis Purpose. As set forth under Section 57-8-7.5 of the Condominium Act, the purpose of the reserve analysis is to determine: (a) the need for a Reserve

Fund to accumulate money to cover the cost of repairing, replacing, or restoring Common Areas and/or Common Improvements that have a useful life of three (3) years or more and a remaining useful life of less than thirty (30) years, if the cost cannot reasonably be funded from the Annual Budget (including the Operating Fund) or other funds of the Association; and (b) the appropriate amount of the Reserve Fund.

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

9.5 Reserve Fund

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

9.5.2 Funding of Reserve Fund. The Reserve Fund shall be funded via the Reserve Fund Line Item described under Section 9.2. The Reserve Fund may also be funded via Special Assessment(s) in the Board's discretion and with any excess funds pursuant to Section 9.1.3 above.

9.5.3 Use of Reserve Fund. As set forth under Subsection 57-8-7.5(9) of the Condominium Act, the Board may not use money in the Reserve Fund (i) for daily maintenance expenses unless a Majority of the Owners vote to approve the use of Reserve Fund money for such purpose; or (ii) for any purpose other than those purposes for which the Reserve Fund was established.

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

9.6 Funds to be Maintained Separately

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

separate account shall be established for each such fund and deposited with a federally-insured bank or credit union.

9.7 Recordkeeping

As required under the Acts, the Board shall cause to be kept detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Areas, specifying and itemizing the maintenance and repair expenses of the Common Areas and any other expenses incurred. Such records shall be available for examination by any Owner at convenient hours of weekdays no later than fourteen (14) calendar days after the Owner makes a written request to examine such records.

ARTICLE 10 – ASSESSMENTS

10.1 Owner Payment of Assessments

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

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

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

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

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

governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner.

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

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

10.1.8 Account Status. The Association shall provide an Owner with a timely accounting of the status of their accounts with the Association upon receiving a written request for such accounting from such Owner. Such accountings will be considered accurate unless challenged by the Owner within ninety (90) calendar days of the posting of any item. After such ninety (90) calendar day period, the costs incurred by the Association to review any item will be the responsibility of the individual Owner.

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

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

10.2 Annual Assessments

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

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

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

The monthly installment of the proposed Annual Assessment shall become due and payable on the first day of January of the fiscal year to which the proposed Annual Assessment relates, and shall continue to be due and payable on the first day of each subsequent calendar month unless and until the Annual Budget upon which the proposed Annual Assessment was based is disapproved by the Owners as described under Subsection 10.1.1. If such Annual Budget is disapproved, each Owner shall thereafter pay the monthly installment that was paid by such Owner during the previous fiscal year, and shall continue to pay such amount on the first day of each calendar month until such time as the Annual Budget for the subsequent fiscal year has been approved. The Board shall determine the manner in which any discrepancies in monthly installments due and payable by each Owner for a particular fiscal year (caused by delayed approval of the Annual Budget for that fiscal year) will be resolved.

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

10.3 Special Assessments

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

10.3.1 Annual Budget Shortfall.

If the sum estimated and budgeted for the Annual Budget at any time proves inadequate for any reason, the Board may impose a Special Assessment which shall be assessed to each Unit and the Owner(s) thereof in an amount equal to the Percentage Interest for such Unit. Any such shortfall may not, however, be caused by the Board having added new items to the Annual Budget, unless such addition is necessitated to address an emergency situation. In other words, the shortfall must be the result of an emergency situation or other unexpected expenses that are directly related to the maintenance, repair and/or replacement of items that were already addressed under the Annual Budget. The Board must provide the Owners with a report of such emergency or unexpected expenses, including a summary of the previously estimated expenses and the revised expenses. Such report may be provided by posting on the Association's website.

Any Special Assessment deemed by the Board as necessary to remedy an Annual Budget shortfall or to address an emergency, and imposed by the Board without the prior approval of the Owners, shall not exceed twenty percent (20%) of the Annual Assessment for the same fiscal year in which the Special Assessment has been imposed. Owners shall be given not less than thirty (30) calendar days' written notice of any such Special Assessment caused by an Annual Budget shortfall.

In the event the Board determines an Annual Budget shortfall may only be adequately remedied by a Special Assessment that exceeds twenty percent (20%) of the Annual Assessment for the same fiscal year in which the Special Assessment is to be imposed, such Special Assessment shall require an affirmative vote or written consent of a Majority of the Owners. In the event the Board is unable to obtain such an affirmative vote or written consent of a Majority of the Owners, the Board may cover the Annual Budget shortfall by using all or any portion of the Reserve Fund.

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

10.3.3 Reserve Fund Shortfall. In the event of any shortfall in the Reserve Fund, including insufficient funds to cover necessary Reserve Fund expenditures, the Board may impose a Special Assessment to remedy such shortfall, provided the Board had first obtained an affirmative vote from a Majority of the Owners. Such Special Assessment shall be assessed to each Unit and the Owner(s) thereof in an amount equal to the Percentage Interest for such Unit.

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

10.3.5 Notice and Payment. Special Assessments shall be payable on such date(s) and over such time periods as the Board may determine. The Board, in its sole discretion, may allow any Special Assessment to be paid in installments. Notice in writing of the amount of each such Special Assessment and the time for payment thereof shall be promptly given to the Owners. However, no payment of any Special Assessment, or any portion of any Special Assessment, shall be due less than thirty (30) calendar days after such notice shall have been given. The failure of the Board to deliver prompt notice of any Special Assessment shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, nor a release of any Owner from the obligation to pay such Special Assessment or any other Assessment.

10.4 Reimbursement Assessments

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

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

(a) the Association provides services or materials that were requested by a particular Owner for the sole benefit of that Owner;

(b) an Owner or his or her family member, tenant, guest or invitee destroys or damages (beyond normal wear and tear) any Common Improvement, any portion of the Common Area, or any Limited Common Improvement;

(c) an Owner or his or her family member, tenant, guest or invitee fails to comply with any provision of any Governing Documents (*i.e.* permitting, causing or creating a nuisance) resulting in an expenditure of monies by the Association to effect compliance, such as hiring monitor/security personnel or retaining legal counsel; or

(d) the Association incurs expenses related to the collection of an Owner's delinquent Assessments.

10.4.1 Reimbursement Assessment vs. Fine. A Reimbursement Assessment shall not be deemed a fine (*i.e.* a sum of money imposed as a penalty) provided the Reimbursement Assessment resulted from an expense the Association reasonably incurred due to the acts or omissions of an Owner or his or her family members, tenants, guests or invitees as described under this Section 10.4. As such, the imposition of a Reimbursement Assessment shall not be subject to the provisions of Section 8.33 regarding fines, including the procedure for assessing fines, limitations regarding the dollar amount of fines, informal hearings and appeals. The Association may elect to impose both a Reimbursement Assessment and a fine in connection with the same incident or circumstances.

10.5 Collection of Assessments / Failure to Pay

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

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

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

10.5.3 Suspension of Right to Vote. The right of an Owner to vote on issues concerning the Association may be suspended if that Owner (A) is delinquent in the complete payment of any Assessments, and (B) has failed to cure or make satisfactory arrangements to cure the default after the Board has provided written notice pursuant to Subsection 10.5.6. The right of an Owner to vote on issues concerning the Association may not be suspended pending the outcome of any hearings or appeal as described under Subsection 10.5.6.

10.5.4 Suspension of Right to Use Certain Amenities. An Owner's right to use certain Common Improvements (*e.g.* the Clubhouse, swimming pool, community hot tub, etc.) may be suspended if that Owner is delinquent in the complete payment of any Assessments, and has failed to cure or make satisfactory arrangements to cure the default after the Board has provided written notice pursuant to Subsection 10.5.5. Suspension of any Owner's right to use certain Common Improvements will be extended to include such Owner's tenants, family members, guests and/or invitees.

10.5.5 Delinquency of Assessments. For the purposes of Subsections 10.5.3 and 10.5.4, an Owner will be deemed delinquent if he or she has failed to completely pay any Assessments within thirty (30) days after the date upon which the Assessments are due. For all other purposes, including, by example and without limitation, the assessment of fines or imposition of liens, an Owner will be immediately deemed as delinquent if the Assessment not paid when due.

10.5.6 Notice of Suspension. Before suspending any Owner's right to vote, or before suspending any Owner's right to access or use certain Common Improvements, the Board shall give written notice to such Owner. The notice shall state: (A) voting rights and/or right to access or use certain Common Improvements will be suspended if payment of the Assessment is not received within three (3) Business Days; (B) the amount of the Assessment due, including any late fees, interest, and costs of collection; and (C) that the Owner has a right to request a hearing before the Board by submitting a written request to the Board within fourteen (14) calendar days from the date the notice is received. If a hearing before the Board is requested, the Owner's right to vote or access or use certain Common Improvements may not be suspended until after the hearing has been conducted and a final decision has been reached by the Board.

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

10.6 Lien / Foreclosure

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

unless the Association otherwise provides in the notice of Assessment. A lien under this Subsection has priority over each other lien and encumbrance on a Unit except:

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

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

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

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

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

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

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

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

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

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

10.7 Future Lease Payments

As set forth under Section 57-8-53 of the Condominium Act, if the Owner of a Unit who is leasing the Unit fails to pay an Assessment for more than sixty (60) calendar days after the Assessment is due, the Board, upon compliance with this Section and the Condominium Act,

may demand that the tenant pay to the Association all future lease payments due to the Owner, beginning with the next monthly or other periodic payment, until the amount due to the Association is paid.

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

10.7.2 Notice to the Tenant. If the Owner fails to pay the Assessment due by the date specified in the notice described in Subsection 10.5.1, the Manager or Board may deliver written notice to the tenant that demands future payments due to the Owner be paid to the Association. The Manager or Board shall mail a copy of the notice to the Owner. The notice shall state: (A) that due to the Owner's failure to pay the Assessment within the time period allowed, the Owner has been notified of the intent of the Board of Directors to collect all lease payments due to the Association; (B) that until notification by the Association that the Assessment due, including any interest, collection cost, or late payment fee, has been paid, the tenant shall pay to the Association all future lease payments due to the Owner; and (C) that payment by the tenant to the Association in compliance with this Section will not constitute a default under the terms of the lease agreement.

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

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

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

10.8 Reassessment of Delinquent Assessments

In the event that all or part of any Assessment (including any Annual Assessment or Special Assessment) or any other expenses of the Board cannot be promptly collected from the Owners or any other persons or entities liable for the payment of such Assessments or expenses

pursuant to the Acts or the Governing Documents, the Board shall have the right and authority to apply and reassess and reallocate such uncollected Assessments or expenses to all Owners as an Operating Expense, without prejudice to the Board's right and authority to the collection of such uncollected Assessments or expenses from the Owners or any other persons or entities liable for their payment.

10.9 Remedies Cumulative

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

ARTICLE 11 – COMPLIANCE AND ENFORCEMENT

11.1 Enforcement

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

The Association shall be entitled to an award of its reasonable attorneys' fees and costs in any action taken for the purpose of enforcing or otherwise implementing the terms of the Governing Documents, or for any action taken pursuant to the Governing Documents, if it prevails in such action, regardless of who instituted the action.

11.2 Remedies

Violation of any provisions of the Governing Documents, or of any decision of the Association made pursuant to such Governing Documents, shall give the Board, acting on behalf of the Association, the right, but not the obligation, in addition to any other rights set forth in the Governing Documents, or under law, to do, any or all of the following after giving notice:

(a) To pursue appropriate judicial proceedings for the purpose of entering any Unit in which material and/or dangerous violations of the Governing Documents exists in order to correct, abate or remove, at the expense of the defaulting Owner, any offending structure, thing, or condition that may exist, and the Board (including the Manager or any other agent of the Association) shall not thereby be deemed guilty of any manner of trespass, provided the Board has obtained an appropriate court order;

(b) To enjoin, abate, or remedy such thing or condition by appropriate legal proceeding;

(c) To levy reasonable fines pursuant to a schedule of fines adopted by resolution of the Board, a copy of which shall be posted on the Association's website or delivered to any Owner via regular mail (to the mailing address of the Unit or mailed to the mailing address designated by such Owner in writing to the Association) upon written request from such Owner;

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

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

(f) Bring suit or action against the Owner on behalf of the Association and other Owners to enforce this Declaration, the Bylaws and any Rules or Regulations adopted pursuant thereto.

11.3 Action by Owners

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

11.4 No Waiver of Strict Performance

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

ARTICLE 12 – INSURANCE

12.1 Association Insurance Coverage

The Association shall maintain, to the extent reasonably available using typical insurance carriers and markets, (a) property insurance on the physical structures in the Project, including the Common Areas, Limited Common Areas, and the Units, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils, and (b) liability insurance, including medical payments insurance covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in

connection with the use, ownership, or maintenance of the Common Areas. If the Association becomes aware that property insurance or liability insurance is not reasonably available, the Association shall, within seven (7) calendar days after becoming aware, give all Owners notice that the insurance is not reasonably available.

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

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

(b) Flood Insurance. If the Project is or comes to be situated in a locale identified by the Secretary of Housing and Urban Development (HUD) or the Director of the Federal Emergency Management Agency (FEMA) as a Special Flood Hazard Area, the Association shall obtain and pay the premiums upon, as a common expense, a "master" or "blanket" policy of flood insurance on the Buildings and any other property covered by the required form of policy (herein insurable property), in an amount deemed appropriate by the Association, but not less than the following: The lesser of: (i) the maximum coverage available under the National Flood Insurance Program (NFIP) for all Buildings and other insurable property within the Project to the extent that such Buildings and other insurable property are within an area having special flood hazards; or (ii) 100% of "current replacement cost" of all such Buildings and other insurable property within such area. Such policy shall be in a form that meets the criteria set forth in the most current guidelines on the subject issued by the Federal Insurance Administrator. At the option of the Association, funds for any deductibles may be included in the Association's Reserve Fund, and, if included, shall be so designated.

(c) Name of the Insured. The named insured under each policy required to be maintained under Subsections 12.1.1(a) and 12.1.1(b) shall be in form and substance essentially as follows: "Moose Hollow Homeowners Association, Inc. a Utah nonprofit corporation, for the use and benefit of the individual Owners."

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

(e) Association's Policy to Provide Primary Coverage. If a loss occurs that is covered by a property insurance policy in the name of the Association and another property insurance policy in the name of an Owner, the Association's policy shall provide primary insurance coverage on the Units and the Common Areas, and the Owner's policy shall apply to that portion of the loss attributable to the deductible of the Association's policy and all personal property in the Owner's Unit. An Owner who owns a Unit that has suffered Unit damage as part of a covered loss under the Association's policy is responsible for all or a portion of the deductible on the Association's policy calculated by applying the percentage of total damage resulting in a covered loss that is attributable to damage to a Unit or to the Limited Common Area appurtenant to such Unit to the amount of the deductible under the property insurance policy of the Association. The Association shall set aside in the Association's Reserve Fund an amount equal to the amount of the Association's property insurance deductible or $10,000, whichever is less. The Association shall provide written notice to each Owner of the Owner's obligation for the Association's policy deductible and of any change in the amount of the deductible.

(f) Insurance Trustee. An insurer under a property insurance policy issued to the Association shall adjust with the Association a loss covered under the Association's policy. Notwithstanding the above, the insurance proceeds for a loss under a property insurance policy of the Association are payable to an Insurance Trustee that the Association designates or, if no Insurance Trustee is designated, to the Association, and may not be payable to a holder of a security interest. An Insurance Trustee or the Association shall hold any insurance proceeds in trust for the Association, the Owners, and lien holders. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property. After such disbursements are made and the damaged property has been completely repaired or restored or the project terminated, any surplus proceeds are payable to the Association, the Owners, and lien holders.

(g) Certificate of Insurance. An insurer that issues a property insurance policy under this Section, or the insurer's authorized agent, shall issue a certificate or memorandum of insurance to the Association, an Owner, and a holder of a security interest, upon the Association's, an Owner's or the holder's written request.

(h) Cancellation or Nonrenewal Subject to Procedures. A cancellation or nonrenewal of a property insurance policy under this Paragraph is subject to the procedures stated in Utah Code Annotated § 31A-21-303.

(i) Waiver of Liability. The Association and Board that acquires from an insurer the property insurance required in this Section is not liable to Owners if the insurance proceeds are not sufficient to cover 100% of the full replacement cost of the insured property at the time of the loss.

12.1.2 Insurance Coverage for Theft and Embezzlement of Association Funds. The Association shall maintain in force coverage against dishonest acts on the part of the Manager (and the Manager's employees), and Association trustees, employees, officers, Board members, and volunteers responsible for handling funds belonging to the Association or administered by the Board or the Association. An appropriate endorsement to the policy shall be secured to cover persons who serve without compensation if the policy would not otherwise cover volunteers. The bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one and one-half times (150%) of the Project's estimated annual Operating Expenses and reserves. The insurance shall contain waivers by the issuers of the insurance of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. The premiums on all insurance required herein, except those maintained by the Manager, shall be paid by the Association as an Operating Expense. The insurance shall provide that it may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) calendar days prior written notice to the Association or the Insurance Trustee. Such bonds shall also provide that the FNMA servicer, if FNMA is a holder of Mortgages on Units within the Project, on behalf of FNMA, also, receive such notice of cancellation or modification.

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

12.1.4 Directors and Officers Insurance. The Association shall obtain Directors' and Officers' liability insurance protecting the Board, the officers and their spouses, and the Association against claims of wrongful acts or prior acts, mismanagement, failure to maintain adequate reserves, failure to maintain books and records, failure to enforce the Governing Documents, and breach of contract (if available). This policy shall: (1) include coverage for volunteers and employees, (2) include coverage for monetary and non-monetary claims, (3) provide for the coverage of claims made under any fair housing act or similar statute or that are based on any form of discrimination or civil rights claims, and (4) provide coverage for defamation. In the discretion of the Board, the policy may also include coverage for the Manager and any employees of the Manager.

12.1.5 Liability Insurance. The Association shall maintain comprehensive general liability insurance coverage covering all of the Common Areas, commercial space owned and leased by the Association, if any, and public ways of the Project. Coverage limits shall be in amounts generally required by private institutional mortgage investors for condominium projects similar to the Project in construction, location and use, provided that, such coverage shall be for

at least $1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas, and legal liability arising out of lawsuits related to employment contracts of the Association. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least ten (10) calendar days prior written notice to the Association and to each holder of a Mortgage on any Unit in the Project that is listed as a scheduled holder of a Mortgage in the insurance policy. Such policies must also include protection against such other risks as are customarily covered with respect to condominium projects similar to the Project in construction, location and use, including, but not limited to, host liquor liability, employers liability insurance, contractual and all-written contract insurance, and comprehensive automobile liability insurance. Each Owner is an insured person under a liability insurance policy that the Association obtains that insures against liability arising from the Owner's interest in the Common Areas or from membership in the Association.

12.1.6 Worker's Compensation. The Association shall maintain worker's compensation insurance to the extent required by applicable laws.

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

12.1.8 Insurance Trustees; Power of Attorney. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Owner appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

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

12.1.10 Waiver of Subrogation. An insurer under a property insurance policy or liability insurance policy obtained under this Article waives the insurer's right to subrogation under the policy against any Owner or member of the Owner's household.

12.1.11 Owner Act Cannot Void Coverage Under Any Policy. Unless an Owner is acting within the scope of the Owner's authority on behalf of the Association and under direct authorization of the Association, an Owner's act or omission may not void any insurance policy or be a condition to recovery under such policy.

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

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

12.2 Owner Insurance Coverage

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

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

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

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

If an Owner fails to maintain insurance on his or her Unit, such Owner will still be responsible for any claim arising from losses that originate within their Unit and/or from items that are their responsibility to maintain, repair or replace, including any improvement which is a permanent part of their Unit. In the event a claim is filed on the Association policy involving a Unit, the Owner(s) of such Unit shall be solely responsible to pay the Association deductible. If a Unit is owned by more than one Owner, the Owners shall be jointly and severally responsible for the payment of such deductible.

(2) Insurance protection for Personal Property (Contents), Personal Liability, Loss Assessment, Loss of Use, Flood, Earthquake and other applicable coverage is the sole responsibility of the Unit's Owner. Insurance coverage for the Unit is commonly obtained by purchasing a Homeowners Form 6 (HO6) policy. However, each Owner is solely responsible for ensuring that such policy provides adequate insurance coverage. Such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Section.

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

ARTICLE 13 – EASEMENTS

13.1 In General

It is intended that in addition to rights under the Condominium Act, each Unit has an easement in and through each other Unit and the Common and Limited Common Areas for all support elements and permitted utility, wiring, heat/air conditioning and service elements, and

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

13.2 Association Functions

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

13.3 Encroachments

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

ARTICLE 14 – DESTRUCTION, CONDEMNATION, AND OBSOLESCENCE

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

14.1 Definitions

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

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

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

(c) "**Excess Insurance Funds**" has the meaning given in Section 14.5 below.

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

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

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

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

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

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

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

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

14.2 Determination by Board

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

14.3 Restoration of the Project

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

14.4 Notices of Destruction or Obsolescence

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

14.5 Excess Insurance

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

14.6 Inadequate Insurance

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

14.7 Sale of Project

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

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

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

ARTICLE 15 – CONSENT IN LIEU OF VOTE

Subject to Subsection 16-6a-707 of the Nonprofit Corporation Act (as such Subsection may be amended from time to time) in any instance in which a vote of the Owners is required in order to authorize or approve any transaction, action, or event, such requirement may be fully satisfied by obtaining, with or without a meeting, written consent to such transaction, action, or event from Owners who collectively hold not less than the minimum voting power that would be necessary to authorize or authorize or approve the transaction, action, or event at a meeting at which all Owners entitled to vote on the matter were present and voted.

15.1 Sixty-Day Limit

All necessary written consents must be obtained prior to the expiration of sixty (60) calendar days from the time the first written consent is obtained.

15.2 Revocation of Written Consent

Any Owner giving such written consent may revoke his or her consent by a signed writing that: (a) describes the transaction, action, or event; (b) states that the Owner's prior consent is revoked; and (c) is received by the Association prior to the effectiveness or commencement of the transaction, action, or event.

15.3 Notice

If a transaction, action, or event is approved by such written consent of Owners without a meeting, written notice of the approval must be given to all Owners no later than ten (10) calendar days before consummation of the transaction, action, or event authorized by such written consent of Owners.

15.4 Statutory Requirements or Restrictions

The provisions of this Article 15 are subject to any applicable requirements or restrictions that may be set forth in the Nonprofit Corporation Act.

ARTICLE 16 – LIMITATION OF LIABILITY

16.1 Liability for Utility Failure, etc.

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

16.2 No Personal Liability

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

16.3 Indemnification of Board Members

Each Board member or Association committee member, or Association officer shall be indemnified by the Association and the Owners against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of holding or having held such a position, or any settlement thereof, whether or not he or she holds such

position at the time such expenses or liabilities are incurred except in such cases wherein such person is adjudged (by a court of competent jurisdiction) guilty of willful misfeasance, malfeasance or nonfeasance in the performance of his or her duties; provided, however, that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association.

ARTICLE 17 – MORTGAGEE PROTECTION

17.1 Notice to Mortgagee – Owner's Failure to Perform Obligations

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

17.2 Priority of Mortgages

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

17.3 Prohibited Actions

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

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

(b) To partition or subdivide any Unit;

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

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

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

17.4 Insurance

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

17.5 Examination of Books

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

17.6 Maintenance of Common Areas / Common Improvements

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

17.7 Management Contracts

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

17.8 Notice to Mortgagee – Common Area Damage or Loss

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

17.9 No Owner Priority for Insurance Proceeds or Condemnation Awards

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

17.10 Right of First Refusal Exemption

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

17.11 Maximum Mortgagee Protection

In the event another provision or clause in this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Article 17, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority, as the case may be, applicable to the Board and Association with respect to the subject matter concerned.

17.12 Effect of Declaration Amendments

No amendment to this Article 17 which has the effect of diminishing the rights, protection, or security afforded to Mortgagees shall be accomplished or effective unless all of the Mortgagees of the individual Units have given their prior written approval to such instrument. Any amendment to this Article 17 shall be accomplished by an instrument executed by the Board and filed for record in the Office of the Weber County Recorder. In any such instrument an officer of the Board shall certify that any prior written approval of Mortgagees required by this Article 17 as a condition to amendment has been obtained.

17.13 Certification of Mortgagee Protection

The Board of Directors has been advised by the Association's legal counsel that this Article 17 does not diminish the rights, protection, or security afforded to any Mortgagees under the provisions of the Original Declaration. Consequently, as required by Section 41 of the Original Declaration, those members of the Board signing this Declaration hereby certify that no prior written approval of Mortgagees are required by such Section 41. Such certification is the result of a reasonable reading and interpretation of the Original Declaration, including said Section 41. Accordingly, notwithstanding such required certification, those members of the Board signing this Declaration shall in no manner whatsoever be held personally responsible or liable to any Mortgagees for any claims, actions, damages, liability, costs or expenses that may ever be allegedly suffered or experienced by such Mortgagees.

ARTICLE 18 – EXPANSION / CONTRACTION

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

ARTICLE 19 – AMENDMENT TO DECLARATION

Amendments to this Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Owners. Amendments may be adopted at a meeting of the Owners if Owners holding sixty-seven percent (67%) of the voting rights in the Association vote in favor of such amendment, or without any meeting if all Owners have been duly notified and Owners holding sixty-seven percent (67%) of the voting rights consent in writing to such amendment. In all events, the amendment when adopted shall bear the signature of the President of the Association and shall be attested by the Secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the Recorder's Office and any other appropriate governmental offices. Any decision changing the Percentage Interest shall require the unanimous consent of the Owners and their Mortgagees. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions and restrictions contained herein which may be affected and any or all clauses of this Declaration unless otherwise specifically provided in the Section being amended or the amendment itself.

ARTICLE 20 – MISCELLANEOUS

20.1 Service of Process

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

20.2 Delivery of Notices to the Association

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

20.3 Delivery of Notices to the Owners

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

The Association may also post notices on the Association's website (if any), but only if such notice has also been delivered to the Owners via first-class mail, registered mail or email. The Association may not utilize the Association's website as the sole means of delivering notices to the Owners. The Association may not utilize text messaging or any other electronic transmission (as that term is defined under Section 16-6a-102 of the Nonprofit Corporation Act) to deliver notices.

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

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

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

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

If a Unit is jointly owned or the Unit has been sold under a land sale contract, notices shall be sent to a single mail address, of which the Board has been notified in writing by such parties. If no address has been given to the Board in writing, notices shall be sent to the mailing address that appears on the website for the Weber County Assessor's Office for to mailing address for the Owner's Unit.

20.4 Delivery of Notices to Mortgagees

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

20.5 Conveyances.

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

> Unit No. _____ contained within the Moose Hollow Condominium Project as the same is identified in the Record of Survey Map recorded in Weber County, Utah as Entry No. ____ in Book ____ at Page _____ (as said Record of Survey Map may have hereafter been amended or supplemented) and in the Amended and Restated Declaration of Condominium of the Moose Hollow Condominium Project recorded in Weber County, Utah as Entry No. ____ in Book ____ at Page ____ (as said Declaration may have heretofore been amended or supplemented). TOGETHER WITH the undivided ownership interest in said Project's Common Areas and Common Improvements which is appurtenant to said Unit (the referenced Declaration of Condominium providing for periodic alteration both in the magnitude of said undivided ownership interest and in the composition of the Common Areas and Common Improvements to which said interest relates).

20.6 Security Disclaimer

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

20.7 Owner Joint and Several Responsibility

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

20.8 Mechanics Liens

Liens for materials, labor or money against any Owner or the Association are to be indexed in the public records under the name of the Unit and the Unit's Owner(s). With regard to a lien on multiple Units for materials, labor or money provided to the Association or affecting the Common Areas, an Owner may pay his or her pro rata share of the amount of any lien and that shall be sufficient to release the lien as to his Unit. Any person, entity or organization that elects to provide materials or perform labor at the Project shall do so subject to the terms, covenants, and conditions of this Section 20.8.

20.9 Severability

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

20.10 Effective Date

This Declaration shall take effect upon recording.

20.11 Liberal Construction

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

20.12 Consistent with Acts

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

20.13 Covenant Running with Land

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

20.14 Unit and Building Boundary

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

20.15 "Person," etc.

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

20.16 Captions and Exhibits

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

IN WITNESS WHEREOF, the Association has caused this Declaration to be executed by its duly authorized officers on the _____ day of _____, 2018.

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

By: _____
Name: _____
Title: President

By: _____
Name: _____
Title: Secretary

Exhibit "A"
to
Declaration

Legal Description

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exhibit “B”

Association Bylaws