AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR ORCHARD VILLA TOWNHOMES

A Planned Unit Development in Moab, Grand County, Utah

> Ent 540792 Bk 915 Pg 952 - 995 Date: 07-MAY-2021 10:20:01AM Fee: \$160.00 Check Filed By: KDB JOHN ALAN CORTES, Recorder GRAND COUNTY CORPORATION For: ORCHARD VILLA TOWNHOMES

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This AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR ORCHARD VILLA TOWNHOMES ("Declaration") is adopted by the Orchard Villa Townhomes Homeowners Association, Inc., ("Association") and is effective as of the date it is recorded in the office of the Grand County Recorder.

RECITALS

- The Declaration of Covenants, Conditions, and Restrictions of Orchard Villa Α. Townhomes, Phase One was recorded in the Grand County Recorder's Office on January 14, 1994 as Entry No. 430211 (the "Original Declaration").
- The Declaration of Covenants, Conditions, and Restrictions of Orchard Villa Β. Townhomes, Phase Two was recorded in the Grand County Recorder's Office on July 11, 1996 as Entry No. 437180.
- An Amendment to the Declaration of Covenants, Conditions, and Restrictions of С. Orchard Villa Townhomes was recorded in the Grand County Recorder's Office on June 13, 2000 as Entry No. 451455.
- D. This Declaration, which (along with and subject to any future amendments) shall be the sole declaration for the Project and shall completely replace and supersede in all respects the Original Declaration and amendments thereto (whether recorded or not, properly adopted or not, or referenced in this Declaration or not), prior to the date of the recording of this Declaration.
- Ε. The Bylaws of the Association attached hereto as Exhibit B supersede and replace any previous bylaws of the Association and any amendments thereto, whether recorded or not.
- F. This Declaration affects the real property situated in Grand County, Utah, described with particularity on Exhibit A, which exhibit is attached hereto and incorporated in this Declaration by reference (the "Project") and shall be binding on all parties having or acquiring any right, title, or interest to the Project or any part thereof.
- G. Pursuant to Utah Code Ann. §57-8a-104(1)(a)(i)(A), at least sixty-seven percent (67%) of the total votes of the Association have approved this Declaration. The signature hereinafter of the president of the Association certifies and attests that such vote was obtained.

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NOW, THEREFORE, pursuant to the Recitals set forth above and incorporated herein and subject to the covenants set forth below, the Association hereby adopts this Declaration. Jain the Association as the plat, Bylaws, and Rules adopted by the Association, as may be amended, shall define and govern the rights of the Owners and the Association related Ho the Project.

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ARTICLE I. DEFINITIONS

30 Ā 1.1. Act shall mean the Utah Community Association Act, codified beginning at §57-8a-101. Utah Code Annotated, as the same may be amended from time to time.

1.2. <u>Articles</u> shall mean the Articles of Incorporation for the Association, as amended and restated from time to time.

1.3. <u>Assessments</u> shall mean any monetary charge imposed or levied by the Association against Owners as provided in the Declaration or other Governing Documents.

1.4. <u>Association</u> shall mean and refer to the Orchard Villa Townhomes Homeowners Association, Inc., a Utah non-profit corporation. Failure of the Association to maintain its corporate status will not result in the dissolution of the Association. The Association Board may renew or reinstate its corporate status without Owner approval.

1.5. **Board** or **Board of Directors** shall mean and refer to the Board of Directors of the Association as duly elected in accordance with the terms and conditions of the Articles and Bylaws. The Board is the governing body of the Association.

1.6. **Board Member** shall mean a duly qualified and elected or appointed individual member of the Board of Directors of the Association.

1.7. **Bylaws** shall mean and refer to the Bylaws of the Association as the same may be amended from time to time.

1.8. **Common Areas** shall mean all areas of the Project, excluding Lots and Living Units. Common Areas may include without obligation or limitation, all Common Areas shown on the Plat, roadway improvements, Association signs or monuments, open space, landscaped areas, sprinkler systems, street signage, lighting detached from Living Units, sidewalks, pool, and other similar improvements, all utility and service lines and similar improvements, whether public or private-company owned, intended to serve more than one Living Unit, whether located on a Lot or lying inside of the exterior boundaries of the Living Unit; and any real property or improvements within the Project that the Association has the obligation to maintain, repair, or replace for the common benefit of the Owners, as the Board shall determine in its sole and exclusive discretion.

1.9. **Common Expenses** shall mean all sums lawfully assessed against Owners including expenses of administration, maintenance, management, operation, repair and replacement of the Common Areas and Limited Common Areas which are maintained by the Association, unless otherwise provided herein; expenses agreed upon as common expenses by the Association or its Board of Directors; expenses authorized by the Governing Documents or the Act as common expenses; and any other expenses necessary for the common benefit of the Owners.

1.10. **Declaration** shall mean and refer to this *Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Orchard Villa Townhomes*, as may be amended from time to time.

1.11. **Design Guidelines** shall mean the requirements governing the location, color, materials, and architectural design of Living Units, structures, landscaping, and improvements within the Project.

1.12. <u>Governing Documents</u> shall mean and refer to the Declaration, Plat, Articles, Bylaws, and any Rules adopted by the Board.

1.13. <u>Limited Common Area</u> shall mean the Common Areas reserved for the use and benefit of a designated Lot or Living Unit to the exclusion of other Owners. Whether or not indicated on the Plat, the Limited Common Areas shall include facilities appurtenant to the Living Units including driveways, private walkways, patios, roofs, and exterior surfaces of the Living Units (including rain gutters, downspouts, soffits, and fascia). The right to the exclusive use of the Limited Common Area shall be appurtenant to each respective Lot and may not be severed from the ownership of the Lot. All installations or modifications of Limited Common Areas shall be approved by the Association and shall be subject to the provisions in this Declaration and the Design Guidelines. The Board shall have the power and discretion to determine the Limited Common Area boundaries if the Governing Documents are found ambiguous.

1.14. Living Unit shall mean a structure which is designed and intended for use and occupancy as a single-family residence, together with all improvements located on a Lot which are used in connection with such residential structure. The Living Unit shall include, without limitation, exterior and interior doors, garages, windows, and foundations. Roofs and the exterior surfaces of Living Units are not part of the Living Unit and shall be treated as Limited Common Area. The Living Unit shall also include all mechanical equipment and appurtenances located outside the Living Unit but designed to serve only that Living Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors, evaporative coolers, equipment, fixtures and the like. All pipes, wires, conduits, utility lines, or other similar installations serving only the Living Unit, and any structural members, parts, components or any other property of any kind, including fixtures or appliances within any Living Unit, which are removable without jeopardizing the integrity, soundness, safety or usefulness of the remainder of the building within which the Living Unit is located shall be deemed part of the Living Unit.

1.15. Lot shall mean each of the individual Lots within the Project, as shown on the Plat. Boundaries of Lots consist of the footprint of the Living Units. The Lot shall extend to the center of the Party Wall, which shall form the boundary of the Lots sharing that wall. Subject to dividing lines between Lots, any above-ground structure that extends beyond the vertical plane of the ground-level boundary of the Lot is part of the Lot if it: (1) is part of and an integral part of the Living Unit's structure (such as bay windows, pop-outs, eves, etc.,); or (2) was constructed as part of the original construction of the Lot.

1.16. <u>Manager</u> shall mean a person, persons, or entity, if any, selected by the Board to manage the affairs of the Association and Project.

1.17. Member shall mean and refer to a Lot Owner.

1.18. **Mortgage** shall mean and refer to a mortgage, deed of trust, or trust deed, or the act of encumbering any Lot or any property by a mortgage, trust deed, or deed of trust.

1.19. **Mortgagee** shall mean and refer to any person or entity named as a mortgagee of a mortgage or beneficiary under or holder of a deed of trust.

1.20. **Occupant** shall mean any Person, living, dwelling, visiting, or staying in a Living Unit. This includes, but is not limited to, all lessees, tenants, guests, and the family members, agents, and representatives living, dwelling, visiting, or staying in a Living Unit. Occupants shall be bound by the Restrictions in this Declaration and shall be liable for any fines that are assessed for violations of the Governing Documents.

1.21. **Owner** or **Lot Owner** shall mean and refer to the record owner, whether one or more Persons, of a fee simple title to any Lot which is a part of the Project, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

1.22. <u>Party Wall</u> shall mean a wall, including without limitation a foundation wall, that forms part of a Living Unit and is located on or adjacent to a boundary line between two or more adjoining Lots or Living Units that are owned by more than one (1) Owner and is used or is intended to be used by the Owners of the benefitted Living Units as a structural partition wall. A Party Wall may be separated by a sound board between two or more Living Units.

1.23. <u>**Person**</u> shall mean a natural individual, corporation, business entity, estate, partnership, trustee, association, joint venture, government, governmental subdivision, or agency or other legal entity capable of holding title to real property.

1.24. <u>Plat</u> shall mean all of the official subdivision plats of the Project, and any amendments thereto, filed and recorded in the official records of the Grand County Recorder's Office.

1.25. <u>Project</u> shall mean Orchard Villa Townhomes, a Planned Unit Development and shall include the real property described in Exhibit A, together with the buildings, improvements, and permanent fixtures located thereon, and all easements and rights appurtenant thereto.

1.26. **<u>Restrictions</u>** shall mean the covenants, conditions, assessments, easements, liens, and restrictions set forth in this Declaration.

1.27. **Rules** shall mean the rules, resolutions, regulations, policies, architectural guidelines, etc. adopted by the Board.

ARTICLE II. PROJECT DESCRIPTION

2.1. <u>Submission</u>. The Project and all real property described with particularity on Exhibit A attached hereto and incorporated herein by this reference is hereby submitted to the Act. The Project and all of the Lots shall be held, conveyed, transferred, sold, mortgaged, encumbered, occupied, used, and improved subject to the Restrictions, which Restrictions shall constitute covenants and conditions running with the land and shall be binding upon and inure to the benefit of the Association and each Owner, including their respective heirs, successors, and assigns.

2.2. <u>Name</u>. The Project, as submitted to the provisions of this Declaration, shall be known as Orchard Villa Townhomes. The Project is not a cooperative.

2.3. **Description of Improvements**. The major improvements in the Project are seventeen (17) townhome buildings that each contain groups of the separately owned seventy-two (72) Lots and Living Units. The Lots, their locations, and approximate dimensions are indicated on the Plat. The Project also contains assigned and unassigned parking spots, private streets, a swimming pool, open spaces, and other improvements.

2.4. **Registered Agent**. The Registered Agent of the Association shall be as provided in the entity filings with the Utah State Department of Commerce, Division of Corporations and Commercial Code. The Board may change the Registered Agent without Owner vote or approval.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS

3.1. <u>Membership</u>. Every Owner shall be a Member of the Association. Membership in the Association shall be mandatory, shall be appurtenant to the Lot in which the Owner has

the necessary interest, and shall not be separated from the Lot to which it appertains. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Lot, and then only to the new Owner. Any attempt to make a prohibited transfer is void. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in his name to the purchaser of his Lot, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

3.2. <u>Voting Rights</u>. Except as otherwise disallowed in this Declaration or the Bylaws, there is one (1) vote per Lot.

3.3. <u>Multiple Ownership Interests</u>. In the event there is more than one Owner of a particular Lot, the vote relating to such Lot shall be exercised as such Owners may determine among themselves. A vote cast by any of such Owners, whether in person or by proxy or by written ballot, shall be conclusively presumed to be the vote attributable to the Lot concerned unless an objection is immediately made by another Owner of the same Lot. In the event such an objection is made or if there are conflicting votes from the same Lot, the vote involved shall not be counted for any purpose other than to establish a quorum.

3.4. **Record of Ownership**. Every Owner shall promptly notify the Association of any change in ownership of a Lot by providing the conveyance information to the Secretary of the Association who shall maintain a record of ownership of the Lots. Any cost incurred by the Association in obtaining the information about an Owner as specified herein which is not furnished by such Owner shall nevertheless be at the expense of such Owner and shall be reimbursed to the Association as an Individual Assessment.

ARTICLE IV. PROPERTY RIGHTS IN COMMON AREAS

4.1. **Easement of Enjoyment**. Each Member shall have a right and easement of use and enjoyment in and to the Common Areas. Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom. Any Member may delegate the right and easement of use and enjoyment described herein to any family member, tenant, lessee, or contract purchaser who resides on such Member's Lot. The rights and privileges of such delegee or assignee shall be subject to suspension in the same manner and to the same degree as those of an Owner. This right of easement shall only extend to each Owner's Limited Common Area appurtenant to their Lot, and not to other Limited Common Areas.

4.2. <u>Title to Common Areas</u>. The Association shall hold the title to the various Common Areas within the Project.

4.3. <u>Limitation on Easement</u>. A Member's right and easement for the use and enjoyment of the Common Areas shall be subject to the following:

1) The right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas;

2) The right of Grand County and any other governmental or quasi-governmental body having jurisdiction over the Project to access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Project for

purposes of providing police and fire protection, transporting school children, and providing any other governmental or municipal service;

3) The right of the Association to suspend voting rights and the right to use the Common Areas by an Owner for any period during which any Assessments against his Lot remain unpaid;

4) The right of the Association to suspend voting rights and the right to use the Common Areas by an Owner for any period during which an Owner is in violation of the Governing Documents, provided the opportunity for a hearing is first provided to the Owner;

5) The right of the Association to dedicate or transfer all or any part of the Common Areas, and any sewer, water and storm drain lines to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Association. Any such dedication or transfer must, however, be assented to by two-thirds (2/3) of all Lots.

4.4. **Delegation of Use**. Any Owner may delegate his right of use and enjoyment to the Common Areas to Occupants or contract purchasers who reside in the Project. The rights and privileges of such delegee or assignee shall be subject to suspension in the same manner and to the same degree as those of an Owner, as described in above Section. Use of all Common Areas (including the RV lot) by renters/tenants is permitted.

4.5. <u>Association Easement</u>. The Association, its Board, the Manager, employees, agents, and contractors shall have non-exclusive easements to use the Common Areas and access Lots as needed to perform their duties as assigned by the Governing Documents.

4.6. **Easement for Utility Services**. The Project is subject to a blanket easement over, across, above, and under it for ingress, egress, installation, maintenance, repair, and replacement of roads and utilities. Utilities include, without limitation, water, sewer, gas, telephone, electricity, data, video, and cable.

4.7. <u>Easements for Encroachments</u>. If any portion of a Common Area structure or improvement encroaches upon any Lot, or if any structure or improvement of a Lot encroaches upon any other Lot or the Common Area as a result of the manner in which the improvements were initially approved and constructed or due to settling, shifting, alteration, replacement, repair, or restoration by the Association, a valid easement for encroachment, and maintenance of such encroachment, shall exist for the life of the improvement or structure.

4.8. **Party Wall and Shared Roof Easement**. Each Owner hereby acknowledges and agrees that a Party Wall or shared roof may presently encroach upon or overlap the Owner's Lot. Each Owner hereby grants to the Association, and the adjoining Owner of the other Lot that shares the Party Wall, or shared roof, an easement over and upon its Lot and Living Unit for the purpose of maintaining the Party Wall and shared roof. By accepting a deed to a Lot, each Owner hereby covenants and agrees not to do anything or to erect any barrier that will hinder, delay or limit the maintenance of the Party Wall and shared roof and the performance of each Owner's obligation to maintain and repair the townhome structure.

4.9. <u>Compliance with Restrictions and Rules</u>. Each Owner and Occupant shall comply with the Restrictions imposed by this Declaration. Further, each Owner, Occupant and guest shall fully and faithfully comply with the Association's Rules and Restrictions.

ARTICLE V. BUDGET AND ASSESSMENTS

5.1. <u>Annual Budget</u>. The Board shall prepare and adopt an annual budget for the Association. The annual budget shall provide, without limitation, for the maintenance of the Common Areas, Limited Common Areas, and for the administration, management, and operation of the Association. The Board may revise the budget from time to time as the Board deems appropriate. If the Board fails to adopt an annual budget, the last adopted budget shall continue in effect until a new annual budget is adopted. The budget shall be made available to Owners within thirty (30) days after adoption.

5.2. <u>Covenant to Pay Assessments</u>. Each Owner of a Lot by the acceptance of a deed therefore, whether or not it be so expressed in the deed, hereby covenants and agrees with each other and with the Association to pay to the Association all Assessments, including without limitation, all Annual, Special, and Individual Assessments described below, and other fees, charges, levies, and fines as may be provided in the Governing Documents.

5.3. **Purpose of Assessments**. Assessments levied by the Association shall be used for the purpose of promoting the health, safety, and welfare of residents of the Project, including but not limited to the appearance and aesthetics of the Project. The use made by the Association of funds obtained from Assessments may include, but is not limited to: payment of the cost of taxes and insurance on the Common Areas; maintenance, repair, and improvement of the Common Areas and Limited Common Areas and any other items that are the Association's responsibility to maintain; establishing and funding a reserve to cover major repair or replacement of improvements within the Common Areas and Limited Common Areas; and any expenses necessary or desirable to enable the Association to perform or fulfill its obligations, functions, or purposes under the Governing Documents.

5.4. **Annual Assessments**. Annual Assessments shall be made on a calendar year basis based on the budget. Each Annual Assessment shall be due and payable in monthly or quarterly installments on the first day of each month or quarter, unless a different payment arrangement is made by the Board. At least fifteen (15) days prior to the effective date of any change in the amount of the Annual Assessment, the Association shall give each Owner written notice of the amount. Annual Assessments are based on the size of the Lot/Living Unit (whether 2 or 3 bedroom).

5.5. **Special Assessments**. The Board may levy a Special Assessment payable over such a period as the Board may determine for the purpose of defraying, in whole or in part any expense or expenses not reasonably capable of being fully paid with funds generated by Annual Assessments; the cost of any reconstruction or unexpected repair or replacement of the Common Areas or Limited Common Areas; or for any other expense incurred or to be incurred as provided in this Declaration, except for new capital improvements further described in Section 6.4(6) below. Special Assessments over seven hundred fifty dollars (\$750) per Lot in a calendar year must be approved and assented to by a majority of the Members present in person or by proxy at a meeting duly called for such purpose. Notice in writing of the amount of any Special Assessments and the time for their payment shall be given as soon as is reasonably possible to the Owners. Payment shall be due on the dates and in the manner determined by the Board and provided in the notice.

5.6. <u>Benefited Assessments.</u> In addition to Annual Assessments and Special Assessments authorized above, the Board may levy Benefited Assessments against particular Lots to cover the costs of the Association in providing special benefits, items, or services to the

particular Lots. Benefited Assessments may be levied in advance of the Association providing such special benefits, items, or services to particular Lots and shall be imposed equally upon all benefited Lots.

Individual Assessments. In addition to Annual, Special, and Benefited 5.7. Assessments authorized above, the Board may levy Individual Assessments against a Lot and its Owner for: (a) administrative costs and expenses incurred by the Board in enforcing the Governing Documents against the Owner or his/her Occupants; (b) costs associated with the maintenance, repair, or replacement of Common Areas or Limited Common Areas caused by the neglect or actions of an Owner or his/her Occupants; (c) any other charge, fine, fee, expense, or cost designated as an Individual Assessment in the Governing Documents or by the Board, including, without limitation, action taken to bring a Lot and its Owner into compliance with the Governing Documents; (d) nonpayment of a "Reinvestment Fee" (as defined in Section 5.20, below); (e) costs of providing services to the Lot upon request of the Owner; and (f) attorney fees, court or collection costs, fines, and other charges relating thereto as provided in this Declaration. In addition, Individual Assessments may be levied against a Lot and its Owner specifically benefited by any improvements to adjacent roads, sidewalks, planting areas or other portions of the Common Areas or Limited Common Areas made on the written request of the Owner of the Lot to be charged. The aggregate amount of any such Individual Assessments shall be determined by the cost of such improvements, repairs, maintenance, or enforcement action, including all overhead and administrative costs and attorney fees, and shall be allocated among the affected Lots according to the special benefit or cause of damage or maintenance or repair work or enforcement action, as the case may be. Individual Assessments may be levied in advance of the performance of the work. If a special benefit arises from any improvement which is part of the general maintenance obligations of the Association, it shall not give rise to an Individual Assessment against the Lot(s) benefited, unless such work was necessitated by the Lot Owner's or his/her Occupants' negligence.

5.8. <u>Allocation of Assessments</u>. Annual Assessments are based on the size of the Lot/Living Unit (whether 2 or 3 bedroom). Special Assessments shall be fixed at a uniform rate for all Lots. Benefited Assessments shall be fixed at a uniform rate for all Lots benefited thereby. Individual Assessments shall be allocated separately to each Lot based on the costs incurred by the Association.

5.9. <u>Application of Excess Assessments</u>. In the event the amount budgeted to meet Common Expenses for a particular fiscal year proves to be excessive in light of the actual Common Expenses, the Board in its discretion may apply the excess to reserves, credit the excess against future Assessments, or pay the excess to the Owners, as the Board deems appropriate. The decision of the Board shall be binding and conclusive. In addition, the Association shall not be obligated to reduce the amount of Assessments in succeeding years if an excess exists for a prior year.

5.10. <u>No Offsets</u>. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount or withholding of any amount shall be permitted for any reason, including, without limitation, a claim that the Association owes the Owner money, or that the Association is not properly exercising its duties and powers as provided in this Declaration.

5.11. <u>Written Statement of Unpaid Assessment.</u> Upon the written request of an Owner, the Association shall issue a written statement (i.e. an account statement) indicating whether or not all Assessments respecting such Lot are current and, if not, the amount of the

delinquency. Such written statement shall be conclusive in favor of all persons who in good faith rely thereon. The Association may charge the requesting Owner a reasonable fee of up to ten dollars (\$10) or an amount greater if so provided in the Act.

5.12. **Personal Obligation and Lien**. All Assessments, together with any interest, late fees, collection costs, and attorney fees if collection efforts become necessary shall be, constitute, and remain: (a) a charge and continuing lien upon the Lot with respect to which such Assessment is made; and (b) the personal obligation of the person who is the Owner of such Lot at the time the Assessment falls due. No Owner may exempt himself or his Lot from liability for payment of Assessments by waiver of his rights concerning the Common Areas, Limited Common Areas, or by abandonment of his Lot. In a voluntary conveyance of a Lot, the grantee shall be jointly and severally liable with the grantor for all such unpaid Assessments, late payment fees, interest, and costs of collection, including reasonable attorney fees, which shall be a charge on the Lot at the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore.

5.13. **Billing and Collection Procedures**. The Board shall have the right to adopt Rules setting forth procedures for billing and collection of Assessments, provided that such procedures are not inconsistent with the provisions hereof. The failure of the Association to send an invoice to an Owner shall not relieve any Owner of liability for any Assessment or charge under this Declaration, but the Assessment lien therefore shall not be foreclosed or otherwise enforced until the Owner has been given not less than thirty (30) days written notice prior to such foreclosure or enforcement, at the address of the Owner on the records of the Association, of the Assessment or installment and of the amount owing. Such notice may be given at any time prior to or after delinquency of such payment. A copy of such notice may also be provided to the Occupant(s) of the Owner if the Owner is not a resident at the Project.

5.14. **Due Date and Delinquency**. Assessments shall be paid in a timely manner. Payments are due in advance on the first day of the month or the first day of such other period established for the payment of Assessments. Payments are delinquent if received more than ten (10) days from the date that they became due. Whenever an Assessment is delinquent, the Board may at its option invoke any one or more options or all of the sanctions granted in this Article or the Act.

5.15. <u>Collection Charge</u>. If the Association does not otherwise adopt or establish billing and collection procedures in the Rules, the following shall apply. Accounts delinquent for three (3) or more months may be charged a twenty-five dollar (\$25) late fee each month until the Owner's account (including all collection charges, costs, and attorney fees) is paid in full. Interest may also accrue on all unpaid balances at the rate of twelve percent (12%) per annum. Collection charges, interest, and late fees shall constitute part of the Assessment lien provided above until paid.

5.16. **Collection Action at Law.** The Association may exercise any or all of the following remedies to collect delinquent Assessments:

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1) The Association may suspend such Owner's voting rights.

2) The Association shall have a lien against each Lot for any Assessment levied against the Lot and any fines or other charges imposed under this Declaration or the Bylaws against the Owner of the Lot from the date on which the Assessment, fine, or charge is due. This lien shall arise and be perfected as of the date of the recording of this Declaration. At any time, any Assessment or installment thereof is delinquent, the

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Association, by and through its Board or any Manager, may file a notice of lien in the deed records of Grand County, Utah against the Lot with respect to which the delinquency pertains. Once filed, such lien shall accumulate all future Assessments or installments, interest, late fees, penalties, fines, attorney fees, and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. Said lien may be foreclosed at any time as allowed by law. The lien of the Association shall be superior to all other liens and encumbrances except: a lien or encumbrance recorded before the original Declaration was recorded; a first or second security interest on the Lot secured by a mortgage or trust deed that is recorded before the Association's notice of lien; or a lien for real estate taxes or other governmental assessments against the Lot. The Association through its duly authorized agents, may bid on the Lot at any foreclosure sale, and may acquire and hold, lease, mortgage, and convey the Lot.

3) The Association may bring an action to recover a money judgment for unpaid Assessments, fines, and charges under this Declaration against the Lot Owner without foreclosing or waiving the lien described above. Recovery on any such action, however, shall operate to satisfy the lien, or the portion thereof, for which recovery is made.

4) The Association may terminate utilities paid out of the Common Expense, and the right to use the Common Areas.

5) The Association shall have any other remedy available to it whether provided in the Governing Documents, the Act, or other law or in equity.

6) Payments shall be credited first to collection costs (including attorney fees), then to interest and late fees, then to the oldest assessments, then the most recent assessments.

5.17. **Power of Sale**. The Association shall have all rights of foreclosure granted by the Act, both judicially and non-judicially. Pursuant to Utah Code §57-1-20 and §57-8a-302, an Owner's acceptance of an interest in a Lot constitutes a simultaneous conveyance of the Lot in trust, with power of sale, to the Association's attorney of record, as trustee, for the benefit of the Association, for the purpose of securing payment of Assessments under the terms of this Declaration. The Association may appoint a qualified successor trustee by executing and recording a substitution of trustee form.

5.18. <u>Reserve Account</u>. The Board shall establish a reserve account to fund longterm maintenance and replacement of Common Areas and Limited Common Areas. The Board shall follow any statutory requirement to conduct a reserve analysis and utilize such reserve analysis in making decisions regarding the funding of a Reserve Account. The Board shall not be personally liable for failure to fund the reserve unless willful or intentional misconduct is proven in a court of law.

5.19. **Reinvestment Fee**. The Board, by resolution, shall have the right to establish from time to time (but shall not be required to establish) a "Reinvestment Fee" assessment in accordance with this Section and Utah Code §57-1-46. If established by the Board, the following terms and conditions shall govern Reinvestment Fees.

1) Upon the occurrence of any sale, transfer, or conveyance of any Lot as reflected in the office of the Grand County recorder, regardless of whether it is pursuant to the sale of the Lot or not (as applicable, a "Transfer"), the party receiving title to the Lot (the "Transferee") shall pay to the Association a Reinvestment Fee in an amount established by the Board, provided that in no event shall the Reinvestment Fee exceed the maximum rate permitted by law.

2) The Association shall not levy or collect a Reinvestment Fee for any of the Transfer exempted by Utah Code § 57-1-46.

3) The Reinvestment Fee shall be due and payable by the Transferee to the Association at the time of the Transfer giving rise to the payment of such Reinvestment Fee and shall be treated as an Individual Assessment for collection purposes.

5.20. <u>Account Payoff Information Needed for Closing</u>. The Association may charge a fee for providing account payoff information in connection with the closing of an Owner's financing, refinancing, or sale of a Lot as provided for in Utah Code §57-8a-106. Such payoff information must be requested in writing. The Board may set forth the amount of the fee in the Rules, but such fee shall not exceed the maximum amount allowed pursuant to Utah law. If not otherwise set forth in the Rules, the account payoff fee shall be fifty dollars (\$50.00).

5.21. <u>Association Responsibility after Foreclosure</u>. If the Association takes title to a Lot pursuant to a foreclosure (judicial or non-judicial), it shall not be bound by any of the provisions related to the Lot that are otherwise applicable to any other Owner, including but not limited to obligations to pay Assessments, taxes, or insurance, or to maintain the Lot. By taking a security interest in any Lot governed by this Declaration, Lenders cannot make any claim against the Association for nonpayment of taxes, Assessments, or other costs and fees associated with any Lot if the Association takes title to a Lot related to a failure to pay Assessments.

5.22. <u>Homestead Waiver</u>. Pursuant to Utah Code §57-8a-301, and to the extent any liens are created pursuant to this Declaration, whether such liens are now in existence or are created at any time in the future, each Owner waives the benefit of any homestead or exemption laws of the State of Utah now in effect, or in effect from time to time hereafter.

ARTICLE VI. DUTIES AND POWERS OF THE ASSOCIATION

6.1. **Organization of Association**. The Association shall serve as the governing body for all Owners. The Association shall make provisions for the maintenance, repair, replacement, administration, and operation of the Common Areas, Limited Common Areas, and Common Expenses, and other matters as provided in the Act, this Declaration, and the Bylaws. The Association shall have all rights and powers granted to it under the Act and in this Declaration, the Articles, and the Bylaws. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the Owners in accordance with this Declaration, the Articles, and the Bylaws. Except as specifically authorized in this Declaration, the Articles, or the Bylaws, no Owner or group of Owners shall have authority to take any action on behalf of the Owners, the Association, or the Board.

6.2. <u>Legal Organization</u>. The Association may be incorporated as a nonprofit corporation. In the event the nonprofit corporate status expires or is invalidated in any manner, the Board, in its sole discretion, may renew and/or reincorporate the Association. Any such expiration or invalidation shall not relieve any Owner from paying Assessments and abiding by all Restrictions contained in this Declaration.

6.3. <u>General Powers and Obligations</u>. The Association shall have, exercise, and perform the following powers, duties, and obligations:

1) The powers, duties, and obligations granted to the Association by this Declaration, its Bylaws, and the Articles;

2) The powers and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Utah;

3) The powers, duties, and obligations of a homeowner's association pursuant to the Utah Community Association Act, or any successor thereto;

4) The powers, duties, and obligations not reserved specifically to Lot Owners; and

5) Any additional or different powers, duties, and obligations necessary or desirable for the purpose of carrying out the functions of the Association pursuant to this Declaration or otherwise promoting the general benefit of the Owners within the Project.

The powers and obligations of the Association may from time to time be amended, repealed, enlarged, or restricted by changes in this Declaration made in accordance with the provisions herein, accompanied by any necessary changes in the Articles of Incorporation or Bylaws of the Association made in accordance with such instruments and with the nonprofit corporation laws of the State of Utah.

6.4. <u>Specific Powers and Duties</u>. The powers and duties of the Association shall include, without limitation, the following:

1) **Maintenance and Services.** The Association shall provide maintenance and services for the Project as provided in Article VII and other provisions of this Declaration.

2) **Insurance.** The Association shall obtain and maintain in force policies of insurance as provided in this Declaration, the Act, or the Bylaws of the Association. The Association shall have no obligation to obtain or maintain any insurance covering the personal property and personal liability of any Owner(s) or tenants, and each Owner or tenant (as applicable) shall be responsible for obtaining and maintaining such personal property and personal liability insurance.

3) **Rulemaking.** The Association, through its Board, shall make, establish, promulgate, amend, and repeal Rules governing the conduct of persons and the operation and use of the Project as it may deem necessary or appropriate in order to assure a clean, aesthetically pleasing, peaceful, and orderly use and enjoyment of the Project.

4) **Assessments.** The Association shall adopt budgets and impose and collect Assessments as provided in Article V of this Declaration.

5) **Enforcement.** The Association shall perform such acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce the provisions of the Governing Documents of the Association. Owners, Occupants, guests, and family members shall be jointly and severally liable for any fines incurred for violations of the Governing Documents. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or any Rules promulgated by the Board, or to enforce by mandatory injunction or otherwise all the provisions of this Declaration and such Rules.

6) **New Capital Improvements.** New capital improvements to the Project that do not exceed twenty-five thousand dollars (\$25,000) may be authorized by the Board of Directors alone. New capital improvements equal to or in excess of twenty-five thousand dollars (\$25,000) require the approval of a majority of Owners in attendance, whether by person or by proxy, at a duly called Member meeting. The maintenance, repair, and replacement of existing Common Areas and Limited Common Areas is not considered a new capital improvement. If the capital improvement is included or considered in an Association reserve analysis, it is not a new capital improvement.

7) **Title to Common Areas**. The Association shall hold title to all Common Areas and pay all real property taxes and assessments levied upon any portion of the Common Areas, unless paid by the Owners, provided that the Association shall have the right to contest or compromise any such taxes or assessments.

8) **Employment of Agents, Advisers, and Contractors.** The Association may employ professional counsel and obtain advice from such persons or firms or corporations such as, but not limited to, community association managers, landscape architects, accountants, recreational experts, architects, planners, lawyers, reserve study specialists, or what is convenient for the management, maintenance, and operation of the Project.

9) **Litigation.** The Board may instigate litigation to enforce the provisions of this Declaration or any other Common Law or statutory right which the Association is granted.

10) **Shared Use of Open Space.** An easement for recreational use of the Association's open space shall be granted by the Association as a benefit and right appurtenant to Lot Owners and their successors, heirs, assigns, lessees, and tenants subject to provisions of this Declaration or other Governing Documents.

11) **Loans.** Upon the approval of a majority of Owners in attendance, whether by person or by proxy, at a duly called Member meeting, the Board may obtain lender financing for Association improvements or obligations.

12) **Bulk Service Agreements**. The Association shall have the right, but not the obligation, to enter agreements, as the Board deems appropriate, for the provision of cable, television, internet, telephone, or other similar services for all of the Lots or groups of Lots. Such services shall be assessed to the Owners pursuant to the provisions of this Declaration and in any Assessment, may be broken out as a separate line item on invoices, statements, or notices of Assessment.

13) **Financial Records**. The Association shall maintain corporate and financial records as required by the Act and the Bylaws.

14) **Joint Use/Maintenance Agreements**. The Association may enter joint use and maintenance agreements for usage of the Association's Common Areas and parks.

6.5. **Liability**. A Board Member or an officer of the Association shall not be liable to the Association or any Member for any damage, loss, or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for willful or intentional misconduct. If a Board Member or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law, except where the Board Member or officer is found by a court of law to have acted with willful or intentional misconduct in carrying out his/her duties.

6.6. **Board of Directors**. The governing body of the Association shall be the Board of Directors. Except where a matter or vote is specifically reserved to the Owners, the Board shall act in all instances on behalf of the Association. Board Members shall be elected pursuant to the provisions set forth in the Bylaws which may set forth requirements for serving on the Board. Without limiting the generality of the foregoing, the Board may appoint one or more "Committees", and such Committees (which may consist of one or more members, as determined by the Board) shall have such authority and duties as may be determined from time to time by the Board relating to the budgeting, operation, financial management and administration of the Project. While any Committee established by the Board shall report to the Board regularly regarding its activities, the Board may by express directive relinquish and transfer all authority and responsibility with respect to such prior delegated duties.

6.7. <u>Management</u>. The Project may be managed by a Manager selected by the Board to assist in the management and operation of the Project. The Board may delegate such of its powers and duties to the Manager as it deems appropriate; reserving the right, however, to control and oversee the administration thereof. Any powers and duties delegated to any Manager may be revoked by the Board at any time, with or without cause.

6.8. <u>Registration with the State</u>. In compliance with Utah Code §57-8a-105, the Association shall be registered with the Utah Department of Commerce and shall update its registration to keep any required information current as required by law.

ARTICLE VII. MAINTENANCE

7.1. Association Maintenance. The Association shall maintain, repair, and replace the Common Areas together with all improvements thereon and all easements appurtenant to the Common Areas. The Association shall also maintain, repair and replace Limited Common Areas as outlined herein. Specifically, the Association shall maintain, repair, and replace, but without limitation, the following: (i) the common landscaped areas surrounding the Living Units, (ii) the exterior surfaces of the Living Units (including soffits and fascia, but not including rain gutters and downspouts), roofs, foundations, and door jambs and door frames for exterior doors of Living Units, (iii) driveways, walkways from driveway to front entrance, and back patios originally constructed with the Living Unit (iv) private utility lines owned or controlled by the Association that serve more than one Living Unit, (v) landscape and drainage easements owned or controlled by the Association, (vi) common improvements installed for the benefit of all Owners, including private streets, sidewalks, and the pool, and (vii) personal property owned by the Association. The Association shall paint and maintain the exterior appearance of garage doors of Living Units. The Association shall maintain, replace, and repair the private roads and sidewalks in the Project, and shall perform snow removal thereon as the Association deems necessary. The maintenance allocations provided in this Article shall clarify, expand upon, and supersede any maintenance provisions contained in the Plat or other Governing Documents. The Board, in its sole discretion, shall determine the maintenance standard of the Common Areas, Limited Common Areas, and other areas for which it has maintenance responsibilities. The Association shall have no obligation to perform any interior building maintenance and/or repair of any part of a Living Unit not expressly set forth in this Section without the Association's express agreement for such maintenance.

7.2. <u>Services</u>. The Association may contract for such services as the Board of Directors may reasonably deem to be of benefit to the Project, including, without limitation, snow removal, and garbage/trash removal services for all Lots.

7.3. **Owner Maintenance**. Each Owner shall have the obligation to provide interior maintenance of the Living Units including, but not limited to, the maintenance, repair, and replacement of interior structural elements of the Living Units, and utility lines that solely service the Lot or Living Unit. Owners shall maintain, repair, and replace their exterior doors, windows and window frames, rain gutters and downspouts, and back patios not originally constructed with the Living Unit. Owners shall keep all Limited Common Areas clean and tidy. Owners shall maintain the mechanical equipment of garages and replace garage doors, but the Association shall paint and maintain the exterior of garage doors. Owners shall perform snow removal on driveways, walkways from the driveway to the entrance door, and patios. The responsibility and cost to maintain, repair, and replace interior Party Walls, or other shared facilities not maintained by the Association shall be borne pro rata by the Lot Owners benefited thereby. Each Owner shall paint, repair, and otherwise maintain the interior of its Unit and shall maintain, repair, and replace all mechanical devices, including but not limited to, appurtenant electrical, plumbing, and heating, ventilating and air conditioning systems.

7.4. Party Wall Maintenance. By acceptance of a deed to a Lot, each Owner hereby acknowledges, agrees, and understands that it is essential that the Party Wall be maintained in good condition and repair to preserve the integrity of the Living Units as they are used and occupied by Owners. Each Owner hereby covenants and agrees not to do anything or to erect any barrier that will hinder, delay, or limit the maintenance of the Party Wall. With respect to the surface components of the Party Wall, each Owner agrees to maintain and keep in good condition and repair, including the making of replacements as needed, all surface components which face into such Owners' respective Living Unit. With respect to pipes, conduits, ducts, and other utility service lines and connections which benefit one or more, but fewer than all, of the Owners, the Owner(s) benefited thereby shall be fully and personally responsible for the cost of maintaining such items in good condition and repair, including the making of replacements as needed. If the need for maintenance or repair of the Party Wall is caused through the willful or negligent act of any Owner or his/her Occupant, the cost of such maintenance or repairs shall be the sole and exclusive expense of such Owner. With respect to structural components of the Party Wall, except as may be otherwise provided in the immediately preceding sentences, the Owners benefitted by the Party Wall agree to share equally in the cost of maintenance and upkeep thereof in good condition and repair, including the replacement thereof as necessary. If there is a dispute over the responsibility for maintenance or repair of a Party Wall, the Association may, but shall not be required to, intervene and determine each Owner's responsibility. The Association shall have the powers set forth in Section 7.5 below to remedy any neglect in performing Party Wall maintenance responsibilities.

7.5. <u>Maintenance Allocation Chart.</u> Further descriptions of Association and Owner maintenance, repair, and replacement responsibilities are contained in the maintenance allocation chart attached hereto as Exhibit "C."

7.6. **Owner Maintenance Neglect.** The Association shall have the power and authority without liability to any Owner for trespass, damage, or otherwise, to enter upon any Lot or Living Unit for the purpose of maintaining and repairing such Lot or any improvement thereon; but only if the Owner fails to maintain and repair such Lot or improvement, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such Lot in violation of this Declaration or any Rules of the Association. The Board shall have the sole authority and discretion to decide whether an Owner has failed to meet its maintenance obligations. Except as necessary to prevent personal injury or property

damage in an emergency, the Association shall first provide reasonable notice and an opportunity to cure before exercising the power granted herein. All costs incurred by the Association in remedying Owner maintenance neglect shall be an Individual Assessment against the Owner's Lot.

7.7. **Board Discretion to Determine Maintenance Responsibilities.** In the event a maintenance obligation is not outlined herein or confusion arises as to a maintenance obligation, the Board may, by resolution and in its sole discretion, determine whether the Association or the Owners shall have the responsibility to fulfill the maintenance obligation.

7.8. <u>Maintenance Caused by Owner Negligence</u>. If the need for maintenance or repair of Common Areas or Limited Common Areas is caused through the willful or negligent acts of an Owner, or through the willful or negligent acts of the family, guests, tenants, or invitees of an Owner, the Board may cause such repairs to be made by the Association and the cost of such maintenance or repair work shall be added to and become an Individual Assessment to which such Lot is subject.

ARTICLE VIII. INSURANCE

NOTICE: The Association's Insurance Policy does not cover the personal property or personal liability of the Owners or their Occupants. Owners and Occupants (including tenants or renters) are required to obtain adequate insurance to cover their personal property and personal liability.

8.1. **Insurance**. The Board shall obtain insurance as required in this Declaration, the Act, or other applicable laws. The Association may obtain insurance that provides more or additional coverage than the insurance required in this Declaration. Different policies may be obtained from different insurance carriers and standalone policies may be purchased instead of, or in addition to, embedded, included coverage, or endorsements to other policies. Insurance premiums shall be a Common Expense.

8.2. Property Insurance.

1) The Association shall maintain a blanket policy of property insurance covering the entire Project, including the Common Area and all buildings with attached Living Units, fixtures, and building services equipment as provided in the Act. The Association may maintain broader coverage if afforded by the insurance contract.

a) The blanket policy shall exclude land and other items not normally and reasonably covered by such policies. The blanket policy shall be an "all in" or "all inclusive" insurance as those terms are used in the insurance industry and shall include insurance for any fixture, improvement, or betterment installed in or to the Living Units or any Limited Common Areas or otherwise permanently part of or affixed to Common Areas, Living Units, or Limited Common Areas, including but not limited to floor coverings, cabinets, light fixtures, electrical fixtures, heating and plumbing fixtures, paint, wall coverings, windows.

b) At a minimum, the blanket policy shall afford protection against loss or damage by: (1) fire, windstorm, hail, riot, aircraft, vehicles, vandalism, smoke, and theft; and (2) all perils normally covered by "special form" property coverage.

c) The blanket policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all property covered by such policy

(including the Living Units) at the time the insurance is purchased and at each renewal date. The actual replacement cost of the property shall be determined by using methods generally accepted in the insurance industry.

d) The blanket policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (1) a Guaranteed Replacement Cost Endorsement under which the insurer agrees to replace the insurable property regardless of the cost; and (2) a Replacement Cost Endorsement under which the insurer agrees to pay up to one hundred percent (100%) of the Property's insurable replacement cost but not more. If the policy includes a coinsurance clause, it must include an Agreed Amount Endorsement which must waive or eliminate the requirement for coinsurance.

e) Each property policy that the Association is required to maintain shall also contain or provide for the following: (i) "Inflation Guard Endorsement," if available, (ii) "Building Ordinance or Law Endorsement," (the endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction), and (iii) "Equipment Breakdown," if the project has central heating or cooling or other equipment or other applicable fixtures, equipment, or installation, which shall provide that the insurer's minimum liability per accident at least equals the lesser of two million dollars (\$2,000,000) or the insurable value of the building containing the equipment.

2) **Owner Responsibility for Payment of Deductible**. 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:

a) The Association's policy provides primary insurance coverage, and:

i) the Owner is responsible for the Association's policy deductible; and

ii) the Owner's policy, if any, applies to that portion of the loss attributable to the Association's policy deductible.

b) An Owner that has suffered damage to any combination of a Living Unit or a Limited Common Area appurtenant to a Living Unit ("Living Unit Damage") as part of a loss, resulting from a single event or occurrence, that is covered by the Association's property insurance policy ("a Covered Loss") is responsible for an amount calculated by applying the percentage of total damage resulting in a Covered Loss that is attributable to Living Unit Damage ("Living Unit Damage Percentage") for that Living Unit to the amount of the deductible under the Association's property insurance policy; and

c) If an Owner does not pay the amount required under Subsection b) above within 30 days after substantial completion of the repairs to, as applicable, the Living Unit or the Limited Common Area appurtenant to the Living Unit, the Association may levy an assessment against the Owner for that amount.

3) Claims Under the Deductible. If, in the exercise of its business judgment, the Board determines that a claim is likely not to exceed the Association's policy deductible: (a) the Owner's policy is considered the policy for primary coverage to the amount of the Association's policy deductible; (b) an Owner who does not have a policy to cover the Association's property insurance policy deductible is responsible for the loss to the

amount of the Association's policy deductible; and (c) the Association need not tender the claim to the Association's insurer.

4) **Deductible Notice**. The Association shall provide notice to each Owner of the Owner's obligation under Subsection (b) above for the Association's policy deductible and of any change in the amount of the deductible. If the Association fails to provide notice of the initial deductible, it shall be responsible for the entire deductible, it shall be responsible for the deductible, it shall be responsible for paying any increased amount that would otherwise have been assessed to the Owner. The failure to provide notice shall not invalidate or affect any other provision in this Declaration.

5) The Association shall have no obligation to obtain or maintain any insurance covering Owners' and tenants' personal and real property, and each Owner or tenant (as applicable) shall be responsible for obtaining and maintaining such personal and real property insurance

8.3. <u>Comprehensive General Liability (CGL) Insurance</u>. The Association shall obtain CGL insurance insuring the Association, the agents and employees of the Association, and the Owners, against liability incident to the use, ownership or maintenance of the Common Area or membership in the Association. The coverage limits under such policy shall not be less than One Million Dollars (\$1,000,000.00) covering all claims for death of or injury to any one person or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which should preclude the insurer from denying the claim of an Owner because of the negligence acts of the Association or another Owner.

8.4. **Director's and Officer's Insurance**. The Association shall obtain Directors' and Officers' liability insurance protecting the Board, the officers, and the Association against claims of wrongful 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 any Manager and any employees of the Manager or any employees of the Manager.

8.5. <u>Theft and Embezzlement Insurance</u>. The Association may obtain insurance covering the theft or embezzlement of funds by Board Members, officers, employees, Manager, and contractors of the Association.

8.6. **Worker's Compensation Insurance**. The Board of Directors shall purchase and maintain in effect workers' compensation insurance for all employees of the Association to the extent that such insurance is required by law and as the Board deems appropriate.

8.7. **Earthquake Insurance**. The Association may purchase earthquake insurance. If the Board of Directors elects not to purchase earthquake insurance, a vote of a majority of Owners present at the annual meeting or other meeting duly called for such purpose, with a proper quorum, may veto the decision of the Board. If the Owners at the meeting veto the

decision to not purchase earthquake insurance, the Board of Directors shall purchase earthquake insurance within (60) days of the vote.

8.8. <u>Certificates</u>. Any insurer that has issued an insurance policy to the Association shall issue a certificate of insurance to the Association, and upon written request, to any Owner or Mortgagee.

8.9. <u>Named Insured</u>. The named insured under any policy of insurance shall be the Association. Each Owner shall be insured under the Association's property and CGL insurance policies as required by law.

8.10. Right to Negotiate Claims & Losses & Receive Proceeds. Insurance proceeds for a loss under the Association's property insurance policy are payable to an Insurance Trustee if one is designated, or to the Association, and shall not be payable to a holder of a security interest. An Insurance Trustee, if any is appointed, or the Association shall hold any insurance proceeds in trust for the Association, Owners, and lien holders. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property, if the property is to be repaired and restored as provided for in this Declaration. After any repair or restoration is complete and if the damaged property has been completely repaired or restored, any remaining proceeds shall be paid to the Association. If the property is not to be repaired or restored, then any remaining proceeds after such action as is necessary related to the property has been paid for, shall be distributed to the Owners and lien holders, as their interests remain with regard to the Living Units. Each Owner hereby appoints the Association, or any Insurance Trustee, as attorney-in-fact for negotiating all losses related thereto, including the collection, receipt of, and appropriate disposition of all insurance proceeds; the execution of releases of liability; and the execution of all documents and the performance of all other acts necessary to administer such insurance and any claim. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors, or assigns of the Owner.

8.11. **Insurance Trustee**. In the discretion of the Board or upon written request executed by Owners holding at least 50% of the entire voting interest of the Association, the Board shall hire and appoint an insurance trustee ("Insurance Trustee"), with whom the Association shall enter an insurance trust agreement, for the purpose of exercising such rights under this paragraph as the Owners or Board (as the case may be) shall require.

8.12. <u>Owner Act Cannot Void Coverage Under Any Policy</u>. 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 an insurance policy or be a condition to recovery under a policy.

8.13. <u>Waiver of Subrogation against Owners and Association</u>. All property and CGL policies must contain a waiver of subrogation by the insurer as to any claims against the Association and the Owners and their respective agents and employees.

8.14. <u>Applicable Law</u>. This Declaration is specifically subjecting the Association to the insurance requirements and provisions in Part 4 of the Act, and any amendments thereto and thereafter enacted by law. It is the intent of this provision that any future changes to the insurance law applicable to community associations shall apply to this Association.

ARTICLE IX. USE RESTRICTIONS

9.1. <u>Use of Common Areas</u>. The Common Areas shall be used only in a manner consistent with their community nature and with the use restrictions applicable to Lots and Living Units.

9.2. <u>Use of Living Units</u>. Each Living Unit shall be used only as a single-family dwelling. No gainful occupation, business, trade, or other nonresidential use shall be conducted on any Lot or Living Unit, except with prior written consent of the Board. Notwithstanding the foregoing, activities otherwise prohibited by this Section are permitted without Board approval if (1) only normal residential activities would be observable outside of the Living Unit; (2) the business activity does not involve persons coming on to the Project who do not reside in the Project in a manner and/or amount that would constitute a nuisance; (3) the business activity does not involve the solicitation of Occupants or Owners; (4) the business will not result in the increase of the cost of the Association's insurance; and (5) the activities would not be in violation of applicable local ordinances.

9.3. Offensive or Unlawful Activities. No noxious or offensive activities shall be carried on upon any Common Areas, Limited Common Areas, Lots or Living Units, nor shall anything be done or placed on any Common Areas, Limited Common Areas, Lots or Living Units which interferes with or jeopardizes the quiet enjoyment of other Common Areas, Limited Common Areas, Lots or Living Units. No unlawful use shall be made of any Common Areas, Limited Common Areas, Lots or Living Units or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. No use shall be made of any Common Areas, Lots or Living Units which would result in an increase in the cost of the Association's insurance or which would cause the improvements within the Project or any part thereof to be uninsurable against loss by fire or other perils included in insurance contracts, or cause such insurance to be canceled or suspected, or cause any company issuing such insurance to refuse renewal thereof.

9.4. Parking. Only operational, licensed, currently tagged autos and trucks (not more than 6 wheeled or 10,000 lbs. gross weight) may be retained in Owner's driveway. No dissembled vehicles will be permitted outside of garages. No RVs or towed vehicles are permitted in driveways beyond 72 hours for loading or maintenance. Parked vehicles must not extend into Common Area or onto roadside sidewalks. Boats, camping and hauling trailers, ATVs and UTVs, recreational vehicles, and trucks with more than six (6) wheels or greater than 10,000 lbs. curb weight must be parked or stored in an Owner's closed garage or in the RV lot. Only vehicles that are licensed may be operated on the streets within the Project and then only in strict compliance with speed and safety regulations. The Association reserves the right to prosecute complaints against those who create ongoing safety or environmental concerns. Overnight parking on the streets in the Project is prohibited. At no time shall any vehicle be parked in a manner which would impair vehicular or pedestrian access, or snow removal. The Board may adopt additional Rules relating to the parking of vehicles within the Project, including, without limitation: the size and dimensions of the vehicles parked within the Project; the admission and temporary parking of vehicles within the Project; the right to remove or cause to be removed any vehicles that are improperly parked; and the levying of fines to Owners and Occupants who violate, or whose invitees violate, such Rules. Requests for exceptions to driveway parking restrictions can be presented to the Board for consideration of approval.

9.5. **Pets and Animals**. Animals kept in any Living Unit shall be properly contained, sheltered, and cared for. Each Owner shall clean facilities for their pets as needed to maintain them free from objectionable odors, pests, insects, etc. No animal or other pet of any kind other than common domesticated animals shall be allowed. A Living Unit may have up to two (2) pets. No animal shall, in the opinion of the Board, be dangerous to other residents or make unreasonable amounts of noise or create odor nuisances. Owners are solely responsible for the actions and behavior of the pets and animals staying or visiting at the Living Unit, and shall hold the Association harmless from any damage or injury caused by such pets and animals. All Owners shall be responsible for the pickup and disposal of any excrement deposited by his or her pets and animals. Owners shall follow all Moab City ordinances relating to animals. The use of leashes for dogs will conform to the Association's Rules and the Moab City ordinance. The Board may adopt additional Rules regarding pets and animals in the community.

9.6. **Nuisances**. No resident shall create, maintain or permit a nuisance in, on or about the Project. For purposes of this Section a "nuisance" includes any behavior which annoys, disturbs or interferes with other residents and interferes with their right to the quiet and peaceful enjoyment of their property. A nuisance includes, but is not limited to, the following:

1) The development of any unclean, unhealthy, unsightly, or unkempt condition on, in or about a Lot or the Common Areas;

2) The storage of any item, property or thing that will cause any Lot or the Common Area to appear to be in an unclean or untidy condition or that will be noxious to the senses;

3) The accumulation of rubbish, unsightly debris, garbage, equipment, unregistered or abandoned vehicles, or other things or materials that constitute an eyesore as reasonably determined by the Board;

4) The storage of any substance, thing or material upon any Lot or in the Common Areas that will emit any foul, unpleasant or noxious odors, or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the other residents at the Project;

5) Actions or activities tending to cause a disturbance to any other residents, their guests or invites, particularly if the police or sheriff must be called to restore order;

6) Maintaining any plants, animals, devices or items, instruments, equipment, machinery, fixtures, or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature that diminishes or destroys the enjoyment of the Association by other residents, their guests or invitees;

7) Too much noise or traffic in, on or about any Lot, Common Area, Limited Common Area, or Living Unit, especially after 10:00 p.m. and before 7:00 a.m., or excessive use of outside speakers or amplifiers; or

8) Activities or conditions defined as a nuisance by the City of Moab or other governmental entity with jurisdiction over the Project; or

9) Other sights, sounds, smells, activities, or behaviors deemed a nuisance by the Board, including windchimes.

9.7. <u>Signs</u>. The Association may regulate and restrict signs in the Project to the extent permitted by law. Unless otherwise designated in the Rules, the following restrictions shall apply: "For Sale" or "For Lease" signs are permitted, but only until the Living Unit is sold

or leased; in-season political signs are permitted, but must be removed the day after the election. All other signs may only be erected or maintained in the Project, whether in a window or otherwise, with the prior approval of the Board. In no instance may signs be placed in the Common Area without the written consent of the Board.

9.8. **Garbage and Refuse Disposal**. All rubbish, trash, and garbage shall be regularly removed from the Project or Lots and shall not be allowed to accumulate thereon. All garbage, trash, or other waste shall be kept in sanitary receptacles, including recyclable containers, which shall be stored in the garage or otherwise out of view, except on trash collection days. No equipment or storage piles may be kept outside of the Living Unit. The Board may adopt additional Rules for the storage and concealment of trash containers. Any large trash bins located in the RV lot can be used by all Orchard Villa residents but are to be used only for materials as defined in the Rules established and posted for their use.

9.9. **Radio and Television Antennas**. No externally visible television antenna systems shall be permitted in the Project. Satellite dishes are permitted but must be mounted on poles at the rear of the Living Units only and height should not extend above the eave level of the roof. Any dishes mounted otherwise prior to 2021 are "grandfathered" in as acceptable and need not be changed.

9.10. <u>Air Conditioners.</u> Evaporative coolers may not be converted into air conditioners except with prior written consent from the Board. Owners shall be responsible for all maintenance, repair, and replacement costs related to a converted evaporative cooler, including any damage that may occur to the roof.

9.11. <u>Equipment and Automobile Maintenance</u>. Unless otherwise provided by the Board, no equipment or car maintenance or repairs of any nature shall be permitted in the Project. Emergency repairs that do not exceed 24-hours are permitted.

9.12. **RV Lot and Garage Parking and Storage**. Boats, camping and hauling trailers, ATVs and UTVs, motorcycles, recreational vehicles, and trucks with more than six (6) wheels or greater than 10,000 lbs. curb weight shall be parked or stored in an Owner's closed garage or in the RV lot. Such storage in the RV Lot shall be on a first come-first serve basis and the Association may charge such fees therefore as may be necessary to maintain the area in the Common. Parking of these types of vehicles anywhere in the Project except in the RV lot or Owner's closed garage is prohibited. The Board may adopt additional Rules relating to the parking of vehicles within the RV Lot, including the right to remove or cause to be removed any vehicles that are improperly parked; and the levying of fines to Owners and Occupants who violate, or whose invitees violate, such Rules.

9.13. Leases. The leasing of Living Units is permitted. Any agreement for the leasing, rental, or occupancy of a Living Unit (hereinafter in this Section referred to as a "lease") shall be in writing, a copy of which shall be provided to the Board along with the name and contact information for all adult tenants, vehicle information of the tenants, and any other information deemed necessary by the Board. No Owner shall be permitted to lease his/her Living Unit for transient, hotel, or seasonal purposes. All leases shall be for an initial term of no less than thirty (30) days. Daily, weekly, or other short-term rentals, including Airbnb or other similar leasing practices, are prohibited. No Owner may lease individual rooms to separate persons or less than his or her entire Living Unit. All leases shall provide that the tenant is subject to and shall abide by the Governing Documents and the tenant's failure to do so shall constitute a breach of the lease agreement. Within 10 days after delivery of written notice of the creation of

a nuisance or violation of the Governing Documents, the Owner shall proceed promptly to either abate or terminate the nuisance, or cure the default, and notify the Board in writing of his or her intentions. If the Owner fails to act accordingly, the Board may initiate eviction proceedings on behalf of the Owner, and through this Declaration the Owner hereby assigns the Association the authority to do so.

9.14. <u>Window Covers.</u> No window shall be covered by paint, grease, blankets, rugs, foil, sheets, towels, newspaper, or similar items. The Board may adopt Rules regulating the type, color, and design of the external surface of window covers. All window coverings shall be installed within (1) month of moving into a Living Unit.

9.15. <u>Holiday Decorations.</u> Holiday decorations may be displayed on the Limited Common Areas and Living Units within thirty (30) days before and thirty (30) days after the related holiday. The Board may adopt additional Rules to regulate holiday decorations in the Project, to the extent permitted by law. Holiday decorations shall include any type of object (including, but not limited to, lights, wreaths, plants, trees, displays, inflatable items, religious iconography or symbols) relating to any national or religious holiday or used to convey a religious message, symbol, idea, identification, or for any other purpose that holiday decorations are typically understood and which are placed in, on, or outside of a Living Unit or Limited Common Area with the apparent purpose, in whole or in part, of making it visible to people outside of the Living Unit or Limited Common Area.

9.16. Flags. The Board may adopt Rules relating to flags in the Project, as allowed by law.

9.17. Energy Conservation and Other Equipment. Solar energy collector panels and attendant hardware or other energy conservation equipment shall be prohibited from being constructed or installed in the Project unless authorized by the Board. If the Board elects to allow energy conservation equipment in the Project, then the Board may adopt rules and regulations for the installation of solar panels or other energy conservation equipment. Any such rules must require that the installation be an integral and harmonious part of the architectural design of the buildings. The Board shall assess the costs related to any installation, operation, and maintenance of energy conservation equipment to the requesting Owner(s) or benefitted Owner(s) in the Board's sole discretion.

9.18. **Variances**. The Board may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in this Article if a majority of the Board determines in its discretion: (1) either that the restriction would create an unreasonable hardship or burden on an Owner or Occupant, or that a change of circumstances since the recordation of this Declaration has rendered such restriction obsolete and unreasonable to enforce; and (2) that the activity permitted under the variance will not have any financial affect or any other substantial adverse effect on the other Owners or Occupants of the Project and is consistent with the high quality of life intended for residents of the Project. Any such variance shall be unenforceable and without any effect whatsoever unless reduced to writing and signed by a duly authorized Board Member. No variance may be granted that is inconsistent with the Act.

ARTICLE X. ARCHITECTURAL CONTROLS

10.1. <u>Architectural Controls</u>. The designs of all structures and Living Units in the Project shall be limited to those approved by the Board. In the event of any reconstruction of

an improvement or Living Unit due to a casualty, the design, quality, and appearance of the reconstructed improvement shall be substantially the same as the structure initially built, unless otherwise approved by the Board. No landscaping, grading, excavation, building, fence, wall, residence, or other structure, or alteration of any kind, shall be commenced, erected, maintained, improved, altered, or made until the construction plans and specifications, have been approved in writing by the Board. All Owner changes to the Living Units or Limited Common Areas made prior to the adoption of this Declaration are hereby approved.

10.2. **Design Guidelines**. The Board may adopt Design Guidelines for the purpose of maintaining a consistent character and quality of appearance of the improvements within the project. The Design Guidelines may designate the design, style, model, and manufacturer of any materials to be used for an exterior improvement or alteration that is acceptable to the Board. The Design Guidelines may also designate landscaping requirements. Such designations shall be for the purpose of achieving uniformity of appearance and preservation of property values. Amendments to the Design Guidelines shall apply prospectively only. They shall not require modifications to or removal of any structures previously approved once the approved construction or modification has begun. However, any new work on such structures must comply with the Design Guidelines as amended.

10.3. <u>Variances</u>. The Board may authorize variances from compliance with any of the architectural provisions of this Declaration or Design Guidelines. Such variances must be in writing and must be signed by all of the members of the Board. If a variance is granted, no violation of the Governing Documents shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of a variance shall not operate to waive any Restrictions of the Governing Documents, other than those specifically identified in the variance, nor shall it affect an Owner's obligation to comply with all governmental laws and regulations.

10.4. <u>Liability for Damages</u>. The Board shall not be held liable for damages by reason of any action, inaction, approval, or disapproval by it made pursuant to this Article.

ARTICLE XI. ENFORCEMENT

11.1 **Enforcement of Governing Documents**. The Association, through the Board, shall have the power and authority in its own name, on its own behalf, or in the name and behalf of any Owner(s) who consents thereto, to enforce, by fine or proceedings at law or in equity, each provision of the Governing Documents and Design Guidelines, including the right to prevent any violation of such, and the right to recover damages and other sums for such violation(s). Owners may also enforce the Governing Documents and Design Guidelines as allowed by law through proceedings at law or in equity. The prevailing party in any action for the enforcement of any provisions of the Governing Documents and Design Guidelines (including but not limited to litigation and the appeal thereof) shall be entitled to collect court costs and reasonable attorney fees. Occupants, guests, and invitees shall be jointly and severally liable with the Owner for any fine assessed as a result of their action in violation of the provisions of the Governing Documents.

ARTICLE XII. RIGHTS OF FIRST MORTGAGEE

12.1. <u>Title in Mortgagee</u>. Any first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage or foreclosure of the Mortgage will not be liable for such Lot's Assessments or charges which accrue prior to the acquisition of title of such Lot by the Mortgagee. However, such first Mortgagee shall be responsible for Assessments levied while it holds title to the Lot.

12.2. <u>No Priority</u>. No provision herein is intended, nor shall it be construed, to give any Lot Owner, or any other party, priority over any rights of the first Mortgagee of a Lot pursuant to its Mortgage in the case of a distribution to such Lot Owner of insurance proceeds or condemnation awards for losses to or a taking of Common Areas.

ARTICLE XIII. RIGHT OF ENTRY

13.1 **Right to Enter Limited Common Areas and Living Units**. The Association acting through the Board or its duly authorized agent shall have the right at all times and upon reasonable notice to enter upon any Limited Common Area appurtenant to a Lot without trespass, and regardless of whether or not the Lot Owner or Occupant thereof is present at the time, to abate any infractions, to fulfill its responsibilities, to exercise its rights, to make repairs, and to correct any violation of any of the Governing Documents. The notice set forth in this Section shall not be necessary in case of an emergency threatening other Living Units, Occupants, or other parts of the Project. Nothing in this Section shall be construed to authorize the entry of the Association into the interior of a Living Unit without the consent of the Lot Owner unless there is an emergency threatening another Living Unit or the Occupants of another Living Unit. Owners shall maintain up-to-date emergency contact information records with the Association, including any local representative an Owner may have for notice purposes.

ARTICLE XIV. AMENDMENTS

14.1 <u>Amendments</u>. This Declaration may be amended upon the affirmative vote of at least sixty-seven percent (67%) of the voting interests of the Association. No meeting shall be required for an amendment if the required vote for approval is obtained by written consent or ballot. Any amendment(s) shall be effective upon recordation in the office of the Grand County Recorder. In such instrument the President shall certify that the vote required by this Section for amendment has occurred. If a Lot is owned by more than one Owner, the vote of any one Owner shall be sufficient to constitute approval for that Lot under this Section. If a Lot is owned by an entity or trust, the vote of any one officer, trustee, or agent of the entity shall be sufficient to constitute approval for that Lot under this Section. No acknowledgment of any signature used for voting shall be required.

ARTICLE XV. MISCELLANEOUS

15.1. <u>Notices</u>. Any notice required or permitted to be given to any Owner or Member according to the provisions of this Declaration shall be deemed to have been properly furnished if personally delivered, emailed, or if mailed, postage prepaid, to the Person who appears as an Owner, at the latest email or mailing address for such Person appearing in the records of the Association at the time notice is sent. If no email or mailing address has been

provided, the physical address of the Lot owned by said Owner shall be used for notice purposes. Notices may also be sent as allowed by the Act.

15.2. <u>Consent in Lieu of Voting</u>. In any case in which this Declaration requires authorization or approval of a transaction the assent or affirmative vote of a stated percentage of the votes present or represented at a meeting, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Members entitled to cast the required percentage of membership votes. The Association may use any method allowed under Utah law and the Utah Revised Nonprofit Corporation Act.

15.3. **Dissolution**. The Association may be dissolved by the affirmative assent in writing from 100% of the Lot Owners. Upon dissolution, the Association's assets shall be transferred to a nonprofit corporation, trust, or other entity to be used for purposes similar to those provided herein, and each Owner shall continue to be obligated to make assessment payments for the maintenance and upkeep of the Common Areas and facilities on a pro rata basis which conforms substantially with the assessments procedure, terms and conditions set forth in Article V.

15.4. Interpretation and Severability. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is constructed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any party thereof, and any gender shall include the other gender. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

15.5. <u>Covenants to Run with Land</u>. This Declaration and all provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the Association and all parties who hereafter acquire any interest in a Lot or in the Common Areas shall be subject to the terms of this Declaration and the provisions of any Rules, agreements, instruments, and determinations contemplated by this Declaration; and failure to comply with any of the foregoing shall be grounds for an action by the Association or an aggrieved Owner for the recovery of damages, or for injunctive relief, or both. By acquiring any interest in a Lot or in the Common Areas, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

15.6. **No Waiver**. Failure by the Association or by any Owner to enforce any Restriction or provision herein contained, or contained in the Bylaws or the Rules, in any certain instance or on any particular occasion shall not be deemed a waiver of such right of enforcement as to any such future breach of the same or any other Restriction or provision.

15.7. <u>Condemnation</u>. If a portion of the Common Area is taken by eminent domain, or sold under threat thereof, and is not comprised of and does not include any Lot, the Board shall cause the award to be utilized for repairing or restoring that area in the Project adjacent to the taking, and the portion of the award not used for restoration shall be added to the general funds of the Association.

15.8. <u>Security</u>. The Association shall in no way be considered an insurer or guarantor of security within or relating to the Project, including any Common Area in which the Association may have an obligation to maintain, and the Association shall not be held liable for any loss or damage by reason of any failure to provide adequate security or any ineffectiveness of security measures undertaken. Owner(s) agree by purchasing a Lot in this

Association that the Association and Board are not insurers of the safety or well-being of Owners or Occupants or of their personal property, and that each Owner or Occupant assumes all risks for loss or damage to persons, the Lots, Living Units, Limited Common Areas, and Common Areas, and to the contents of improvements located thereon to the extent not insured by the Association. EACH OWNER AND OCCUPANT UNDERSTANDS AND ACKNOWLEDGES THAT THE ASSOCIATION, AND BOARD HAVE NOT MADE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, AND THAT EACH OWNER OR OCCUPANT HAS NOT RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO THE SECURITY OF THE PROJECT.

15.9. <u>Effective Date</u>. The Declaration and any amendment hereof shall take effect upon its filing in the office of the Grand County Recorder.

CERTIFICATION

IN WITNESS WHEREOF, this Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Orchard Villa Townhomes was duly approved by at least 67% of the total voting power of the Association.

DATED as of the 7^{th} day of May, 2021.

Orchard Villa Townhomes Homeowners Association, Inc. A Utah Nonprofit Corporation

By: Unit. Type Its: Treadent Board of Directory

State of Utah County of Grand iss.

On the <u>t</u> day of <u>MAy</u> 2021, personally appeared before me <u>NINIam H-TOPPER</u> who by me being duly sworn, did say that she/he is an authorized representative of the Orchard Villa Townhomes Homeowners Association, Inc., and that the foregoing instrument is signed and executed by authority of the consent of its members.



EXHIBIT A LEGAL DESCRIPTION AND PARCEL NUMBERS

All of Orchard Villa Townhomes **Phase 1 Plat**, according to the office plat recorded in the Office of the Grand County Recorder, including Lots and Common Area.

All of Orchard Villa Townhomes **Phase 1 (Amended Portion) Plat**, according to the office plat recorded in the Office of the Grand County Recorder, including Lots and Common Area.

All of Orchard Villa Townhomes **Phase 2 Plat**, according to the office plat recorded in the Office of the Grand County Recorder, including Lots and Common Area.

Parcel Numbers: 01-0MOV-0001 through 01-0MOV-0072

01-0MOV-COMMON

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