

UNDERSTANDING THE LANGUAGE IN THE CC&Rs

[The issues causing the most concern are contained in a box.]

FRONT TITLE PAGE - self-explanatory (except check the Vision Statement at the bottom of the page, and make certain that it reflects your own vision for the Ranch. Otherwise, none of this will make any sense.)

MAIN PURPOSE: ASSURES THAT ALL THE PROPERTY IN PINE MEADOW RANCH IS DESCRIBED ACCURATELY AND INCLUDED IN THE DECLARATION.

A through F = a description of all of the land contained in Pine Meadow Ranch

G. The Association (YOU and ME) have decided we want to amend those earlier Declarations that were made almost 50 years ago. This Declaration provide governing language (laws) that meets the part in our Vision Statement that talks about “protecting and maintaining the harmonious balance of wilderness and human impact.”

H. State laws deal with the “benefits and burdens” of communities such as ours, and the Association (YOU and ME) will administer these new laws because the State of Utah laws tell us we must.

I. This Declaration replaces both of those older Declarations (ancient?). Owners will accept the intent and purpose of this Declaration (*which is the vision statement*) and will accept the “burdens” that come with the “benefits” of living here—in other words, be law-abiding citizens.

J. If you don’t understand a term in the document go to the Definitions section.

ARTICLE 1 – DEFINITIONS

MAIN PURPOSE: IF YOU DON’T UNDERSTAND A SPECIFIC WORD IN THE DOCUMENT AND THE WORD IS CAPITALIZED, YOU CAN GO TO THIS ARTICLE AND HAVE THE TERM DEFINED FOR YOU.

The terms are self-explanatory, but I would call your attention to one or two:

Association: All through this document the term “Association” is used. This term includes all of us, as a group, but it also includes us individually. As you read through the document, just see how much power and control the Association has.

Common Area: these are those areas that are *not* individually owned but that are owned by all of us for our own convenience and for the convenience of our families and guests. Many areas are included in the Common Areas (roads, mailboxes, etc.), and because all of us own the common areas and we are responsible for maintaining them.

Common Expenses: these are the costs of running the Ranch. Here again the costs are identified so that someone can’t come to the Board claiming compensation for something that isn’t a Common Expense.

ARTICLE 2 – THE DEVELOPMENT

MAIN PURPOSE: IDENTIFIES WHO WE ARE AND WHO WE ARE NOT. BY OWNING PROPERTY ON THE RANCH, WE ACCEPT BEING BOUND BY CERTAIN TERMS AND CONDITIONS.

2.1 This is a bit complicated, but I’ll boil it down as best I can. When you have a real estate document (deed, lease, mortgage, etc.) that is recorded with the County, you are then subject to certain “Terms and Conditions.” if everyone abides by these Terms and Conditions, it is to the benefit of all of us.

2.2- 2.4 We are a planned Development, not a Cooperative or a Condominium. Our name is “Pine Meadow Ranch”, and we will always have a specific person (an agent) who will represent all of us in filings with the County.

ARTICLE 3 – DESCRIPTION OF THE UNITS, LIMITED COMMON AREA, AND ALLOCATED INTERESTS.

MAIN PURPOSE: PROVIDES DETAILED DESCRIPTION OF WHAT IS CONTAINED IN ONE LOT.

3.1 The Lot number on the Plat might not be the same as the mailing address. The Lot generally consists of the building(s) on the Lot and everything that makes up that building.

3.2 Common Area is already defined.

3.3 Each lot has one Allocated Interest, and there is one vote per allocated interest, or one vote per lot. Whether the one lot is big or small, whether there is nothing on it, a small cabin on it, or a huge mansion on it, the allocated interest is exactly the same---one vote. When an owner combines multiple lots into one lot, he will now have one allocated interest---and one vote.

3.4 A Plat is a map. It identifies our lots and our boundaries. The Plat and the CC&Rs work together, but when they don't, if there is a conflict, the one that has the most specific provision—wins—usually in court.

ARTICLE 4 – ORGANIZATION AND GOVERNANCE OF THE ASSOCIATION

MAIN PURPOSE: DESCRIBES HOW THE ASSOCIATION IS LEGALLY ORGANIZED, WHO ARE THE MEMBERS, WHO IS THE GOVERNING BODY (THE BOARD), AND WHAT ARE THE BOARD'S LIMITATIONS, AND IT TELLS US ABOUT THE NEED TO RELY ON GOVERNING DOCUMENTS.

(Note: Refer to Article 2 for the definition of "Association". Association = owners).

4.1 The Association (owners) is the organizational body for all owners.

4.2 We are legally organized as a non-profit corporation. For whatever reason, just in case we blow up and are no longer a non-profit corporation and our laws are all amended, the terms will be the same as what we have in these CC&Rs and Bylaws.

4.3 Membership in the Association is always US —the owners. We are no longer members in the Association if we sell our lot. If a lot has more than one owner, all those owners can't vote--only one of the owners can vote representing that one lot.

4.4 The state law says that if any owner requests a copy of Association documents, the Association shall make a copy available, but the Association can delete any information that, in good faith, it feels would be of a too personal nature to another owner.

4.5 The Board of Directors is the governing body of the Association, and it shall act on behalf of the Association. If the governing documents say that the Association has to do some action, it will be done by the Board. There have been many rumblings that, in this document, the Board has too many powers. The Association, "we owners", are the governing body---we are the ones who have the power. And the Board, *in all instances*, acts on the owners' behalf.

4.6 If you want to become a Board member, you have to meet certain qualifications, and once you become a Board member, there are certain qualifications that you have to meet if you want to stay a Board member (such as coming to meetings). No Board member can use the lists of the Association for personal purposes.

4.7 Individual Board members and individual owners cannot, on their own, do anything that would affect a Board member or the Board, or any of the governing documents.

4.8 If what you have been told goes against what is in the CC&Rs, even if it comes from the Board, it should not be relied upon. It is each person's responsibility to assure, on their own, that the actions of the Board are in compliance with the CC&Rs. DO NOT rely on inaccurate information.

4.9 The Association is registered with the Utah Department of Commerce and will keep that registration current.

ARTICLE 5 – GENERAL RIGHTS AND RESPONSIBILITIES OF THE ASSOCIATION

MAIN PURPOSE: REMEMBER THAT *ALL OF US* ARE THE ASSOCIATION—WE ARE ONE BIG BLOCK OF OWNERS. THERE ARE "BENEFITS" TO LIVING HERE, BUT THERE ARE ALSO "BURDENS" TO LIVING IN A COMMUNITY. IN THIS ARTICLE THE LAW REFERS TO THESE AS "RIGHTS" AND "RESPONSIBILITIES".

IF YOU CHOOSE TO ACCEPT THESE RESPONSIBILITIES ("BURDENS"), THEN YOU ARE PROTECTED. IF YOU DON'T OR WON'T ACCEPT THEM, THEN YOU LOSE THAT PROTECTION—YOU LOSE YOUR OWN RIGHTS. THIS ARTICLE EXPLAINS SOME OF OUR RESPONSIBILITIES SO THAT ALL OF US CAN BE PROTECTED. IT ALSO EXPLAINS THAT WE WILL ELECT A BOARD TO REPRESENT US IN MAINTAINING THESE RIGHTS.

5.1 The Association has certain rights and responsibilities and also others, as provided by law. It will be the Board that will act for the Association.

5.2 We all have the burden of maintaining the Common Areas. The Association may choose to provide snow removal, but is under no obligation to do so.

5.3 A capital improvement is something that is done to the property that extends its life or increases its value. If the improvement is not more than 25% of the annual budget, the Board can approve the expenditure.....over 25% requires a vote of the Association. The Board can approve an emergency expenditure.

5.4-5.5 The Board will collect Association expenses and will pay the bills.

5.6 The Association (OWNERS) can adopt rules for the operation of the Ranch, and Architectural Rules to govern construction. Under this new document you will notice that the Board can no longer adopt rules without letting the Association (OWNERS) know that there will be a new rule and that there will be a meeting where members of the Association can give their input. This has never happened before, and is a limitation on the Board that people have asked for. Rules must be reasonable and they must be enforceable. **At the end of this section, there is a layman's explanation of why the term "reasonable" is used in the law.*

5.7 The Board can hire a manager or other employees to do the work on the Ranch. The Board proposes the budget and the assessments, which are always approved by owners with a vote.

5.8 A very powerful right of the Association is to carry out the terms of the governing documents. So just what are "governing documents"? (a) US Constitution, (b) Utah Statutes, (c) Pine Meadow CC&Rs, (d) Pine Meadow Bylaws, and (e) any other Pine Meadow Rules.

5.9-5.10 The Board will uniformly and consistently enforce the laws, and may impose fines and kick butt (okay, it doesn't say that exactly).

5.11 A reserve fund is like a savings account that is created and set aside for specific purposes, one being for unexpected expenses.

5.12 If somebody doing work for the Board has a relationship with a Board member (either by blood or by marriage), and sends an invoice higher than \$2500 for the work they have done or provided, they will not be paid, unless the Board has given prior approval that they can be paid.

5.13 If something goes wrong between an owner or group of owners, the Board can set up a hearing process to determine who is in the wrong and who needs to have “adverse action” taken against them.

5.14 The Board shall prepare for and conduct an annual meeting and any other meetings that have been properly requested.

5.15 After an owner has transferred, refinanced or closed on his lot, sometimes information on that transaction is requested from many sources. It takes time to gather such information, and the Board can establish a specific fee as the cost of the Board providing that information.

5.16 The Association (OWNERS) own property that is not part of the Common Areas, and we can hold it, use it, sell it, whatever we want, but only for the benefit of the Association.

5.17 The Association doesn’t own or provide water or other utilities, but may provide them or contract with someone else to do so.

5.18 There will be an independent audit every five years, or, if at least a 10% group of owners demand, an audit will be performed.

ARTICLE 6 - BUDGETS AND ASSESSMENTS

MAIN PURPOSE: MONEY IS ASSESSED AND COLLECTED ANNUALLY FOR THE PURPOSE OF RUNNING THE ORGANIZATION, AND FOR ENHANCING AND PRESERVING THE VALUE OF THE DEVELOPMENT.

6.1 The purpose of the assessments is to collect money to manage, develop, protect and preserve the value of the Ranch.

6.2 Each year the Board will prepare a budget in order to estimate what the expenditures will be for the following year and they then decide what the assessment should be. Previous notice will be given about the budget, and then the budget will be presented at the annual meeting where it will be voted on.

6.3 Each owner will pay his/her assessment annually.

6.4 All of the owners personally covenant (promise) with each other that they will pay their assessments and any other charges.

6.5 Rules will be made regarding how the owners will be billed for the assessment they owe, and how that assessment will be collected if an owner doesn’t pay. Interest may be charged on an overdue debt. If an owner doesn’t receive notice of the assessment, for whatever reason, that owner still needs to pay the assessment.

6.6. Assessments are sent to owners based on how many lots they own (allocated interest).

6.7 Sometimes the Association will receive a demand from someone who wants evidence that a debt has been paid—or not. The Association has 10 business days to respond, but the Board may charge up to \$25 to issue the statement.

6.8 If there is to be a Special Assessment levied (not part of the annual assessment), a meeting will be called of all the owners, and those who are present (or who send in a proxy vote), will vote either for or against the Special Assessment.

6.9 Sometimes if one of our owners doesn't pay his debts, a Special Assessment will be levied against that owner's lot in order to collect all the costs that have built up in trying to collect the bad debt.

6.10 If the Association provides materials or services to a particular lot, and if the owner accepts the materials or services, the owner agrees that the costs may be a Special Assessment to that lot.

6.11 If money is left over in the budget at the end of the year, the Board can put it into the reserve account, can credit the money to future costs, or can refund the money back to the owners.

6.12 No owner can use as an excuse not to pay the Pine Meadow debt that he owes, that there are other "legitimate" reasons why he does not need to pay.

6.13 If an owner has multiple debts with the Association but is attempting to pay in installments, the owner has no right to tell the Association what debts should be paid first. The Association will apply any payment onto the oldest outstanding debt first.

** What does "Reasonable" mean?*

The term reasonable cannot be defined because what is reasonable to me will probably not be reasonable to you. A few days ago on social media, an owner posted a tongue-in-cheek list of how we should define the maintenance of our lots. The list was long and extensive, and it might be very reasonable to someone in a mansion who wants her topiary cut "just so." But the rest of us would scream in horror if something like that were included in our CC&Rs. So it's safer to use the term "reasonable". If an issue ended up in court, the judge would use, as his standard, what two reasonable people, discussing a reasonable issue, under reasonable circumstances—what they would determine is the reasonable answer.

The federal government many years ago passed a law that said that an owner of any public entity, such as a restaurant, a theatre, a museum, a store (you get the idea), had to make "reasonable accommodations" for people with disabilities—so they could have the same enjoyments of these places as people with non-disabilities.

A blind person entered a restaurant and asked the server to read the menu to him. The owner came out and said it would be impossible for him to spare any of his wait-staff to do that. But he offered to the blind person a solution. If the blind person could come back in a half-hour, the restaurant owner would find someone who could dictate the menu and record it, and the recording would be ready when he returned.

The blind person huffed out of the restaurant saying that was totally insufficient because he would not be able to ask questions of a recorder.

A few weeks later the restaurant owner got a subpoena. He was being sued for not providing a "reasonable" accommodation.

WHO IS RIGHT? Was the restaurant owner providing a reasonable accommodation to the blind person? Or was the blind person reasonable in his request? The hope always is that two reasonable people can come to a reasonable solution among themselves. A judge will decide what was "reasonable".

ARTICLE 7 – NONPAYMENT OF ASSESSMENTS AND JOINT AND SEVERAL LIABILITY OF OWNERS FOR ALL PAST UNPAID ASSESSMENTS.

MAIN PURPOSE: When a delinquent owner doesn't pay assessments, it hurts the entire THIS ARTICLE DEALS WITH HOW WE COLLECT THE MONEY THAT IS NEEDED TO MAINTAIN THE RANCH AND ROADS.

7.1 Watch out, because if you don't pay your assessment—on time—Article 7 will get you!

7.2 If you are past 90 days from getting your bill and you still haven't paid, the first late fee is \$35 After that it will be \$20 per month, plus interest, that will be adding up. The account can be turned over to an attorney or to a collection agency, and all that will be added to the account. If you pay your assessment with a credit card, there is a chance you will need to pay an extra 3% (or less).

7.3 Joint and several liability are big attorney-words, but they are very important because they mean that one or more parties (probably the rest of us) will be responsible for paying the debt of the delinquent owner. The owner can sell to get out of his debts, but he still has to pay his debts before he closes on the sale. If a person has no intention of buying Property A, and a deed to Property A has been recorded in his name. it will not be a legal transaction.

7.4. Delinquent owner has racked up late assessments, late fees, interest charges---and he decides he's just going to sell his place, take the money and run. And no-one will know he's gone until it's too late. But--he can't. There is a lien on his lot that will be caught by the title company, and all his Pine Meadow debts will finally be paid—out of his equity. The PM lien will be paid first except in a few instances—such as delinquent taxes or other government charges.

7.5 The Association must do everything it can to collect those delinquent debts so it may take the delinquent owner to court, or it shall foreclose on the assessment lien. All the costs incurred to collect the debt will be added to the debt.

7.6 When doing a foreclosure sale, the Association needs to have a trustee, and the state law says a qualified person must be named . A "substitution of trustee" form, can be used to change a trustee.

7.7 This very small paragraph has caused concern among a small group of ranch owners, yet it does not make any difference to any of our owners. If an owner is up to his ears in debt and needs to sell his home, provided there is enough equity in his home, once he *sells* his home, he can protect up to \$84,000 of that equity for the period of one year. If the owner is single, the protection is for \$42,000. Certain debts will be "protected" (which means they don't have to be paid), but only for one year. But other debts must be paid out of that \$84,000---debts that cannot be protected. An example of these would be property taxes, *assessments*, other government charges, child support, etc.---these need to be paid. *Assessments* cannot be protected, they need to be paid. So, the Homestead protects nobody on the Ranch as far as assessments go. Why is it there? Even though it is required by Utah State law, our HOA counsel thought that including it in the CC&Rs served to educate our owners.

7.8 There will be attorney's fees from the work they do to collect the debts. Some of what they do is defined in this section. The Association has a right to collect all those fees.

7.9 If the Association has taken over a lot from a foreclosure and it's time for assessments to be paid, the Association doesn't have to pay the assessment to itself.

7.10 Until an owner's account is brought current, the owner cannot vote his allocated interest at any meeting.

ARTICLE 8 – ARCHITECTURAL CONTROLS

MAIN PURPOSE: IN ORDER TO MAINTAIN A SIMILAR, RUSTIC LOOK FROM HOME TO HOME IN OUR COMMUNITY AND TRY TO PREVENT A “SPLASH” THAT STICKS OUT AND RUINS THE WILDERNESS FEEL OF THE RANCH, THIS ARTICLE GUIDES THAT CONCEPT.

8.1 The Architectural Review Committee (ARC) shall have 3-5 members appointed by the Board. The ARC may hire paid professionals as it thinks necessary, and their costs are covered from a fee charged to owners applying for approval of their building plans.

8.2 Before anyone begins construction on their property of any kind, all plans need to be approved by the ARC before any construction can begin. Some of what will be approved or denied is listed in this section.

8.3 Some changes do not need the approval of the ARC.

8.4 The Board will adopt an application form with a list of what will be required.

8.5 There will be General Standards that the ARC and the Board will use to evaluate.

8.6 A list will be developed by some of our owners who are horticulturists (people who study and work with plants) as to what types of plants will be prohibited from being planted that could destroy, or greatly impact, our natural habitat. Thistle is not natural to our community and is a common enemy that we all fight. This would be an example of a prohibited plant. If an owner wants to throw out seeds of wildflowers, go for it!

Summit County has a Dark Skies Ordinance that must be adhered to. No exterior or interior lights should spill outside an owner’s lot.

8.7 No construction by one owner should impede on any adjoining owners.

8.8 The ARC, the Board, the Association (OWNERS) shall not be liable for the problems an owner may encounter at any point during construction. The ARC must abide by the rules in the CC&Rs.

8.9 If an owner builds new, or does major renovation on what he currently has, this requires large trucks in and out of our community that can do major damage to our infrastructure. An impact fee, paid by the owner, can be used to pay for those damages and others.

8.10 The Association, if possible, shall keep an electronic record of all aspects of a construction project.

8.11 After a construction project is completed, the owner will notify the ARC and the Board of the completion. The ARC or the Board may inspect the project and determine if it has been finished in compliance with original plans. If not, there are remedies.

8.12 Once an owner has submitted plans and specifications for the project, the Association (through the Board and/or the ARC) shall respond within 60 days. If they have not, the project shall be considered as being approved.

8.13 Every owner understands that, during a construction project, there will be many inconveniences such as odors, noises, traffic problems, etc. Each owner agrees to be patient and not make complaints to the Board.

8.14. There can be only a dwelling and one accessory structure on one lot. The dwelling can be no smaller than 400 square feet and no larger than 4500 square feet, and accessory structures can be no larger than 1000 square feet. Determining this size limit on a dwelling was not easily come to. There was first a calibrated scale that, depending on the size of your lot determined how large your house could be. That didn’t work. Then a 4000 square foot limit was agreed to, until the last public hearing where in response to owner comments the limit was raised to 4500 square feet

8.15 Except for the one in ground pool that is currently in the community, no more in ground pools will be allowed.

ARTICLE 9 – EASEMENTS, ACCESS AND USE RIGHTS

MAIN PURPOSE: AN EASEMENT MEANS THAT YOU HAVE GIVEN SOMEONE ELSE THE RIGHT TO USE OR COME ACROSS YOUR LAND. THIS ARTICLE DEFINES THE LIMITATIONS OF AN EASEMENT.

9.1 The Association will repair or remediate (pay) for any damages they may have caused while using an easement right across an owner's property, unless an owner has improperly impeded the easement.

9.2 The owner will grant a temporary construction easement of 15 feet of their lot that is closest to the road if the Association is working on the roads for any reason, and needs to use that space. (see 9.1)

9.3 There will be easements and rights of way throughout the Ranch for the installation and repair of utilities, but these easements shall not interfere with the use of an owner's lot or with the common areas. Each owner agrees to these easements and rights of way and appoints the Association as attorney-in-fact to sign any documents necessary to create the easements. Attorney-in-fact means that you are giving someone else the authority to sign on your behalf, but you can limit what that person can sign to just this one thing and nothing else.

9.4 Many of the roads and easements that were built way back, don't necessarily agree with what is described on the Plat, and might cross over another owner's lot. That owner grants that easement to the Association and to others who might need to cross over it. This only refers to platted roads, not to anything that is not on the plat.

9.5 Each owner can get to his lot by going over the common areas (roads).

9.6 Any emergency services shall have a right to go and come over any lot at any time.

9.7 Any owner shall have a non-exclusive right to use any of the common areas. This right is part of our rights of owning property on the Ranch, but our use must be "reasonable."

9.8 No specific views from a lot are guaranteed, and every owner who buys a lot agrees that no view is ever promised. No owner can change the topography of a lot in order to improve his view, or for decorative landscaping purposes.

ARTICLE 10 - USE, LIMITATIONS AND CONDITIONS

MAIN PURPOSE: THE STATE LAW TALKS ABOUT THE BENEFITS AND BURDENS OF LIVING IN A COMMUNITY. IN ORDER FOR US ALL TO "BENEFIT" FROM OUR TIME ON THE RANCH, WE ALL HAVE TO BE "BURDENED" BY SOME LIMITATIONS.

10.1 Appropriate flags and signs are allowed on the Ranch.

10.2 Rules may be adopted regarding holiday decorations.

10.3 No Owner shall allow loud or offensive activity on the Ranch that would interfere with the rights of quiet enjoyment of other owners.

10.4 No temporary structure, such as a tent or a trailer, may be used for a permanent dwelling. However, if there is already a permanent dwelling on the lot, a "reasonable" number of such structures may be used. Trailers may be used as a permanent dwelling for less than 180 days in a given year provided they are removed by October 31 of each year. RVs, motorhomes, etc. not used for permanent dwellings may be stored year-round provided the owner keeps them from becoming a hazard.

- 10.5** Don't park on the roads or on the road easement (on the side of the road). Rules will be adopted regarding improperly parked or long-term parked vehicles.
- 10.6** Maximum speed for all vehicles is 25 mph. Off-road vehicles must have a properly functioning exhaust/muffler system and an approved spark arrester. Winter driving rules will apply.
- 10.7** Loudspeakers directed to the outside of any lot are prohibited.
- 10.8** Rubbish and debris must not accumulate on any lot. Machinery and equipment must be kept out of sight of the neighbors.
- 10.9** No open fires or fireworks are permitted—anywhere. Propane grills and fire pits are okay to use if they meet the county fire ordinances. Permits must be obtained in some instances. If an owner allows a fire to get out of control, that owner will be held liable for all damages.
- 10.10** Shooting any kind of a firearm on the Ranch is prohibited, and any hunting, including bow hunting, is prohibited.
- 10.11** Owners need to remove the snow on their own lot, but it can't be pushed onto a neighbors lot or onto any road or common area.
- 10.12** Any flow of water cannot be stopped or dammed up by an owner. No rock or gravel can be removed for a commercial purpose.
- 10.13** No livestock or farm animals can be kept on the Ranch with the exception of horses, goats and poultry. No animals should be an annoyance or a threat of injury.
- 10.14** No business activity can be conducted on the Ranch unless certain requirements are met. The requirements are outlined.
- 10.15** No lot can be split into two or more lots, nor sold as a part. No one lot can have recorded CC&Rs or a subdivision plat without the prior approval of the Board and/or owners.
- 10.16** Trees may not be removed without approval unless the trees are in a space less than 120 square feet, dead or dying trees, or trees removed to create defensible fire space.
- 10.17** Owners must obey environmental laws concerning hazardous substances. Small quantities for the use of gas powered equipment may be stored on the property. Owner shall hold Association and other owners harmless should there be damage or bodily injury from stored substances.

ARTICLE 11 – INSURANCE

MAIN PURPOSE: FOR THE PROTECTION OF THE ASSOCIATION, IT IS IMPERATIVE TO HOLD VARIOUS FORMS OF INSURANCE.

- 11.1** The Association shall obtain insurance as required by the CC&Rs and by applicable law.
- 11.2** Prior to the annual meeting the Board may obtain a written report from an independent agent.
- 11.3** The Board shall obtain property insurance for the common areas.
- 11.4** The Board shall obtain Comprehensive General Liability Insurance that insures the Association against liability of death or injury by an individual in the common area.
- 11.5** The Directors and Officers shall obtain liability insurance for their actions as members of the Board.
- 11.6** There shall be insurance against the theft and/or embezzlement of Association Funds.
- 11.7** There shall be insurance coverage against online banking fraud.

11.8 All employees of the Association shall be covered by Workman's Compensation Insurance, as required by the law.

11.9 A Certificate of Insurance shall be issued by any insurer of an insurance policy to the Association.

11.10 The name of the insured shall be the Association and the owners.

11.11 Insurance proceeds under the loss of the property insurance policy, shall be paid to an Insurance Trustee or to the Association, but not to a holder of a security interest, such as a mortgagee.

11.12 An owner cannot void or terminate an insurance policy without the authority of the Association.

ARTICLE 12 – EMINENT DOMAIN

MAIN PURPOSE: TO GIVE DIRECTION AS TO WHAT HAPPENS WHEN THE GOVERNMENT TAKES SOME OF OUR PROPERTY FOR THEIR OWN PURPOSES.

12.1 If a lot or portion of a lot is taken by the government through eminent domain, the allocated interest may be reallocated among the remaining lots.

12.2 If a portion of the common area is taken by the government, the money received from the government will be used to repair and restore the area adjacent to the area that no longer belongs to the Ranch. If there is money left over, it will go into the general fund of the association.

12.3 Each owner will appoint the Association to act on his or her behalf in negotiating the best deal possible.

ARTICLE 13 - AMENDMENTS

MAIN PURPOSE: TO DETAIL HOW AMENDMENTS MAY BE MADE TO THIS DECLARATION.

13.1 Any amendments to the CC&Rs need to be in writing and need a vote of 67% to pass.

13.2 New rights and restrictions can be added or removed.

13.3 The Board president shall carry out any amended changes, and the changes will be effective when they have been recorded with Summit County.

13.4 If the Association amends the Plat or corrects the boundary lines, the lot owners may be required to approve the changes.

13.5 If the Association has building rights for some lots, and if it is of benefit to the Association, the Association may transfer those building rights to other lots,.

13.6 The Board is authorized to annex additional lots into our Development, which new lots will then be subject to these CC&Rs.

13.7 If these CC&Rs are in conflict with the law, the Board, without the approval of the owners, may amend the CC&Rs to conform to any legal requirements. Amendments may also be made, without owner approval, in order to conform to the requirements for obtaining government financing. The Board must give all the owners a detailed explanation of the need for the amendment and give the owners the right to object. The Board members will sign a document saying that they have complied with the law, and the document will be recorded.

ARTICLE 14 – INTERPRETATION, CONSTRUCTION AND APPLICATION OF DECLARATION

MAIN PURPOSE: EXPLAINS HOW THE DECLARATION SHOULD WORK AS A GOVERNING DOCUMENT.

14.1 Sometimes documents conflict. If that is the case, the order of priority of which a document shall rule, from highest to lowest, is Utah law, the Plat and Declaration equally, the Articles, the Bylaws, then the Rules.

14.2 If the Declaration is in conflict with the Community Association Act, the Act shall control, and the CC&Rs shall be modified to come in compliance with the Act.

14.3 All rights and remedies of the Association and the Owners in the governing documents are equal, and the Association and the Owners can pursue these rights.

14.4 If a judgement or court order says any of these rights or restrictions is invalid, all of the other rights and restrictions shall still be in full force and effect.

14.5 Everything in this Declaration is for the purpose of creating and maintaining a cohesive planned community. The provisions stated in the Declaration are not to be interpreted as being either for or against either the Association or any owner.

14.6 The Association is subject to Utah law. Any amendments won't count unless they are in accordance with the law.

14.7 To comply with the Code of the West (just kidding), singular means plural and vice versa, masculine shall include feminine and the neuter, and vice versa.

14.8 The Association makes no warranties as to whether any portion of the Declaration can be enforced or binding and the Association will have no liability if it is determined to be unenforceable in court.

ARTICLE 15 – NOTICE

MAIN PURPOSE: WE ALL RELY ON A VARIETY OF NOTICES THAT COME FROM THE ASSOCIATION. THIS ARTICLE DEFINES EXACTLY HOW A NOTICE WILL BE GIVEN TO EACH OWNER.

15.1 To be effective, all notices shall be in writing and shall be delivered to the owner by first-class US Mail, or by email correspondence, or by facsimile, or by any other method that is fair and reasonable.

If the owner wishes to have notices sent via email, the owner must update his address at least once every year.

If there is more than one owner, notice to just one owner is considered as being notice to all. Only one notice per lot will be sent.

If posting on the owner's lot is permitted, the Association may enter the lot but for no other reason than to post the notice. If there is no dwelling, the notice may be posted on the front roadside edge of the lot.

The Association cannot go into a dwelling without a court order.

If there is an emergency involving an injury or potential loss of life, the Association may enter the lot but not the dwelling.

In an emergency that could cause immediate and substantial damage to a lot, the Association shall attempt to notify the owner to inform them or the impending entry.

In other than an emergency, if the Association needs to enter an owner's lot, it will give at least three days' notice, approximate date and time of entry, the reason for the entry, and letting the owner know he/she can be present. The Association must make every effort to assure that the notice is received.

Notice to a lender will be delivered by US Mail.

If an owner sends a notice to the Association it will be considered delivered if:

it is a written notice that is delivered personally to the manager or the president.

it is a written notice placed in the US Mail.

it is emailed to the Association address.

it is sent by facsimile to the fax number of the Association.

ARTICLE 16 – ATTORNEYS’ FEES AND COSTS

MAIN PURPOSE: TO IDENTIFY WHEN THE ASSOCIATION’S ATTORNEY SHALL BE PAID.

16.1 If the Association has a dispute with an owner and the owner informs the Association he/she has no intent on complying with the Terms and Conditions, and the Association is required to hire legal counsel to enforce the Terms, the Association may assess the resulting legal fees and other costs to the owner. If there is a lawsuit between the Association and an owner, the prevailing party shall be entitled to all attorney’s fees and costs.

Costs shall include all administrative costs from copying documents to hiring expert witnesses.

ARTICLE 17 – RESERVES

MAIN PURPOSE: DEFINES NEED FOR A RESERVE FUND

17.1 The Association, in accordance with the law, shall maintain a reserve fund.

ARTICLE 18 – LEASING AND NON-OWNER OCCUPANCY

MAIN PURPOSE: THIS ARTICLE OUTLINES REQUIREMENTS FOR NON-OWNER OCCUPANCY ON THE RANCH

18.1 This Article 18 governs any leasing or non-owner occupancy on the Ranch.

18.2 A non-owner occupant is someone who has given something of value, including money, to be able to occupy a lot.

18.3 Other restrictions are specifically identified for a lot that will be non-owner occupied.

18.4 As with any lot the owner owns, he is responsible for any special assessments or fines. The owner is responsible to assure that any guests will comply with the laws of the Ranch.

18.5 The Board may adopt rules regarding non-owner occupied lots and reasonable provisions for enforcing the requirements.

18.6 No rented lot may be over-occupied, for instance, two people per room plus an additional two people. This section has nothing to do with owner-occupied lots!

18.7 For occupants that are leasing on the Ranch, any lease agreement will have an initial term of at least 30 days, and the occupant shall agree to comply with the laws of the Ranch. Renters are not permitted to sublet.

The owner may be required to provide to the Board a copy of any lease between the owner and the occupant.

Any owner who, prior to the recording of this Declaration, has lease agreements for less than 30 days, may honor those lease agreements until September 30, 2020.

ARTICLE 19 – GENERAL PROVISIONS

MAIN PURPOSE: TO IDENTIFY ADDITIONAL RIGHTS AND RESPONSIBILITIES OF OWNER AND THE ASSOCIATION

19.1 The Association and any Owner has the right to enforce the Terms and Conditions in this Declaration. If there is a breach (a violation) of these laws, the Association can demand specific things be done, or can take out a restraining order or a preliminary or permanent injunction. An injunction is a legal action that requires a person either to do something or not to do something.

19.2 To the fullest extent permitted by law, no board member or officer can be held responsible for any damages to any owner on account of a decision made by the Board.

19.3 Any owner who is using the roads acknowledges and accepts that the roads aren't the best, the snowplowing isn't guaranteed, and the owner needs to decide whether his vehicle has the capacity to travel a particular road.

19.4 Owners, or groups of owners, may plow the roads during winter but must abide by minimum standards adopted by the Board.

19.5 All funds that are collected by the Association shall be held in a fiduciary capacity, which means that we trust the treasurer and Board to use the money in managing, constructing, maintaining the common areas.

19.6 Each owner is liable to every other owner for any damages the first owner causes to another owners lot or to the common area.

19.7 Each owner shall be responsible for the care and taking of his own lot.

19.8 Each owner consents to the rights of the Association as outlined in this Declaration, to perform on the owner's behalf.

19.9 The Association or Board cannot ensure the safety and security of an owner as it relates to criminal conduct. Each owner assumes his own risks for damage or loss resulting from criminal conduct.

19.10 The Association will make all reasonable accommodations or modifications to accommodate an owner with a disability.

19.11 Each owner understands and agrees that the Association and the Board have not made any promises regarding the Development and that the owner has not relied on any representations.

HOW TO VOTE

1. If you, as the property owner, are **NOT** in favor of any aspect of the CC&Rs, cast a **NO** vote.
2. If you, as the property owner **ARE** in favor of the CC&Rs, including the ban on nightly rentals for less than 30 days, cast a **YES** vote.

[Pay attention---here's where it gets to be a little complicated]

3. If you, as the property owner, **ARE** in favor of the CC&Rs, but you **favor** allowing nightly rentals on the Ranch, you must first:
 - a. vote YES on the main ballot (which does include the ban on nightly rentals), then
 - b. immediately cast a vote for the **Amendment** which does allow nightly rentals for less than 30 days.

AMENDMENT TO THE AMENDMENT

MAIN PURPOSE: TO CHANGE ARTICLE 18 FROM AN ARTICLE THAT PROHIBITS NIGHTLY RENTALS FOR LESS THAN 30 DAYS TO AN ARTICLE THAT ALLOWS NIGHTLY RENTALS.

18.1 to 18.6 remain the same

(1) 18.7 is deleted and replaced with the following:

- (a) The lease or agreement must be in writing and must state that the non-owner occupant must comply with all of our laws and rules.
- (b) Renters cannot sublet to someone else.
- (c) Owners who rent their properties for less than 30 day segments are considered to be “short-term renters” and they must notify the Association of their intentions.

Short-term renters must provide the Association with the number of a contact person who can be reached at any time, day or night, who can call a rowdy tenant in order to stop any violations.

Short-term renters will pay a Special Assessment to the Association per lot per night for the administrative costs to the Association for enforcing short-term rentals.

If a lot has more than three tenant violations in a year’s time that do not cease within 24 hours of calling the contact person, the owner will be prohibited from doing short-term rentals for one year.

The Association can adopt other rules governing short-term rentals.

- (2)** All other provisions in the Declaration that are not amended by the above, shall still be in force and effect. If there are any conflicts with the original Declaration (the CC&Rs) this document shall control.
- (3)** This document (this amendment) is supplemental to the Declaration and all the terms in the Declaration apply to this document.
- (4)** The effective date of this amendment is when it is recorded.