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## ARTICLE VIII - RULES AND STANDARDS OF CONDUCT

### KINESAVA HOMEOWNERS ASSOCIATION, INC.

#### *RULE 1 – Parking of Vehicles*

Proper parking of automobiles is the individual responsibility of each homeowner. As far as facilities will reasonably allow, each homeowner should provide facilities for parking his automobiles and other vehicles on his own lot. Automobiles or other vehicles shall not be parked on Kinesava Homeowners Association, Inc. community spaces.

Automobiles and other vehicles of guests may be parked on the homeowners' lots or on the parking areas held by the association for the common use.

Additional parking in case of large numbers of guests may be arranged by consultation with neighbors in Kinesava Homeowners Association, Inc. for the use of driveways or parking spaces on their lots.

Parking in any way which will inhibit access to fire hydrants is prohibited.

Washing of cars must be done on the homeowners' lot and should not be done on lawns or parking areas of the association.

#### *RULE 2 – Speed Limit (KHAI 2010)*

The speed limit within Kinesava Homeowners Association, Inc. will be 15 miles per hour. Homeowners and tenants of rental premises have the responsibility to advise their guests to strictly obey this rule.

### *RULE 3 – Safety Standards*

Many of the facilities and features of Kinesava Homeowners Association, Inc, are owned by the association for the common use of the families of homeowners. Users are required to respect the wishes of all to enjoy the common areas in their own way, and each user is required to refrain from thoughtless or careless acts, which may cause danger to others using the facilities also. Caution is particularly stressed in regards to:

- I) Pool and stables – children under 12 must be supervised by an adult around the pool or stables.
- II) Motorists are required to drive with extra caution in areas where there are potential hazards such as:
  - a) Driving in or out of the gates.
  - b) Passing private driveways.
  - c) Near shrubbery close to the driveways.
  - d) Passing the play areas.
- III) Riding bicycles carelessly or with excessive speed.

### *RULE 4 – Fire*

Since fire represents one of the greatest potential hazards to the properties and occupants, special precautions must be exercised in the use of fire, particularly out of doors. Outdoor fires shall not be left unattended. Water or fire extinguishers adequate to control the fire shall be available at the site of outdoor fires. All reasonable precautions shall be taken to prevent the spread of a fire from its intended site.

Recognizing that any uncontrolled fire may result in damage to or loss of the property or lives, it is hereby required that in the event of an uncontrolled fire on the land or buildings of the association or any lot immediate notification should be given to the Springdale Fire Department.

### *RULE 5 – Maintenance of premises*

It shall be the responsibility of each homeowner to maintain, keep up, and beautify his lot. Kinesava Homeowners Association, Inc. shall have responsibility for the upkeep and maintenance of the association properties to the end that the same may be enjoyed by all of the homeowners. In assuming this responsibility it is to be understood that all homeowners are to assist the association with time and labor in maintenance, beautification, and promoting general appearances of the association properties.

It shall be the responsibility of the Board of Directors from time to time to designate and recommend a clean-up date and to inform all homeowners of the day of lots of the association should be cleaned of leaves, limbs and other debris and materials that may have collected. In addition, the Board of Directors should designate an annual clean-up day for the association property and enlist the support and help of all the homeowners in accomplishing the annual clean-up day of association property.

It is the obligation of each homeowner to participate in this activity, and it is to be provided that in the event he is unable by his absence from the area or physical ability to participate actively in the clean-up on the association properties and vacant lots that the homeowners should provide substitute labor to assist.

In the event that an individual homeowner fails to maintain and appropriate general appearances of his properties or to arrange for the maintenance by persons under their direction, the Board of Directors may hire such maintenance to be done and bill the homeowner. Such maintenance bill, until paid, shall earn interest at 12% per annum and shall constitute a lien on the stock pertaining to the lot maintained.

#### ***RULE 6 – Removal of and Planting and Maintenance of Trees and Shrubs***

The planting, removal or maintenance including pruning and trimming of shrubbery, trees, flowers, grass or other vegetation and the removal of soil from or on the property of the association, shall be authorized only by the Board of Directors or by their appointed caretaker.

#### ***RULE 7 – Advertising and Signs***

Signs to advertise or control the activities or business of the association shall be posted on Kinesava Homeowners Association, Inc. property by authority of the Board of Directors only. "For Sale" signs relating to a house or other improvements belonging to a stockholder may be posted on the lot or house leased or owned by the stockholder, but not otherwise. Signs of a business or advertising nature relating to personal activities of the individual homeowner or his assignee shall not be posted with the subdivision, either on association property or on any properties of the stockholders.

#### ***RULE 8 – Trespassing and Destruction***

The responsibility for maintaining and preserving the usefulness of and the beauty of the properties owned by the association and used in common by all of the stockholders for their pleasure and enjoyment is shared by all. Individual homeowners or members of their household are not to engage in nor permit acts of a destructive nature to association property nor to other homeowner's property.

A homeowner is responsible for families and their invitees and should not allow any trespassing through gardens, flowerbed, across lawns or making of trails on the hillsides. Trespassing over others' property shall not be permitted without the owner's permission.

Non-residents shall be considered trespassers when violating the speed limit or other rules of the association and shall be prosecuted accordingly. An automatic, vehicle-sensitive gate system will be installed and operated. It will embody signs announcing that the development is private and directing visitors to park in designated spaces.

Residents will encourage their guests to use the visitor parking areas where possible, and should instruct guests concerning the use of the gate system.

The individual homeowner is obligated to assist the Board of Directors in controlling trespassing on association property and should make immediate notification to the trespasser and in bringing the matter to the attention of a member of the members of the Board of Directors in order to discourage trespassers and destruction to association properties or the private properties of the residents.

#### ***RULE 9 – Fireworks and Firearms***

The use of firecrackers, air guns, firearms or any other fireworks or noise-producing articles within the confines of the subdivision areas is strictly prohibited. Provided, however, that on the 4th of July and the 24th of July children shall be permitted to use cap pistols and sparklers to assist in the celebration of these holidays, and Kinesava Homeowners Association, Inc. may authorize a corporate supervised display on special occasions.

#### ***RULE 10 – Commercial Solicitation***

The right to commercial solicitation, passing of handbills or cards or other circulars of a commercial nature is strictly prohibited without prior approval granted by the Board of Directors; provided however, that solicitation of a particular stockholder or resident shall be permitted upon invitation of the said stockholder or resident.

#### ***RULE 11 – Rental and Guest Occupancies***

Purpose:

To provide the homeowners in KHAI a means of communication between homeowners and renters for the purposes of mitigating intrusive behavior and activities; to establish a means of communication for notification of potential threats from severe weather, flash flooding and fire; and to provide a means of communication for the purposes of pet control and recovery.

Homeowners may rent their residences in Kinesava Ranch on the following conditions:

1. The rental term exceeds 30 days in duration in compliance with Town of Springdale ordinance.
2. A Notice of Intent to Rent. The notice shall be delivered in person, by email, US mail, UPS or FedEx depositories with pre-paid postage to the Secretary of KHAI. The notice shall be submitted to insure receipt of the notice by the Secretary a minimum of 1 day prior to the commencement of the lease. The submitted information will be available to all interested KHAI homeowners upon request to the Secretary. The notices can be obtained from the Secretary.
3. Failure to submit a Notice of Intent to Rent in the prescribed time period shall be subject to a \$100.00 fine.

Homeowners may allow the residences to be occupied by guests on the following conditions:

1. Occupancy of a residence in Kinesava Ranch by guests in the absence of the owner shall require the submittal of a Notice of Intent to Allow Guest Occupancy when such occupancy exceeds 7 days in duration.

Failure to submit a Notice of Intent to Allow Guest Occupancy in the prescribed time period shall be subject to a \$100.00 fine.

The required form is to be submitted to the Secretary, KHAI, prior to the commencement of the rental or guest occupancy.

**Kinesava Homeowners' Association, Inc.**

**Notice of Intent to Rent**

**Notice of Intent to Allow Guest Occupancy**

Name of Responsible Party (Renter or Guest)	
Name of Spouse (if applicable)	
Total number of persons in the residence	
Total number and descriptions of vehicles	
Total number, description, and names of pets	
Contact phone number of Responsible Party (while residing in Kinesava Ranch)	
Phone number for persons to be contacted in case of emergency	
Term of occupancy (beginning date-ending date)	

I affirm that I have furnished the renter or guest with a copy of the Rules and Standards of Conduct of Kinesava Homeowners Association, Inc.

I agree to be responsible for the maintenance of the premises and home in which my renter or guest is to reside and keep it in attractive order and free of trash, overgrowth, defunct vehicles, etc.

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(Signature of Homeowner)

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(Date)

*RULE 12 – Animals and Pets (KHAI 2008)*

Homeowners may have pets in accordance with the Springdale Town Code.

*RULE 13 – Certificates of Insurance (KHAI 2006)*

In order to approve a major project by a homeowner, KHAI needs to be named as Certificate Holder and issued a Certificate of Insurance by the homeowner.

*RULE 14 - Procedures to be used in enforcing no parking on the pavement or on private lots. (KHAI 2012)*

Whereas the “Special Exception for Kinesava Ranch PUD,” the settlement agreement between KHAI and the Town of Springdale governing development in Kinesava Ranch, prohibits parking on the pavement due to fire line considerations, and;

Whereas at no time since the recording of the Plat Map for Kinesava Ranch has access to Zion National Park Lands existed which does not cross private property contained within Kinesava Ranch PUD, and;

Whereas obvious and properly formatted language has been posted on signs positions in several key locations in Kinesava Ranch warning of “No National Park Access”, and;

Whereas the signs have been ignored by at least 6 parties during the calendar year 2011 prompting Kinesava Ranch homeowners to call the Zion Canyon Police to issue parking citations which was accomplished, and;

Whereas all but one of the citations was dismissed by local judges due to the fact that Utah law does not allow a public police force to issue citations on private land including roadways and all other means of enforcement has exhausted.

Then, therefore,

The President of KHAI may authorize the use of a specified towing service to be available to any homeowner or witness to the vehicular trespass in Kinesava Ranch PUD. The towing service shall provide KHAI with:

- I) All the signage necessary to warn of the potential risk to violators (if the KHAI signage does not already do so).
- II) Indemnification from liability for damages and from legal expenses should a legal challenge be filed.

The Board of Directors direct landowners that they are not responsible for notifying trespassing parties that their vehicle has been towed but may do so without consequence unless the language in the Towing Company insurance prohibits this notification.

*RULE 15 - Architectural Control Committee Review Procedure (Clarification of By-Laws Article X) (KHAI 2012)*

Whereas the By-laws Article X and CCR's Article V contain tenets concerning the standards to be complied with and the methods of submission and review of projects in Kinesava Ranch PUD, and;

Whereas these Articles were drafted prior to the adoption of the "Special Exception" and "Fire Protection Standards" for Kinesava Ranch PUD, and;

Whereas the Town of Springdale has adopted Ordinances which have been superimposed on the Ordinance provisions existent when the Kinesava Ranch PUD articles were drafted, and;

Whereas the standards for project submittal to the Town of Springdale has been standardized and the Architectural Control Committee ("ACC") approval should be based a review of documents similar or identical to the Town of Springdale submittals,

Then therefore the Board of Directors hereby produces the following clarifications to the articles, rules and procedures for the ACC Review of submittals for building construction and remodeling, grading, landscaping, or other projects in Kinesava Ranch which impact the visual nature and character of the PUD.

These rules and procedures will be used by the Architectural Control Committee (ACC) to review submittals for building construction and remodeling, grading, landscaping, or other projects in Kinesava Ranch which impact the visual nature and character of the PUD. These rules wholly replace Article X of the By-Laws.

- I) The applicant shall provide a minimum of 5 copies Construction Documents which include dimensioned floor plans, elevations, cross sections, grading and landscape plans identical in content and format to the submittals to the Town of Springdale DCD or Planning Commission for review. If more than 2 members of the Board of Directors acting as the ACC are residing outside the town limits of Springdale Utah at the time of submittal, more copies of the submittal may be required.
- II) The applicant shall provide color and material samples in compliance with the Town of Springdale color palette and adequate to define the visual impacts of the structures, landscape elements, driveways and any other feature which impacts the visual nature and character of the PUD. Internet addresses for material review may be required by the ACC for distribution to ACC members who are not able to view the actual samples. These samples shall be kept on file until project completion.
- III) Any alterations to the Construction Documents or material and color samples during construction the ACC maintains the right to review and approve these changes before they are implemented on the project.
- IV) The ACC requires that the Applicant receive ACC approval prior to submittal to the Town of Springdale to afford the ACC the opportunity to input information and concerns specific to the project and conditions in Kinesava Ranch of which the Springdale DCD or planning commission might not be aware.



- V) The ACC is bound by the Declarations and Articles to produce a review and approval within 30 days of the receipt of the submittal. However, the ACC hereby clarifies the Declarations and Articles as follows:
- a) The 30 day period shall commence on the same day in which submittals deemed adequate by the President of KHAI or his designate are received. The President of KHAI or his designate shall inform the applicant and all members of the ACC in writing that on the date of the letter, submittals have been received and accepted.
  - b) The 30 day period shall not commence on the same day in which submittal is received but deemed inadequate by the President of KHAI or his designate. The President of KHAI or his designate shall inform the applicant and all members of the ACC by email that named specific information concerning the project must be received prior to the commencement of the review period.
  - c) Each member of the ACC may communicate their comments, approvals or disapprovals of all or part of the project with the KHAI president or his designate by email to expedite the approval process. The KHAI secretary shall mail a form letter providing each ACC member a form which documents his approval, disapproval or conditions on the project. Within 30 days of the final disposition on the project, each member must fill in and mail this letter to the current KHAI secretary for filing.
  - d) On or before the 25th day of the review period, the President of KHAI shall email a draft copy of the letter containing the ACC finding and condition for approval of the project to the applicant. If negotiations begin concerning this draft letter the 30 day review period will be extended by default until negotiations are complete.
  - e) On or before the 30th day of the review period, the President of KHAI shall draft a letter to the Town of Springdale Director of Community Development and the Secretary of KHAI containing the ACC findings for the project including any conditions, attachments and agreements pertaining to the approval or disapproval of the project.

*Rule 16. Clarifications to the Architectural Standards in By-Laws Article X.*

Whereas the existing architectural standards in Article X were written prior to the creation of the “Special Exception” and town ordinances governing development on terrain found in Kinesava Ranch PUD, and;

Whereas while it is not the responsibility of the Kinesava Ranch ACC to enforce town ordinance or the tenets of the Special Exception, Fire Protection Standards for Kinesava Ranch or the town ordinances, it is the responsibility of the ACC to reference these standards to avoid approving all or parts of a project which are clearly in violation of same, and;

Whereas the ACC recognizes the need to establish a central data base to be available to ACC members during their review of projects, and to applicants seeking ACC approval,

Then therefore, the Board of Directors makes the following clarifications and additions to the rules that a central data base to include the following be referenced.

To establish a central data base to be available to ACC members during their review of projects, and to applicants seeking ACC approval, the following should be referenced.

#### General Reference Data.

- I) The town code is available for viewing at [Springdaletown.com](http://Springdaletown.com). Under the Planning and Zoning tab, click the town code (Chapter 10) and current ordinance revisions for the latest town ordinance.
- II) Contact the KHAI president or secretary for a digitized version of the “Special Exception”. Please note that some rules therein are lot specific.

#### Specific Reference Data.

##### *1. Required Plans and Disclaimers.*

The Association and/or any of its members or assigns or any other person, group or corporation desiring to construct any building, fence or other structure within or upon lands included as Lots or Interests in any plot of the Kinesava Residential Planned Unit Development, must first submit plans, including exterior elevations, to the Board of Directors, or its designated committee or agent, sitting as the Architectural Committee, to demonstrate compliance with the general architectural standards set forth below.

The Architectural Committee shall not approve any plans for the construction of any structure which are not sufficiently descriptive or detailed enough to show total compliance with the KHAI standards for construction. Building plans submitted to KHAI shall be identical in scope and content to those submitted to the Town of Springdale Planning Commission for approval. (February 2011)

The Architectural Committee and/or the Board of Directors shall not be liable in damages to any person submitting any architectural plans for approval or to any owner or owners of land within the RPUD, by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove, with regard to such architectural plans.

Any person acquiring the title to any property in the RPUD or any person submitting plans to the Architectural Committee for approval, by doing so shall be deemed to have agreed and covenanted that he or it will not bring any action or suit to recover damages against the Architectural Committee and/or the Board of Directors, its members as individuals, or its advisors, employees, or agents, by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove with regard to such architectural plans.

No owner or owners of land, or person acquiring title to any property in the RPUD, shall have any independent right to enforce the terms of this Article X and are deemed to have agreed and covenanted that he, she, or it will not bring any action or suit to recover damages against any other person for action or failure to act with respect to such architectural plans.

## *2. Environmental Disruption.*

Whereas the ACC recognizes the need to adjust the article to more closely comply with adopted town code,

Then therefore, Article 10.2 is adopted as a Rule and modified to read:

Environmental disruption on grades greater than 3:1 is prohibited unless specifically allowed on the specific lot by the Special Exception. Native trees and plants must be left undisturbed wherever possible or replaced in quantity and with a species of plant or tree which most visibly resembles the removed species. The replacement species however must be on the Town of Springdale list of acceptable plants contained in the landscape ordinance. The species of plantings is to be reviewed by the ACC for approval.

## *3. Water Use.*

Whereas the ACC recognizes the need to adjust the article to more closely comply with adopted town code,

Then therefore Article 10.3 is adopted as a Rule and modified to read:

Water use should be conserved insofar as possible. Lawn areas, garden and other areas shall receive water through a zoned irrigation system featuring primarily drip irrigation in conformance to the Town of Springdale Landscape Ordinance.

## *4. Excavations, trenches, etc.*

Whereas the ACC recognizes the need to adjust the article to more closely comply with adopted town code and the Special Exception for Kinesava Ranch,

Then therefore Article 10.4 is adopted as a Rule and modified to read:

Excavations, trenches, etc shall be allowed only on grades less than 30% unless specified in the Special Exception for Kinesava Ranch. Excavations and trenches shall be backfilled, compacted to 95% maximum density if the trench exists under KHAI roadways, right-of-ways or common areas. All disturbances must be restored to a natural pre-existing state or landscaped according to the requirements of the Town of Springdale Landscape Ordinance.

## *5. Facing of Structures.*

Whereas the ACC recognizes the need to adjust the article to more closely comply with adopted town code,

Then therefore Article 10.5 is adopted as a Rule and modified to read:

Structures will be faced with naturally colored rock, stucco, adobe soft red brick, or lightly stained and sealed natural woods. All colors must be compliant with the Springdale color palette. No painted or aluminum siding or fences will be permitted. Red gravel or aggregate paving is recommended.

6. *Pavings.*

Whereas the ACC recognizes the need to adjust the article to more closely comply with adopted town code,

Then therefore Article 10.6 is adopted as a Rule and modified to read:

Concrete or asphalt parking pads are permitted.

7. *Carports.*

Article 10.7 is adopted as a Rule with its language to remain as written.

Carports will be enclosed on three sides with walls or visual screens.

8. *Outbuildings.*

Article 10.8 is adopted as a Rule with its language to remain as written.

The construction of outbuildings separate from the principal house and garage is discouraged, and will be allowed only when buildings, grounds, fences, etc., are properly integrated into a consistent visual system.

(The March 10, 2012 meeting of the Board of Directors failed to approve a new rule for outbuildings by a vote of 3-2. The previous rule from Article X above has been retained .)

9. *Satellite Dishes.*

Article 10.9 is adopted as a Rule with its language to remain as written.

Small satellite dishes for TV and internet use will be allowed. They must be placed in an unobtrusive location as much as possible.

10. *Solar Power Collectors.*

Whereas the ACC and Board of Directors recognize the need to adjust the article to comply with state and Federal laws

Then, therefore, Article 10.10 is adopted as a Rule and modified to read:

Stationary roof top solar power collectors must lie as close to the plane of the roof as possible and be screened from view from neighboring KHAI lots and common areas as much as possible. All solar power collectors, especially single and double axis tracking collectors should be located as close to ground level as possible so that they can be screened from sight and their potential glare be screened from neighboring KHAI lots by the use of natural landscaping and vegetation elements. The use of fences to screen the collectors is discouraged.

### *11. Recreational Vehicles.*

Whereas the ACC has reviewed the development that has occurred within Kinesava Ranch subsequent to the writing of Article 10.11 of the KHAI By-laws and found the potential to “mask (parked recreational vehicles) from view from all other lots” next to impossible, and;

Whereas Charles Y Warner had once dedicated common area A-4 to the purpose of storing RV’s in contradiction to the By-laws written at the time

Then therefore, the Board of Directors, finding no realistic solution to masking the presence of Recreational Vehicles Article 10.11 is adopted as a rule and modified to read:

Recreational Vehicles may be parked on a private driveway for a period not to exceed 72 hours provided that the vehicle not extend into the KHAI roadway right-of way or restrict traffic or pose a traffic hazard in any manner.

### *12. Type of Roof*

Whereas the Board of Directors recognize the need to import the By-Law into the Rules for review by ACC members and wish to clarify the rule to include roof applications currently available,

Then therefore, Article 10.12 is adopted as a rule and and modified to read:

Flat profile concrete, rubber or fiberglass tile roofs with shake shingle-like texture to reduce glare are encouraged on sloped roofs as are composition shingles of an Architectural Grade as distinguished from 3-tab construction. Flat roofs may receive fabric membrane (TPO type) installations or trowel down modified concrete, polyurethane or equivalent coatings provided that every effort is made to mask the roof surface glare from view from adjacent lots and that the roof color conform to the Town of Springdale color palette. Non-reflective metal roofs are allowed.

### *13. Dwelling Size*

Whereas the Board of Directors, ACC, and general population of Kinesava Ranch have modified the By-laws as written in practice over the years and whereas by means of proxy votes and attendance at this meeting sufficient votes exist to modify the By-Law to match the text of the Rule to be adopted by the Board of Directors, and;

Whereas this modification allows the ACC to view computations of building size using the identical method of measurement as the Town of Springdale code provides, and;

Whereas the ACC is primarily interested in the visual impacts of structures on the surrounding lots and Kinesava Ranch common areas,

Then therefore, Article 10.13 is adopted as a Rule and modified to read:

The size of habitable structures in Kinesava Ranch shall be a minimum of 1400 square feet and a maximum of 3000 square feet. The size of all structures is calculated from the outside surface of the outside wall to the outside surface of the outside wall consistent with Springdale Town Ordinance. The ACC will not consider basement” areas as defined in the Springdale town code as building square footage. Several lots may be combined into one common building lot. No bonus in square footage allowance will be granted based on the combination of lots. Once combined, lots cannot be separated for the purpose of building another habitable or other structure.

#### *14. Multi-unit Homes.*

Article 10.14 (Multi-unit Homes) is adopted as a Rule without modification. Lot 28 is recognized as an existing non-conforming use but future modification of Lot 28 as a non-conforming use will not be allowed.

#### *15. Garages.*

Whereas the Board of directors found issues with By-laws Article 10.13 Dwelling Size and recognizes a need to expand its content to match the consensus reached during the ACC review of the hereto stalled application for Post Residence in 2010.

Then therefore, Article 10.15 is adopted as a Rule and modified to read:

At least a single car garage is required for each new home. The maximum size of the garage is limited to 1,000 square feet.

No portion of the garage shall be converted at any time to living space if the garage is detached.

No portion of the garage shall be converted at any time to living space if the garage is attached to the residence and the conversion of garage space to habitable space results in total habitable space for the residence in excess of the allowable maximum square footage defined herein.

#### *16. Lighting.*

Article 10.16 (Lighting) is adopted as a Rule without modification.

All exterior lights shall be of a type and installed in a location such that no unshielded light extends outward from the fixtures at an angle greater than 30 degrees from the vertical. All interior and exterior fluorescent lamps are to be shielded from direct exterior view.

The existing By-laws 10-17, 10-18, 10-19 are deleted as their content is already covered in the other adopted Rules.

#### ***RULE 16 – Annual Assessment Procedures (KHAI 2012)***

If a homeowner anticipates a problem paying their annual assessment, please contact the Treasurer of KHAI before (*date to be set by the KHAI Board of Directors, normally May 1 of each year*). You must document your contact by email or in writing. Payment arrangements

may be made must be approved by the Treasurer of KHAI. The payment agreement will include any late fees or interest due prior to the agreement. If no contact is made prior to *(date to be set by the KHAI Board of Directors, normally May 1 of each year)*, the fee is delinquent on *(date to be set by the KHAI Board of Directors, normally June 1 of each year)* and will incur all late fees, interest fees and attorney's fees.

The assessment must be postmarked by *(date to be set by the KHAI Board of Directors, normally May 31 of each year)*.

There will be a late fee of 10% of the annual assessment which is due *(date to be set by the KHAI Board of Directors, normally June 1 of each year)* of *(amount based on assessment amount)*.

A 6% interest charge will begin to accrue from the delinquent date and a lien placed upon the property no later than 10 days from the delinquent date of *(date to be set by the KHAI Board of Directors, normally June 1 of each year)*.

If the assessment, late fee, all liens, and attorney's fees are not paid by the end of the calendar year, the attorney will proceed as determined by the KHAI Board of Directors regarding immediate foreclosure of the designated property or properties.

If the property is up for sale at the delinquent date, then KHAI will place the lien immediately. The property owner will be responsible for all costs incurred by KHAI including attorney's fees involved with this action.

In accordance with Utah Law HB #104, all statements for the collection of fees, interest or liens will be updated on a regular basis. These documents will be made available to the President, Treasurer, Secretary, and the KHAI attorney upon request by a title company seeking to make an immediate pay-off of the designated property or properties.