

RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
The Cottages on Kimball's Lane, a PUD

This Restated Declaration of Covenants, Conditions and Restrictions, hereinafter called "Declaration," is made and executed in Salt Lake City, State of Utah, this 13 day of October, 2009 by the Cottages on Kimball's Lane Homeowners Association, hereinafter called "the Association."

RECITALS

A. The Association is the Owner of certain real Property in the county of Salt Lake, State of Utah, which is more particularly described as follows:

Legal Description:

Parcel 1:

BEGINNING 30 rods East of the Northwest corner of the Northeast quarter of the Northwest quarter of Section 30, Township 3 South, Range 1 East, Salt Lake Base and Meridian, and running thence East 10 rods; thence South 80 rods; thence West 10 rods; thence North 80 rods, to the point of BEGINNING.

Parcel 2:

BEGINNING 20 rods East of the Northwest corner of the Northeast quarter of the Northwest quarter of Section 30, Township 3 South, Range 1 East, Salt Lake Base and Meridian, and running thence East 10 rods; thence South 80 rods; thence West 10 rods; thence North 80 rods, to the point of BEGINNING.

B. The Association desires to provide for preservation and enhancement of the Property values and amenities of the Property and for maintenance of the Common Areas. To this end and for the benefit of the Property and of the Owners thereof, the Association desires to continue to subject the properties referred to in Recital A to the covenants, restrictions, easements, charges, and liens hereinafter set forth, each and all of which are for the benefit of the Property and each Owner thereof.

C. The Property on which the Association is located is subject to a Declaration of Covenants, Conditions and Restrictions which was recorded in the office of the Salt Lake County Recorder on or about October 4, 1996 as Entry No. 6474782. The Declaration was thereafter amended by an Amendment to Declaration of Covenants, Conditions and Restrictions which was recorded in the office of the Salt Lake County Recorder on or about February 27, 2007, as Entry No. 10015435, at Book 9427, Page 4841-54.

D. Through this Restated Declaration, the Association is Amending and Restating its original Declaration to incorporate the prior amendments to the Declaration, to remove certain provisions of the Declaration, and to include new and additional provisions to the Declaration. The Members of the Association have, by the required majority and pursuant to the required procedures, consented to this Restated Declaration, and adopt it as the applicable Declaration of Covenants, Conditions and Restrictions, effective as of the time and date of recordation. NOW THEREFORE, the Association declares that the Property is and shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of said Property and which shall be construed as covenants of equitable servitude, which shall run with the real Property and shall be binding on all parties having any right, title or interest in the described Property or any part hereof, their

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GARREY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH

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BY: JIM, DEPUTY - W1 30 P.

heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Board of Directors" (or "the Board") shall mean the governing board of the Homeowners Association.

Section 2. "Common Area" shall mean all real Property (including all improvements located thereon) presently owned by the Association or hereafter acquired for the common use and enjoyment of the Members and not dedicated to the general public located in Salt Lake County, State of Utah, to-wit:

Parcel 1:

BEGINNING 30 rods East of the Northwest corner of the Northeast quarter of the Northwest quarter of Section 30, Township 3 South, Range 1 East, Salt Lake Base and Meridian, and running thence East 10 rods; thence South 80 rods; thence West 10 rods; thence North 80 rods, to the point of BEGINNING.

Parcel 2:

BEGINNING 20 rods East of the Northwest corner of the Northeast quarter of the Northwest quarter of Section 30, Township 3 South, Range 1 East, Salt Lake Base and Meridian, and running thence East 10 rods; thence South 80 rods; thence West 10 rods; thence North 80 rods, to the point of BEGINNING.

The Association may increase the Common Area by purchasing additional adjacent land as provided herein and (1) filing additional subdivision plats in the Salt Lake County Recorder's office and stating thereon that said land is subject to this Declaration and any supplemental or amended Declaration and (2) filing a Supplement to this Declaration in accordance with the terms of this Declaration and the same thereafter shall be included within this definition as Common Area and such shall also be additional land in the legal description of the Property.

Section 3. "Conveyance" shall mean actual conveyance of fee title to any Unit to any Owner by a warranty deed or other document of title, including entering into an installment sales contract.

Section 4. "Declaration" shall mean and refer to this Restated Declaration of Covenants, Conditions and Restrictions (CC&R's) applicable to properties recorded in the Salt Lake County Recorder's Office.

Section 5. "Expandable Land" (sometimes referred to hereinafter as "Additional Land") shall mean and refer to any land or any interest therein which may come to be added to the Property as an expansion thereof under the terms and conditions of this Declaration.

Section 6. "Governing Documents" shall mean this Restated Declaration and other documents, such as the Articles of Incorporation, Bylaws, architectural guidelines, and rules and regulations that determine rights or obligations of the Association or that otherwise govern the management or operation of the Association.

Section 7. "Homeowners Association" or "Association" shall mean and refer to The Cottages on Kimball's Lane Homeowners Association, its successors and assigns, which may, at the election of the Board, be registered as a Utah non-profit corporation.

Section 8. "Limited Common Areas" shall mean and refer to those Common Areas as referred to herein and designated on the plat as reserved for use of a certain Unit to the exclusion of the other Units which are or may include the driveways, adjacent yard areas, patios, which lead to or are associated with certain Units or both. Limited Common Areas are a subcategory of and are included in Common Areas.

Section 9. "Unit" shall mean and refer to a structure which is designed and intended for use and occupancy as a single family residence, whether attached or detached from another residence, together with all improvements to the Unit which are used in conjunction with such residence.

Section 10. "Member" shall mean every person or entity holding Membership in the Association by virtue of the Ownership of a Unit in the Property.

Section 11. "Mortgagee" shall mean and refer to any person named as a first mortgagee or beneficiary of a first deed of trust.

Section 12. "Owner" shall mean and refer to the Owner of record, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the Properties, including contract purchasers, but excluding those having an interest merely as security for the performance of an obligation.

Section 13. "Plat" and "Phase" shall mean and refer to The Cottages on Kimball's Lane, a Planned Urban Development or PUD, as recorded in the office of the County Recorder of Salt Lake County, Utah, and as the same may hereafter be modified, amended, supplemented, or expanded in accordance with the provisions of this Declaration or supplements to this Declaration which are to occur in conjunction with the expansion of the Property as provided herein.

Section 14. "Properties" or "Property" shall mean certain real Property referred to in Recital A and incorporated herein by this reference, plus improvements and such additions as have been or may hereafter be expanded and brought within the jurisdiction of the Homeowners Association. These terms also refer to The Cottages on Kimball's Lane or The Cottages.

Section 15. "Recreational Vehicles" shall include camping trailer, tent trailer, motor home, pickup truck with self-contained camper Unit, boat, all terrain vehicles (ATV's), converted bus used as a motor home, and any trailer used for transporting any recreational vehicle. Recreational Vehicle does not include a pickup truck with a shell on the bed which is not used primarily for overnight camping.

Section 16. "Restated Declaration" shall mean and refer to this Restated Declaration of Covenants, Conditions and Restrictions as applicable to properties recorded in the Salt Lake County Recorder's Office.

Section 17. "Supplementary Declaration" shall mean any supplementary declaration of covenants, conditions, and restrictions, or similar instrument, which extends the provisions of the Declaration to all or any portion within the expandable land and containing such complementary or amended provisions for such Additional Land as are herein required by the Declaration.

Section 18. "Time-sharing" shall mean any form of shared contractual Ownership of a Unit whereby each Owner's right to use the Unit is limited to a certain period of the year. Time-sharing shall include plans that employ contractual rights and those that employ estates in land, such as (a) vacation leases whereby the Owner conveys recurring leasehold interest to time-share purchasers and retains a reversion in fee simple and (b) interval Ownership whereby the Owner conveys recurring leasehold interest to time-share purchasers and also conveys to them a co-Ownership of a remainder in fee simple.

Section 19. "Utilities" shall mean public utilities, including but not limited to, sewer, water, drainage, natural gas, telephone, electricity, and cable television.

ARTICLE II PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment to Common Areas. Every Owner shall have a right and easement of use and enjoyment including, but not limited to, the right of ingress and egress to and from his/her Unit and in and to the Common Areas, such easement shall be appurtenant to and shall pass with title to every Unit, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Areas, provided that such fees may in no way affect its non-profit corporation status.

(b) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and in aid thereof to mortgage said Property; the rights of any such mortgagee in said Property to be subordinate to the rights of the Owners hereunder.

(c) The right of the Association to suspend the voting rights of a Member by ballot or at any meeting of the Members (annual or special) or other rights of Members for (1) any period during which an assessment against his/her Unit remains unpaid or (2) a period of time not to exceed sixty (60) days for each separate violation of the Association's published Rules and Regulations. The revocation of rights in connection with violations of the Association's Rules and Regulations shall be preceded by a right to hearing, as required by Article XI hereof. For any continuing and ongoing violation of the Association's published Rules and Regulations, the Member's voting right will be suspended until the rule or regulation is complied with.

(d) With the approval of all the holders of first mortgage liens on Units, and by two-thirds affirmative vote of the Owners, the right of the Association to sell, exchange, hypothecate, alienate, encumber, dedicate, release or transfer all or part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as agreed to by the Members. The granting of easements for public utilities or other public purposes consistent with the intended use of such Common Area by the Association may not be deemed a transfer within the meaning of this clause. No such dedication or transfer may be effective unless an instrument agreeing to such dedication or transfer is approved by a two-thirds (2/3) affirmative vote of the Members has been recorded.

(e) The right of the Association to take such steps as are reasonably necessary or desirable to protect the Common Area against foreclosure.

(f) The right of the Association to grant and reserve easements and rights-of-way through, under, over and across the Common Area, for installation, maintenance and inspection of lines and appurtenances for public or private utilities..

(g) The right of the City of Draper and any other governmental entity or quasi-governmental body having jurisdiction over the Property to access and have rights of ingress and egress over and across any street, parking area, walkway, or open spaces contained within the Property for purposes of providing police and fire protection or any other governmental or municipal service.

(h) The right of the City of Draper to levy taxes and issue bonds.

(i) The right of the Board of Directors to publish and enforce rules and regulations as provided in Article VII, Section 6.

Section 2. Owners' Easements of Enjoyment to Limited Common Areas. Each Unit Owner is hereby granted an irrevocable and exclusive license to use and occupy the Limited Common Areas appurtenant to certain Units and identified on the official Plats filed in the Property. The exclusive right to use and occupy each Limited Common Area shall be appurtenant to and shall pass with the title to every Unit with which it is associated. A Unit Owner's exclusive right of use and occupancy of Limited Common Areas reserved for their Unit shall be subject to and in accordance with the Restated Declaration and Bylaws.

Section 3. Delegation of Use. Any Member may designate, in accordance with the Bylaws, his/her right of enjoyment to the Common Area and facilities to the Members of his family, his tenants, guests or contract purchasers who reside on the Property. All such use by family Members, tenants, contract purchasers or guests shall be subject to this Restated Declaration, including all supplements and amendments thereto, the Bylaws and the Rules and Regulations as promulgated by the Board of Directors. Any damage caused to the Common Area, including facilities and personal Property owned by the Association, by one to whom a Member's right to use and enjoyment has been delegated shall create a debt to the Association owed by the Owner which shall be assessed by the Association (see Article VII, Section 4).

Section 4. Title to the Common Area. The Association has received and shall retain fee simple title to all Common Areas within the Property, subject to easements and rights-of-way of record.

Section 5. Limitation of the Association. The Association is not entitled to take any of the following actions unless by a two-thirds (2/3) affirmative vote of the Members of record (based on one vote for each Unit).

(a) To act, or by omitting to act, to seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Areas owned, directly or indirectly, by the Association for the benefit of the Unit. The granting of easements for public utilities or other public purposes consistent with the intended use of the Common Area is not a transfer within the meaning of this clause.

(b) To act, or by omitting to act, to change, waive, or abandon any scheme of regulations or their enforcement pertaining to the architectural design or the exterior appearance of Units, the exterior maintenance of the Units, the maintenance of the Common Areas, or the upkeep of the Common Areas.

(c) To take action to separately bill or meter any utility services paid for by the Association in accordance with Article VII, Section 3, Utilities.

(d) To fail to maintain fire and extended coverage on insurable Common Areas on a current replacement cost basis in an amount equal to at least one hundred percent (100%) of the insurable value (based on current replacement cost).

(e) To use hazard insurance proceeds for losses to any Common Area for other than the repair, replacement, or reconstruction of the Common Areas.

(f) To purchase additional adjacent land as Common Area.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Unit which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Units which are subject to assessment.

Section 2. Board of Directors. The Board of Directors shall consist of Seven (7) Members pursuant to the Association's Bylaws.

Section 3. Members shall be entitled to one vote for each Unit owned.

Section 4. Multiple Ownership Interests. In the event there is more than one Owner of a particular Unit a vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast by official ballot or at any Association meeting by any such Owner, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Unit by acceptance of a deed, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments, (b) special assessments, and (c) additional assessments as set forth in this Declaration. Assessments shall be levied, fixed, established and collected from time to time as provided herein. The assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Unit at the time the assessment becomes due. The personal obligation for delinquent assessments may not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of promoting the maintenance, health, safety, and welfare of residents of the Property. The use made by the Association of funds obtained from assessments may include payment of the cost of: taxes; insurance, management and supervision of the Common Areas, including personal Property owned by the Association; funding the purchase of (a) personal Property to be used by Association Members and (b) adjacent land to be used as Common Areas; establishing and funding a reserve to cover major repair or replacement of improvements within the Common Areas; and any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions, or purposes under this Declaration or the Articles of Incorporation.

Section 3. Basis and Maximum of Annual Assessments. Each Unit shall be assessed according to the schedule set forth below. The annual assessment for each Unit shall be determined by the Board of Directors.

(a) Until December 31, 1997, the maximum annual base assessment shall be fixed at no more than One Thousand Five Hundred Sixty Dollars (\$1,560.00) per Unit (or \$130.00 per month).

(b) From and after December 31, 1997, the maximum annual assessment may be increased each year not more than fifteen percent (15%) above the maximum assessment for the previous year without approval of two-thirds (2/3) of the Members by official ballot.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association upon assent of two-thirds (2/3) of Members by official ballot or at a meeting called for this purpose, may levy in any assessment year a special assessment applicable to the year for the purpose of (a)

defraying, in whole or in part, the cost of any construction (including new construction), reconstruction, repair or replacement of any capital improvement upon the Common Area, including fixtures and personal Property related thereto; (b) purchasing adjacent Property as additional Common Area; (c) providing for capital improvements and personal Property to be used by Association Members upon the Common Area on additional phases of the Property; (d) any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions, or purposes under this Declaration or the Articles of Incorporation; and (e) such other purpose as two-thirds (2/3) of all Members approve.

Section 5. Reserve Fund. The Association shall maintain a reserve fund, funded by annual assessments. Special assessments for the purpose of defraying, in whole or in part, the cost of any construction (including new construction), reconstruction, repair or replacement of any capital improvement upon the Common Area, including fixtures and personal Property related thereto on any phase of the Property, and any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions, or purposes under this Declaration or the Articles of Incorporation, will be allowed only after the reserve fund has been expended and not replenished.

Section 6. Rate of Special Assessments. Special assessments shall be fixed at uniform rates for all Units and may be collected on a monthly, quarterly or other basis as determined by the Board.

Section 7. Regular Assessments, Due Dates. The Board of Directors shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Member of record subject thereto. The due dates for payment of said assessment shall be established by the Board.

The Association shall, upon demand at any time furnish a certificate in writing signed by an officer of the Association, or an authorized agent, setting forth whether the assessments on a specified Unit have been paid. Furthermore, a first mortgage holder, upon request, is entitled to a written certificate from the Association advising of any default by the Unit Owner of any obligation not cured within sixty (60) days. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Non-Payment of Assessments; Remedies of the Association.

(a) Non-Payment. Any assessments which are not paid when due are delinquent. If the assessment is not paid within thirty (30) days after the due date, the Association shall have the remedies provided in subsection (b) below.

(b) Remedies. For any delinquent payment as provided in subsection (a) above, the Association shall be entitled to all or any combination of the following remedies against a Member whose assessment is delinquent.

- (1) File a notice of lien on the Unit.
- (2) Bring an action at law against the Owner personally obligated to pay for the following:
 - (i) the principal amount of the unpaid assessment;
 - (ii) interest from the date of delinquency at a rate of eighteen percent (18%) per annum, or such other rate as the Board of Directors

may

- (iii) all costs and attorney fees incurred whether or not suit is filed.
- (3) Foreclose the lien against the Unit to satisfy judgment rendered for the full amount of the delinquent assessment, including interest, costs and attorney fees as specified above.
- (4) Levy as an additional sum to such delinquent assessment, all expenses for preparation of the notice of lien (whether or not prepared by an attorney), court costs, interest and a reasonable attorney fee, whether or not suit is filed.
- (5) Withhold and interrupt the service of utilities provided by the Association to any such Unit on which the assessment is delinquent.

(c) **Right to Bring Action.** Each Owner, by his acceptance of a deed to a Unit, hereby expressly grants to the Association, its successors, assigns or agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real Property, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all other Unit Owners. The Association, acting on behalf of the Unit Owners, shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

(d) **Assignment of Rents.**

- (1) If an Owner of a Unit who is leasing the Unit fails to pay any assessments for a period of more than sixty (60) days after it is due and payable, the Board, upon compliance with this subsection, may demand that the Owner's tenant pay to the Association all future lease or rental payments due the Owner, commencing with the next monthly or other periodic payment, until the amount due to the Association is paid.
- (2) The Board must give the Owner of record written notice of its intent to demand full payment from the tenant.
This notice shall:
 - (i) provide notice to the tenant that full payment of remaining lease payments will commence with the next monthly or other periodic payment unless the assessment is received within the time period provided in the Association governing documents;
 - (ii) state the amount of the assessment due, including any interest or late payment fee;
 - (iii) state that any costs of collection, not to exceed One Hundred Fifty Dollars (\$150.00), and other assessments that become due may be added to the total amount due; and
 - (iv) provide the requirements and rights described heretofore in this section.
- (3) If the Unit Owner fails to pay the amount of the assessment due by the date

specified in the notice, the Board may deliver written notice to the tenant, in accordance with the Association rules, that demands future payments due to the Owner be paid to the Association pursuant to this section. A copy of the notice must be mailed to the Owner. The notice provided to the tenant must state:

(i) that due to the Owner's failure to pay the assessment within the time period allowed, the Owner has been notified of the Board's intent to collect all lease payments due to the Association pursuant to this section;

(ii) that until notification by the Association that the assessment due, including any interest or late payment fee, has been paid, all future lease payments due to the Owner are to be paid to the Association; and

(iii) payment by the tenant to the Association in compliance with this section will not constitute a default under the terms of the lease agreement with the Owner. If payment is in compliance with this section, suit or other action may not be initiated by the Owner against the tenant for failure to pay.

(4) All funds paid to the Association pursuant to this section shall be deposited in a separate account and disbursed to the Association until the assessment due, together with any cost of administration which may not exceed Twenty-Five Dollars (\$25.00) per month, is paid in full. Any remaining balance must be paid to the Owner within five (5) business days of payment in full to the Association.

(5) Within five (5) business days of payment in full of the assessment, including any interest or late payment fee, the Board must notify the tenant in writing that future lease payments are no longer due to the Association. A copy of this notification must be mailed to the Owner.

(6) As used in this section, "lease" or "leasing" means regular, exclusive occupancy of a Unit by any person or persons, other than the Owner, for which the Owner receives any consideration or benefit, including a fee, service, gratuity, or emolument.

Section 9. Non-use and Abandonment. No Owner may waive or escape personal liability for the assessments provided for herein, nor release the Unit owned by him/her from the liens and charges hereof, by non-use of any Common or Limited Common Area or abandonment of the Unit.

Section 10. Subordination of the Lien to Mortgages. The lien created by this Declaration upon any Unit shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any first mortgage (meaning a mortgage with first priority over other mortgages) or equivalent security interest on any Unit, made in good faith and for value, recorded prior to the date any such assessment becomes due. Any holder of a first mortgage lien or equivalent security interest on a Unit who comes into possession by virtue of foreclosure of a mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale will take said Unit and the improvements appurtenant thereto free of any claims for unpaid assessment charges against said Unit which accrue prior to the time such holder comes into possession of the Unit, except for the claims for a share of such expenses or charges resulting from a reallocation of such assessment or charges to all Units including the mortgaged Unit. Any first mortgagee, who obtains title to a Unit in the Property pursuant to the remedies in the mortgage/deed of trust or through foreclosure of the mortgage/deed of trust or any other security instrument, shall not be liable for more than six (6) months of the Unit's unpaid dues or charges which have accrued before the acquisition of title to the Unit by the mortgagee through foreclosure. However, no such sale or transfer may relieve such Unit from liability for any assessments which thereafter become due or from the lien thereof.

Section 11. Exempt Property. The following Property subject to this Declaration shall be exempt from assessments created herein:

- (a) All Properties dedicated to and accepted by any local public authority;
- (b) The Common Area(s).

Section 12. Additional Assessments. In addition to the annual assessments and special assessments for capital improvements authorized herein, the Association shall levy such assessments as may be necessary from time to time for the purpose of repairing and restoring the damage or disruption resulting to the streets or other common or limited Common Areas from the activities of the City of Draper in maintaining, repairing or replacing utility lines and facilities thereon, it being acknowledged that the Ownership of utility lines, underground or otherwise is in the City up to and including the meters for individual Units, and that they are installed and shall be maintained to City specifications.

ARTICLE V PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall built as a part of the original construction of a Unit or Unit garage upon the properties and placed between two (2) separate living Units or garage Units shall constitute a party wall. The general rules of law regarding party walls and liability for Property damage due to negligence or willful acts or omissions shall apply.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall. Mechanical equipment and appurtenances located within any one Unit, or located without said Unit, but designated and designed to serve only that Unit, shall be considered part of the Unit. Such equipment includes, but is not limited to, electrical receptacles and outlets, air conditioning, heating, and other ventilation apparatus, fixtures and the like, pipes, wires, conduits, or other public utility lines or installations. To the extent such equipment and appurtenances penetrate, are attached to, or located between the party wall, the Owner of the Unit shall be responsible for their repair and maintenance. In the event that any such equipment and appurtenances service more than one Unit, the cost for the repair of any damage or adverse condition created thereby, and the maintenance of such shall be shared equally between the Owners of the Units jointly serviced.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of same, any Owner who has used the wall may restore it, and if the Owners thereafter make use of the wall, they shall contribute to the cost of restoration in equal proportions without prejudice; however, one Owner may call for a larger contribution from the other Owner under any rule of law regarding liability for negligence or willful acts or omissions. The word "use" means Ownership of a dwelling Unit or other structure which incorporates such party wall or any part thereof.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, to the extent that such damage is not covered or paid by the insurance provided for herein, an Owner who by negligence or willful act causes the party wall to be exposed to the elements shall bear the whole cost of any and all repairs and maintenance resulting therefrom, as well as the cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of an Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the

provisions of this Article, each party shall choose one arbitrator, and the decision shall be by majority of all the arbitrators. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefore, the Board of Directors of the Association shall select an arbitrator for the refusing party.

Section 7. Encroachment. If any portion of a party wall or other part of a building or structure now or hereafter constructed upon said Property encroaches upon any part of the Common Areas or upon the Unit or Units used or designated for use by another Unit Owner, an easement for the encroachment and for the maintenance of same is granted and reserved. This easement will exist and be binding upon all present and future Owners of any part of said Property for the benefit of the present and future Owners of such encroaching building or structure for the purpose of occupying and maintaining the same. In the event a structure consisting of more than one dwelling Unit becomes partially or totally destroyed or in need of repair or replacement, mutual and reciprocal easements are granted and reserved upon the Common Areas and in and upon each dwelling Unit and not for the benefit of the Association and the adjacent Owner or Owners to the extent reasonably necessary or advisable to make repairs and replacements; and minor encroachments resulting from any such repairs or replacements, or both, and the maintenance thereof are hereby granted and reserved for the benefit of the present and future Owners thereof. The easements for encroachment herein granted and reserved shall run with the land.

ARTICLE VI ARCHITECTURAL CONTROL

Section 1. Architectural Control Committee. The Board of Directors of the Association shall appoint a three (3) Member Architectural Control Committee (ACC) the function of which shall be to insure that all exteriors of living Units and landscaping within the Property maintain the original architectural design and exterior appearance, and harmonize with existing surroundings and structures within the Property. The ACC is not required to be composed of Owners. If the ACC is not appointed, the Board itself shall perform the duties required of the ACC.

Section 2. Submission to ACC. No accessory, attachment or addition to a living Unit, landscaping, patio enclosure, or other improvement of a Unit, specifically including the Limited Common Areas; shall be constructed, maintained, or accomplished, and no additions, alterations, repainting or refurbishing, addition or relocation of lighting, of/to the exterior of any living Unit shall be performed, unless complete plans and specifications have first been submitted to and approved by the ACC in accordance with the rules and regulations governing such approval.

Section 3. Standard. In deciding whether to approve or disapprove plans and specifications submitted to it, the ACC shall use its best judgment to insure that all improvements, construction, landscaping, and alterations on Units within the Property conform to and harmonize with existing surroundings and structures. The Board may formulate general guidelines and procedures. The adopted guidelines and procedures shall be incorporated in the rules and regulations adopted by the Board and the ACC, or the Board, as the case may be, shall act in accordance with such guidelines and procedures.

Section 4. Approval Procedures. Any plans and specifications submitted to the ACC shall be approved or disapproved in writing, or additional information shall be requested (as necessary) within thirty (30) calendar days after submission. In the event the ACC fails to take any action within such period, it shall be deemed to have approved the material submitted.

Section 5. Construction. Once begun, any improvements, construction, landscaping, or alterations approved by the ACC shall be diligently pursued to completion. If reasonably necessary to enable such improvement, construction, landscaping or alteration, the person or persons carrying out the same shall be entitled to temporary use and occupancy of unimproved portions of the Commons Area in the vicinity of the activity.

Section 6. Disclaimer of Liability. Neither the ACC, nor any Member thereof acting in good faith, shall be liable to the Association or any Owner for any damage, loss, or prejudice suffered or claimed on account of:

- (a) The approval or rejection of, or the failure to approve or reject, any plans, drawings or specifications;
- (b) The development or manner of development of any of the Property; or
- (c) Any engineering or other defect in approved plans and specifications.

Section 7. Non-Waiver. The approval of the ACC of any plans and specifications for any work done or proposed shall not constitute a waiver of any right of the ACC to disapprove any similar plans and specifications.

Section 8. Exception for the Association. The foregoing provisions of this Article shall not apply to any improvement, construction, landscaping, or alteration which is carried out by the Association on any Unit or on any part of the Common Areas and which occurs at any time. The Association shall further have the right to designate the location and design of any Common Area amenities, including, but not limited to, clubhouse (if any), landscaping, pathways or other recreational amenities or green areas, provided that the Association shall not be required to provide any such amenities by virtue of this Section.

Section 9. Landscaping. The land area not occupied by structures, hard-surfacing, vehicular driveways or pedestrian paths, shall be kept planted with grass, trees or shrubs or other ground covering or landscaping in conformance with the standards set by the ACC and approved by the Board. Such standards will take into consideration the need for providing effective site development to:

- (a) enhance the site and building,
- (b) screen undesirable areas or views,
- (c) establish acceptable relationships between buildings and adjacent properties, and
- (d) control drainage and erosion.

As required by the ACC, trees shall be retained, buffer areas maintained and the natural contour of the land respected. The ACC reserves the right to require special treatment of slopes, construction of walls and wells, and use of stone fills to preserve trees that cannot otherwise be saved.

ARTICLE VII OPERATION AND MAINTENANCE

Section 1. Maintenance of Common Areas and Units. The Common Areas, the roofs, exteriors, and any extension of the Living Units shall be maintained by the Association so as not to detract from the appearance of the Property and so as not to affect adversely the value or use of any Living Unit. The Owner of each Unit shall maintain such Unit in an attractive appearance, including and free from all trash, rubbish, garbage and debris.

Section 2. Operation and Maintenance by Association. The Association, by its duly delegated representative(s), shall provide for such maintenance and operation of the Common Areas as may be necessary or desirable to make them appropriately usable in conjunction with the Units and to keep them

clean, functional, attractive and generally in good condition and repair. The Association shall maintain, repair and restore those improvements located upon the Common Areas, including, but not by way of limitation, the following: clubhouse, social areas, pathways, gardening areas, and any common recreational amenities, grass, landscaping, shrubs, watering and sprinkling system, as may, or may not, be included as part of the Property. The patio areas of each Living Unit may be used and decorated at the discretion of the Owner so long as the use and decoration does not adversely affect other Unit Owners or the Association. The Association shall maintain any landscaped areas within the patio areas unless and until (1) Owner installs or causes to be installed any exotic landscape materials, or plants; or any landscaping not consistent with that of the Common Areas in general, which may require additional care resulting in increased maintenance costs to the Association, and/or (2) the Owner encloses the patio area (in compliance with ARTICLE VI, ARCHITECTURAL CONTROL) in any manner which has the effect of restricting access in any way. If Owner elects to enclose the patio area located at the rear of the Owner's Unit, and which is defined as Limited Common Area on the plat, Owner shall maintain the enclosed patio area in a manner so as to not adversely affect other Unit Owners or the Association. In addition, the Association shall maintain the exterior appearance and roof of each Living Unit, excluding mechanical systems and glass, which shall be the responsibility of Unit Owners. In the event that special needs for maintenance or repair of the Common Areas (including personal Property of the Association related thereto) or the building exteriors should be necessitated through willful or negligent act of a Member, his family, guests, or invitees, the cost of such maintenance shall be added to become a part of the assessment to which such Unit is subject as provided under Article IV.

Section 3. Utilities. Each Unit Owner shall pay for all utility services which are separately billed or metered to individual Units, including, but not limited to, electrical, gas, and telephone service as the same may be provided by the City of Draper and/or other utility companies or entities furnishing such service. The Association shall pay for the general utility services of water and Cable Television, sewer, and trash removal. The Board of Directors shall determine what additional utility services, if any, shall be included in the general utility services for which the Association will be responsible for payment as an association debt. In the event the Association elects, in accordance with Article II, Section 5(c), to separately meter any general utility service for which the Association has previously been responsible for payment; each Unit Owner shall pay any and all costs associated with separately billing or metering, including any connection fees, modifications, or additions required to separately bill or meter any utility service.

Section 4. Repair of Damage Caused by an Owner, his Tenants, Guests, Invitees and Pets. Any damage caused to the Common Area and facilities, including personal Property owned by the Association, by an Owner, his tenant, guests, invitee, minor child or any animal or pet in the control of or owned by an Owner, or any one or a combination of the foregoing, shall create an assessable debt owned by such Owner to the Association. If the Owner does not adequately repair the damage, the Association, after approval of a majority vote of the Board of Directors, shall have the right, through its agents, employees, or through an independent contractor, to repair the damage. The costs incurred by the Association in repairing the damage shall be added to and become an assessment against the Unit as described in Article IV, Section 1 of this Declaration, and the same may be enforced and collected as provided in Section 8 of said Article. Any repair of damage undertaken by the Owner or agent of Owner pursuant to this Section must first have submitted plans to the ACC and will have obtained the approvals required as provided at Article VI herein before commencing repair work.

Section 5. Management Agreements. The Board of Directors may employ a manager or other persons who may contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association. Any contract with a person or firm appointed as a manager or managing agent shall be terminable by the Association for cause upon thirty (30) days' written notice thereof. Any such contract, and any other contract with a third person wherein the third person is to furnish goods or services for any Common Area or the Association, shall be limited to a duration of one (1) year; provided, however, that such contracts may be renewable for successive one (1) year periods with the approval, for

each such period, by a vote or written consent of a majority of the Board of Directors.

Section 6. Rules and Regulations. The Association shall have authority to promulgate and enforce such reasonable rules, regulations and procedures as may be necessary or desirable to aid the Association in carrying out any of its functions or to ensure that the Property and the Common Areas are maintained and used in a manner consistent with the interests of the Owners. Subject to Article XI hereof, the Association also has authority to adopt a schedule of monetary fines that may be imposed on Owners for the willful violation of rules that have been duly adopted and published by the Association, provided that such fines in all cases shall be reasonable and shall be subject to review and hearing by the Board if contested. Any such fine imposed and not contested, or any such fine upheld after review and hearing by the Board shall be payable within thirty (30) days. Unpaid fines may be assessed against a Unit and collected as provided in Article IV herein. Reasonable rules and regulations may include, but shall not be limited to, rules to allocate the fair use of all amenities between children, adolescents and adults. The Board of Directors shall have, in exercising its reasonable discretion, the power to protect Association Property by restricting use of the recreational and social amenities and other common facilities in such a manner as to reduce the risk of personal harm to users, which risk management may also relate to obtaining lower insurance premiums on Common Areas.

ARTICLE VIII INSURANCE

Section 1. Assessments. The fund for insurance shall be provided for from annual assessments as allowed by Article IV.

Section 2. Required Insurance. The Association shall secure and at all times maintain the following insurance coverage:

(a) Multi-peril Coverage. A multi-peril type policy covering the entire Property (including all Living Units, Common Areas and facilities areas). Such policy shall provide coverage against loss or damage by the standard extended coverage endorsement, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, fire, hailstorm, water damage, and such other risks as customarily are covered with respect to Properties similar to this Property in its construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage specified in the policy, but not less than one hundred percent (100%) of the full insurable value (based upon current, actual replacement cost). Such policy shall include an "agreed amount endorsement" or its equivalent, a "demolition endorsement" or its equivalent, an "increased cost of construction endorsement" or its equivalent, and a "contingent liability from operation of building laws endorsement" or its equivalent.

(b) Broad-form Public Liability Coverage. A comprehensive policy insuring the Owners, the Association, its trustees, officers, agents and employees against all damage or injury caused by their negligence to the public, invitees, tenants or Owners or the Common Area. Limits of the liability under such coverage shall not be less than One Million Dollars (\$1,000,000) for all claims for personal injury or Property damage, or both, arising out of a single occurrence. Such policy or policies shall be issued on a comprehensive liability basis, shall provide the cross-insurers as between themselves are not prejudiced, and shall contain "a severability of interest" clause or endorsement to preclude the insurer from denying the claim of an Owner in the Property because of negligent acts of the Association or others.

(c) Fidelity Coverage. A fidelity policy or policies to protect against dishonest acts on the part of trustee(s), officer(s), manager, employee(s) of the Association and all others, including volunteers, who handle or are responsible for handling funds of the Association. The fidelity coverage shall name the Association as the obligee or insured and shall be written in an amount sufficient to offer the protection

reasonably required, but in no event less than one hundred percent (100%) of the reserves. The fidelity bond or insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of employee or similar expression. Said policy shall also provide that it may not be canceled or substantially modified (including cancellation for non-payment of premiums) without at least thirty (30) days' prior written notice to all Owners of record for all Units.

Section 3. Additional Provisions. The following additional provisions shall apply with respect to insurance:

(a) Approval of Policies. All policies shall be written by a reputable company approved by the Board of Directors.

(b) Contribution. Insurance secured and maintained by the Association shall not be brought into contribution with insurance held by the individual Owners or their mortgagees.

(c) Flood Insurance. In the event that some part of the Property is now or may in the future be classified by the Housing and Urban Development as an area having special flood hazards, a blanket policy of flood insurance on the flood areas shall be maintained in an amount customarily required in Properties of this type to ensure against flood damage.

(d) Premiums Maintained in the Name of the Association as Trustee. Premiums for all insurance coverage obtained by the Association shall be written in the name of the Association as trustee for each of the Unit Owners.

(e) Insurance on Unit. The Association shall have no duty or responsibility to procure or maintain any fire, liability, earthquake or similar casualty coverage for the contents of any Unit. The Association also shall have no duty to insure against any negligent acts or events occurring at the Unit. Accordingly, each Owner should secure and keep in force at all times public liability insurance coverage and a broad-based casualty insurance coverage for the contents of the Unit.

(f) Review of Insurance Policies. The Board of Directors shall periodically, and whenever demand is made by twenty percent (20%) or more of the Owners, review the adequacy of the Association's insurance program and shall report in writing the conclusions and actions to any mortgagee or any Unit Owner who shall have requested a copy of such report. Copies of every policy of insurance procured by the Board of Directors shall be available for inspection by the Owners.

(g) Rebuilding After Damage or Destruction. In the event of damage or destruction by fire or other casualty to any Properties covered by insurance written in the name of the Association as trustee for the Owners, the Board of Directors shall, with concurrence of the Mortgagee, if any, and upon receipt of insurance proceeds, contract to rebuild or repair such damage or destroyed portions of the Properties to as good a condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, whose accounts are insured by a federal governmental agency, with the proviso agreed to by said bank or institution that such funds may be withdrawn only by the signatures of at least two (2) Members of the Board of Directors. The Board of Directors shall advertise for sealed bids with any licensed contractors. The contractors shall be required to provide a full performance and payment bond for the repair, construction, or rebuilding of destroyed Property. In the event the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, or both, to the same condition as formerly, the Board of Directors shall levy a special assessment against all Owners in such proportions as the Board of Directors deems fair and equitable in light of the damage sustained.

ARTICLE IX EASEMENTS

Section 1. Minor Encroachments. Each Unit and the Common Area shall be subject to an easement for encroachment created by construction, repair, shifting, settling or movement, and overhangs as designed or constructed. A valid easement for said encroachment and for the maintenance of same, so long as it stands, shall and does exist.

Section 2. Utilities Easement. There is hereby granted and conveyed to the City of Draper, Rocky Mountain Power, Salt Lake County Sewer District, Draper Irrigation Company, Questar Gas, cable television companies, security or monitoring services, and Qwest Telephone Company, their successors and assigns, a blanket easement upon, across, over and under all of the Common Area, including Limited Common Area, for ingress, egress, installing, replacing, repairing and maintaining all utilities at such location or locations as said entity deems appropriate. By virtue of this easement, it shall be expressly permissible for the providing of electrical, cable television, security service, and/or telephone company to construct and maintain the necessary equipment on said Property and to affix and maintain electrical, cable television and/or telephone wires, circuits and conduits on, across and under the Common Area, including Limited Common Area.

An easement is further granted to all police, fire protection, ambulance, trash collection and all similar persons to enter upon the streets and Common Area, including Limited Common Area, in the performance of their duties. Notwithstanding anything to the contrary contained in this Article, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Property except as (1) approved by the Board of Directors, or (2) as required by the City of Draper. Should any company furnishing a service conveyed by the general easement herein provided request a specific easement by separate recordable document, the Board shall have the right to grant such easement on said Property without conflicting with the terms hereof.

Section 3. Easements for Ingress and Egress. An easement is hereby granted to the Association, its officers, agents, employees and to any management company selected by the Association to enter in or to cross over the Common Area, including Limited Common Area, and any Unit to perform the duties of maintenance and repair of the Unit, yard and landscape area, or Common Area provided for herein.

ARTICLE X USE RESTRICTIONS

Section 1. Residential Use. No Owner shall occupy or use his Unit, or permit the same or any part thereof to be occupied or used for any purpose other than as a private residence for the Owner and the Owner's family or the Owner's lessees or guests.

Section 2. Fee Conveyed. Each Unit shall be conveyed as a separately designated and legally described freehold estate, the Owner taking title in fee simple, or purchasing by contract and being subject to the terms, conditions, and provisions hereof.

Section 3. Household Pets Permitted. No animals, livestock or poultry of any kind may be raised, bred, or kept on any Unit or in the Common Area, except that dogs, cats or other household pets may be kept in Units, or upon any Unit, subject to the rules and regulations adopted by the Board of Directors. All dogs or cats in the Common Area, including the Limited Common Area, shall be on a leash. Any damage requiring repairs to the Common Area, including the Limited Common Area, caused by a pet of an Owner,

his guest, or invitee, shall be subject to a possible fine, subject to imposition pursuant to Article XI hereof.

Section 5. Signs. No sign of any kind shall be displayed to the public view on or from any Unit or the Common Area except that an Owner may display a "For Sale" sign, subject to all restrictions of this provision. Each "For Sale" sign displayed shall be of a dimension, color, and print style as determined by the Association and all such signs shall be made to the exact specifications designated by the Association, including dimension, color, printed information, etc. The Association shall maintain sign specifications and an example "For Sale" sign in the office of the Association for use by Members. No more than one "For Sale" sign shall be displayed on any one Unit at a time and the location of sign placement on the Unit shall be determined by the Association. Banners, flags, lighting, or any decoration of the exterior of Unit, for the purpose of promoting the Unit for sale is strictly prohibited. This restriction is applicable to all Units offered for sale within the Property, whether by Owner or through a real estate broker.

Section 6. Obstruction of the Common Area. There shall be no obstruction of the Common Area. Nothing shall be stored in the Common Area without the prior consent of the Board of Directors. Personal Property of Owners shall not be stored on the Limited Common Areas adjacent to Units. Motor vehicles in an inoperable condition or not currently legally registered shall not be stored on the Common Areas, including driveways, and may be towed or removed at Owners expense. Motor vehicles may not be parked within the Common Areas, guest parking areas, or upon the driveways of each Unit for longer than forty-eight (48) hour period. The Board of Directors is specifically empowered to enforce this provision by having vehicles in violation towed and stored at the Owner's expense. All such fees and expenses, including attorney fees if necessary and all towing and storage charges, may be made a part of the Unit Owner's assessment and enforced and collected accordingly. Owners shall be assessed for all costs and expenses related to Property removal and storage for a violation of this provision by any lessees, guest or invitee of Owner.

Section 7. Prohibited Uses. No loud, noxious or offensive activities shall be carried on in any Unit or in the Common Area, nor shall anything be done therein which may be or become an annoyance or nuisance to the Owners.

Section 8. Oil and Mining Operations. No drilling, quarrying or mining operations of any kind shall be permitted upon or in any Unit or upon the Common Area.

Section 9. Hazardous or Toxic Wastes. No bulk storage of hazardous materials, hazardous wastes, hazardous substances, or toxic substances or any toxin regulated by any federal or state statute or regulation may be stored upon the Property; specifically, but not by way of limitation, including garages of the Units.

Section 10. Alteration of Common Area. Nothing shall be altered or constructed, or removed from the Common Area, except with the written consent of the Board of Directors.

Section 11. Time Sharing Prohibited. The Owner of any Unit shall not allow or permit any form of time sharing Ownership.

Section 12. Leases. Any lease agreement between a Unit Owner and a lessee shall be required to provide that the terms of the leases shall be subject in all respects to the provisions of this Restated Declaration, Articles of Incorporation of the Association and the Bylaws of said Association, and that any failure by lessee to comply with the terms of such documents shall be a default under the lease. No Unit Owner may lease less than the entire Unit. Furthermore, all leases shall be in writing and copy of each signed lease shall be left in the office of the Association by the homeowner. Any damage caused by the lessee, including guests of lessee, to the Common Areas or exteriors of the buildings shall be an additional assessment on the Unit, subject to imposition pursuant to Article VII, Section 4 hereof.

Section 13. Recreational Vehicles. No recreational vehicle may be parked within the Common Areas or upon the driveways of each Unit for longer than a twenty-four (24) hour period. In no event shall any recreational vehicle be used for camping or for overnight accommodations by the Unit Owner or by the Unit Owner's guests in and on the Common Areas of the Development or on the driveways of the Units, except on that Property specially designated by the Board for this purpose. The Board of Directors is specifically empowered to enforce this provision by having vehicles in violation towed and stored at the Owner's expense.

Section 14. Junk or Derelict Vehicles. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept on any of the Common Areas. Vehicle repairs other than ordinary light maintenance are not permitted on the Property. Vehicles parked or stored in violation of these provisions or in violation of any rule or regulation adopted by the Board will be towed away at the Owner's risk and expense.

Section 15. Electronic Antennas. No television, radio, or other electronic antenna, satellite dish or device of any similar type shall be erected, constructed, attached, placed or permitted to remain on a Unit, or on the exterior of any Unit or any other structure located on a Unit, unless approved in writing by the Architectural Control Committee (ACC). The ACC approval or disapproval shall include, but not in any way be limited to, the location, dimensions, materials, color, and method of installation. The Owner will be required to provide the Association with a waiver holding the Association harmless from any costs relating to the Owner's installation of an electronic antenna; specifically including, but not limited to, damage caused by roof leaks.

Section 16. Exterior Lighting. Exterior lighting (defined as lights or light fixtures on the exterior of the living Unit; or interior lights of the Property which light out into the Common Areas) in addition to that lighting provided in the basic Unit construction package, is expressly forbidden.

ARTICLE XI FINES

The Board may assess a fine or fines against an Owner or Owners for a violation of the Association's Governing Documents. Before assessing a fine, the Board shall give notice to the Owner of the violation and inform the Owner that a fine will be imposed if the violation is not cured within a time period determined by the Board, which shall be at least forty-eight (48) hours.

Fines assessed by the Board shall:

- (a) be made only for a violation of a rule or regulation that is specifically listed in the Restated Declaration, Bylaws, or Association rules as an offense that is subject to a fine;
- (b) be in the amount specifically provided for in the Governing Documents for that specific type of violation or in an amount commensurate with the nature of the violation; and
- (c) accrue interest and late fees as provided in the Governing Documents.

An Owner who is assessed a fine by the Board may request an informal hearing to protest or dispute the fine within fourteen (14) days from the date the fine is assessed. The hearing shall be conducted in accordance with the standards provided in the Governing Documents. No interest or late fees may accrue until after the hearing has been conducted and a final decision has been rendered.

A fine assessed under this provision that remains unpaid may be collected as an unpaid assessment as set forth elsewhere in this Association's Governing Documents or in the Utah Community Association Act.

ARTICLE XII GENERAL PROVISIONS

Section 1. Enforcement. The Association and/or any Owner, shall have a right to sue for damages, or to enforce by any proceeding injunctive or otherwise, at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Restated Declaration, Bylaws or Articles of Incorporation. Specifically, the aggrieved party may seek to recover damages and for injunctive relief. Failure by the Association to enforce any covenant or restriction therein contained shall in no event be deemed a waiver of the right to do so thereafter. The prevailing party to any action brought to enforce the terms of this Restated Declaration or any supplements or amendments thereto, shall be entitled to costs and a reasonable attorney fee.

Section 2. Severability, Construction and Validity of Restrictions. All of the conditions, covenants and reservations contained in this Restated Declaration shall be construed together, but if it shall at any time be held by a court of record having legal authority and jurisdiction that any one of said conditions, covenants or reservations, or any part thereof, is invalid, or for any reason becomes unenforceable, no other condition, covenant, or reservation, or any part thereof, shall be thereby affected or impaired; and Unit Owners, their successors, heirs or assigns shall be bound by each article, section, subsection, paragraph, sentence, clause or phrase which has not been declared invalid or inoperative.

Section 3. Duration. The covenants and restrictions of this Restated Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Unit subject to this Declaration, their respective legal representative, heirs, successors, and assigns for a term of thirty (30) years from the date this Restated Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years.

Section 4. Gender and Grammar. The singular wherever used in this Restated Declaration shall be construed to mean the plural when applicable and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 5. Conflicts. In case of any conflict between this Restated Declaration, as the same may be amended from time to time, and the Articles of Incorporation and the Bylaws of the Association, as they may be amended from time to time, the provisions of this Restated Declaration shall be controlling.

ARTICLE XIII AMENDMENT

Except as otherwise provided herein, this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than seventy-five percent (75%) of the lot Owners, and thereafter, by an instrument signed by not less than sixty percent (60%) of the lot Owners, which amendment shall be effective upon recordation in the Office of the Recorder of Salt Lake County, State of Utah. Prior to any material amendment to this Declaration, written notice shall be sent to all holders of first mortgage liens, setting forth said amendment and advising them of the date that the members will vote on said amendment.

ARTICLE XIV INITIAL REGISTERED AGENT AND INITIAL REGISTERED OFFICE

The agent for service of process shall be listed in an appropriate instrument recorded in the office of the Department of Commerce, Division of Corporations, of the State of Utah. If no such appointment is listed, the registered agent shall be the current President of the Association, and the Association shall cause such

President's name and address to be listed in an appropriate instrument recorded in the office of the Department of Commerce, Division of Corporations, of the State of Utah.

IN WITNESS WHEREOF, the undersigned, being the President herein, has/have hereunto set his/their hands and seals the day and year first written above. In executing this document, the undersigned acknowledges and affirms that the foregoing Restated Declaration was adopted with the consent of no less than seventy-five percent (75%) of the Unit Owners in the Association.

DATED THIS 13 DAY OF OCTOBER, 2009.

By the Cottages on Kimball's Lane Homeowners Association:

Signature: Vernon L. Worthen

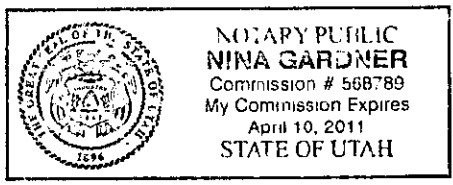
Printed Name: VERNON L. WORTHEN

Title: President, The Cottages on Kimball's Lane Homeowners Association

STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

On this 13 day of Oct., 2009, Vernon L. Worthen personally appeared before me, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and, who, being by me duly sworn (or affirmed), did say that s/he is the President of The Cottages on Kimball's Lane Homeowners Association, a Utah nonprofit corporation, and that the foregoing document was signed by him/her on behalf of that corporation by authority of its Bylaws or of a resolution of its Board of Directors, and s/he acknowledges before me that the corporation executed the document and such execution was the act of the corporation for its stated purpose.

Notary Public Nina Gardner
Address 12271 S. 900E Draper UT 84020
My Commission expires 4-10-2011



RXLP COTTAGES ON KIMBALLS LANE PH 1 PUD				BLK, LOT-QUAR	
B FLG	BLK/BLDG	IND FLG	LOT/QUAR	PARCEL NUMBER	OBSOLETE?
L			1A	28-30-127-001-0000	NO
L			1B	28-30-127-002-0000	NO
L			2A	28-30-127-004-0000	NO
L			2B	28-30-127-003-0000	NO
L			3A	28-30-127-006-0000	NO
L			3B	28-30-127-005-0000	NO
L			4A	28-30-126-001-0000	NO
L			4B	28-30-126-002-0000	NO
L			5A	28-30-126-003-0000	NO
L			5B	28-30-126-004-0000	NO
L			6A	28-30-127-008-0000	NO
L			6B	28-30-127-007-0000	NO
L			7A	28-30-126-005-0000	NO
L			7B	28-30-126-006-0000	NO
L			8A	28-30-126-008-0000	NO
L			8B	28-30-126-007-0000	NO
L			9A	28-30-126-010-0000	NO
L			9B	28-30-126-009-0000	NO
L			10A	28-30-127-010-0000	NO

PF1=VTDI PF5=RXKP PF7=RXAB LIST PF12=PREV ENTER=NEXT CURSOR DOWN AND ENTER=RXPN
 PF4=RETURN TO RXEN PF10=LAST RECORDS

RXLP COTTAGES ON KIMBALLS LANE PH 1 PUD				BLK, LOT-QUAR	
B FLG	BLK/BLDG	IND FLG	LOT/QUAR	PARCEL NUMBER	OBSOLETE?
		L	10A	28-30-127-010-0000	NO
		L	10B	28-30-127-009-0000	NO
		L	AREA	28-30-126-011-0000	YES
		L	AREA	28-30-126-012-0000	YES
		L	AREA	28-30-126-020-0000	NO

PF1=VTDI PF5=RXKP PF7=RXAB LIST PF12=PREV ENTER=NEXT CURSOR DOWN AND ENTER=RXPN
 PF4=RETURN TO RXEN PF10=LAST RECORDS

RXLP COTTAGES ON KIMBALLS LANE PH 2 PUD				BLK, LOT-QUAR	
B FLG	BLK/BLDG	IND FLG	LOT/QUAR	PARCEL NUMBER	OBSOLETE?
		L	11A	28-30-128-006-0000	NO
		L	11B	28-30-128-005-0000	NO
		L	12A	28-30-128-004-0000	NO
		L	12B	28-30-128-003-0000	NO
		L	13A	28-30-128-002-0000	NO
		L	13B	28-30-128-001-0000	NO
		L	14A	28-30-128-008-0000	NO
		L	14B	28-30-128-007-0000	NO
		L	15A	28-30-126-013-0000	NO
		L	16A	28-30-126-014-0000	NO
		L	16B	28-30-126-015-0000	NO
		L	17A	28-30-126-017-0000	NO
		L	17B	28-30-126-016-0000	NO
		L	18A	28-30-126-018-0000	NO
		L	18B	28-30-126-019-0000	NO
		L	19A	28-30-128-009-0000	NO
		L	19B	28-30-128-010-0000	NO
		L	20A	28-30-128-011-0000	NO
		L	20B	28-30-128-012-0000	NO

PF1=VTDI PF5=RXKP PF7=RXAB LIST PF12=PREV ENTER=NEXT CURSOR DOWN AND ENTER=RXPN
 PF4=RETURN TO RXEN PF10=LAST RECORDS

RXLP COTTAGES ON KIMBALLS LANE PH 2 PUD				BLK, LOT-QUAR	
B FLG	BLK/BLDG	IND FLG	LOT/QUAR	PARCEL NUMBER	OBSOLETE?
		L	20B	28-30-128-012-0000	NO
		L	AREA	28-30-128-013-0000	NO

PF1=VTDI PF5=RXKP PF7=RXAB LIST PF12=PREV ENTER=NEXT CURSOR DOWN AND ENTER=RXPN
 PF4=RETURN TO RXEN PF10=LAST RECORDS

RXLP COTTAGES ON KIMBALLS LANE PH 3 PUD				BLK, LOT-QUAR	
B FLG	BLK/BLDG	IND FLG	LOT/QUAR	PARCEL NUMBER	OBSOLETE?
		L	21A	28-30-128-014-0000	NO
		L	21B	28-30-128-015-0000	NO
		L	22A	28-30-128-016-0000	NO
		L	22B	28-30-128-017-0000	NO
		L	23A	28-30-126-022-0000	NO
		L	23B	28-30-126-023-0000	NO
		L	24A	28-30-126-025-0000	NO
		L	24B	28-30-126-024-0000	NO
		L	25A	28-30-126-030-0000	NO
		L	25B	28-30-126-031-0000	NO
		L	26A	28-30-128-018-0000	NO
		L	26B	28-30-128-019-0000	NO
		L	27A	28-30-128-020-0000	NO
		L	27B	28-30-128-021-0000	NO
		L	28A	28-30-128-022-0000	NO
		L	29A	28-30-126-032-0000	NO
		L	30A	28-30-126-034-0000	NO
		L	30B	28-30-126-033-0000	NO
		L	31A	28-30-126-026-0000	NO

PF1=VTDI PF5=RXKP PF7=RXAB LIST PF12=PREV ENTER=NEXT CURSOR DOWN AND ENTER=RXPN
 PF4=RETURN TO RXEN PF10=LAST RECORDS

RXLP COTTAGES ON KIMBALLS LANE PH 3 PUD				BLK, LOT-QUAR	
B FLG	BLK/BLDG	IND FLG	LOT/QUAR	PARCEL NUMBER	OBSOLETE?
		L	31A	28-30-126-026-0000	NO
		L	31B	28-30-126-027-0000	NO
		L	32A	28-30-126-029-0000	NO
		L	32B	28-30-126-028-0000	NO
		L	33A	28-30-127-012-0000	NO
		L	33B	28-30-127-011-0000	NO
		L	34A	28-30-127-014-0000	NO
		L	34B	28-30-127-013-0000	NO
		L	35A	28-30-127-015-0000	NO
		L	35B	28-30-127-016-0000	NO
		L	36A	28-30-127-017-0000	NO
		L	36B	28-30-127-018-0000	NO
		L	37A	28-30-127-019-0000	NO
		L	37B	28-30-127-020-0000	NO
		L	AREA	28-30-126-021-0000	NO

PF1=VTDI PF5=RXKP PF7=RXAB LIST PF12=PREV ENTER=NEXT CURSOR DOWN AND ENTER=RXPN
 PF4=RETURN TO RXEN PF10=LAST RECORDS

RXLP COTTAGES ON KIMBALLS LANE PH 4 PUD				BLK, LOT-QUAR	
B FLG	BLK/BLDG	IND FLG	LOT/QUAR	PARCEL NUMBER	OBSOLETE?
		L	45A	28-30-127-021-0000	NO
		L	45B	28-30-127-022-0000	NO
		L	46A	28-30-127-023-0000	NO
		L	46B	28-30-127-024-0000	NO
		L	47A	28-30-127-026-0000	NO
		L	47B	28-30-127-025-0000	NO
		L	48A	28-30-127-028-0000	NO
		L	48B	28-30-127-027-0000	NO
		L	49A	28-30-127-030-0000	NO
		L	49B	28-30-127-029-0000	NO
		L	50B	28-30-127-031-0000	NO
		L	AREA	28-30-127-032-0000	NO

PF1=VTDI PF5=RXKP PF7=RXAB LIST PF12=PREV ENTER=NEXT CURSOR DOWN AND ENTER=RXPN
 PF4=RETURN TO RXEN PF10=LAST RECORDS

RXLP COTTAGES ON KIMBALLS LANE PH 5 PUD				BLK, LOT-QUAR	
B FLG	BLK/BLDG	IND FLG	LOT/QUAR	PARCEL NUMBER	OBSOLETE?
		L	51A	28-30-128-031-0000	NO
		L	52A	28-30-128-030-0000	NO
		L	52B	28-30-128-029-0000	NO
		L	53A	28-30-128-028-0000	NO
		L	53B	28-30-128-027-0000	NO
		L	54A	28-30-128-026-0000	NO
		L	54B	28-30-128-025-0000	NO
		L	55A	28-30-128-033-0000	NO
		L	55B	28-30-128-032-0000	NO
		L	56A	28-30-128-034-0000	NO
		L	57C	28-30-129-002-0000	NO
		L	57D	28-30-129-001-0000	NO
		L	58A	28-30-129-006-0000	NO
		L	58B	28-30-129-005-0000	NO
		L	59A	28-30-129-008-0000	NO
		L	59B	28-30-129-007-0000	NO
		L	60A	28-30-129-013-0000	NO
		L	61A	28-30-129-012-0000	NO
		L	61B	28-30-129-011-0000	NO

PF1=VTDI PF5=RXXP PF7=RXAB LIST PF12=PREV ENTER=NEXT CURSOR DOWN AND ENTER=RXPN
 PF4=RETURN TO RXEN PF10=LAST RECORDS

RXLP COTTAGES ON KIMBALLS LANE PH 5 PUD				BLK, LOT-QUAR	
B FLG	BLK/BLDG	IND FLG	LOT/QUAR	PARCEL NUMBER	OBSOLETE?
		L	61B	28-30-129-011-0000	NO
		L	62A	28-30-129-010-0000	NO
		L	62B	28-30-129-009-0000	NO
		L	63C	28-30-129-004-0000	NO
		L	63D	28-30-129-003-0000	NO
		L	64C	28-30-128-035-0000	NO
		L	64D	28-30-128-036-0000	NO
		L	65C	28-30-128-037-0000	NO
		L	65D	28-30-128-038-0000	NO
		L	66B	28-30-128-039-0000	NO
		L	67C	28-30-128-040-0000	NO
		L	67D	28-30-128-041-0000	NO
		L	68C	28-30-130-003-0000	NO
		L	68D	28-30-130-002-0000	NO
		L	69B	28-30-130-001-0000	NO
		L	70C	28-30-130-005-0000	NO
		L	70D	28-30-130-004-0000	NO
		L	71B	28-30-130-006-0000	NO
		L	72C	28-30-131-003-0000	NO

PF1=VTDI PF5=RXKP PF7=RXAB LIST PF12=PREV ENTER=NEXT CURSOR DOWN AND ENTER=RXPN
 PF4=RETURN TO RXEN PF10=LAST RECORDS

RXLP COTTAGES ON KIMBALLS LANE PH 5 PUD				BLK, LOT-QUAR	
B FLG	BLK/BLDG	IND FLG	LOT/QUAR	PARCEL NUMBER	OBSOLETE?
		L	72C	28-30-131-003-0000	NO
		L	72D	28-30-131-002-0000	NO
		L	73B	28-30-131-001-0000	NO
		L	74B	28-30-131-006-0000	NO
		L	75C	28-30-131-004-0000	NO
		L	75D	28-30-131-005-0000	NO
		L	AREA	28-30-129-014-0000	NO

PF1=VTDI PF5=RXXP PF7=RXAB LIST PF12=PREV ENTER=NEXT CURSOR DOWN AND ENTER=RXPN
 PF4=RETURN TO RXEN PF10=LAST RECORDS