

WHEN RECORDED, RETURN TO:

McArthur Homes, Inc.
9962 South Redwood Road
South Jordan, UT 84095

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Gary W. Ott
Recorder, Salt Lake County, UT
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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
HERRIMAN TOWNE CENTER PLAT B – PHASE 1, LOT B-45
COMMONLY REFERRED TO AS
MCARTHUR TOWNS
(A part of the Herriman Towne Center Master Planned Community)

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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereafter "Declaration") is made on the date evidenced below by McArthur Homes 07, LC (hereafter "Declarant").

RECITALS

A. The Declarant is the owner of certain land in Salt Lake County, Utah, shown on the Record of Survey Map entitled, "Herriman Towne Center Plat B – Phase 1, Lot B-45 Amended," to be recorded in the Recorder's Office of Salt Lake County, state of Utah, (the "Recorder's Office") and more particularly described in **Exhibit "A"** attached hereto and made part hereof.

B. It is the intention of the Declarant to develop the land subject to this Declaration as an expandable residential planned unit development, and to insure a uniform plan and scheme of development, and unto that end the Declarant has adopted, imposed and subjected the property hereinafter described to certain covenants, conditions, restrictions, easements, charges and liens (collectively, the "Covenants"), as set forth herein for the following primary purposes:

(1) To insure uniformity in the development of the Lots (as hereinafter defined) in the Community (as hereinafter defined).

(2) To provide for the benefit of the Owners, the preservation of the value and amenities in the Community, and the maintenance of the Common Areas and the buildings in the Community, including but not limited to easements, charges and liens, herein below set forth, and for the creation of an Association to be delegated and assigned the powers of maintaining and administering the Common Areas (as hereinafter defined) and other improvements, and enforcing all applicable covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created upon the Property designated by this Declaration; which association shall be incorporated under the laws of the state of Utah as a nonprofit corporation for the purpose of exercising the functions mentioned herein.

C. The Community is located within, and is part of the Herriman Towne Center Master Planned Community located in Herriman City, Salt Lake County, state of Utah (the "Master Planned Community"). As such, the Project is governed and controlled not only by the conditions, covenants, restrictions and provisions of this Declaration, but also by the terms and provisions of that certain Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Herriman Towne Center Master Planned Community (the "Master Covenants"), filed of record in the Salt Lake County Recorder's Office on August 26, 2010, as Entry No. 11018444.

D. The Community is not a condominium project.

NOW, THEREFORE, the Declarant does hereby declare as follows:

ARTICLE I - DEFINITIONS

The following words when used in this Declaration (unless the context otherwise requires) shall have the following meanings:

1.1 "Act" shall mean the Utah Community Association Act, Utah Code, Title 57, Chapter 8a, as the same shall be amended or substituted from time to time.

1.2 "Additional Land" means any land that may be annexed to this Declaration thereby expanding the community as set forth in Article III.

1.3 "Assessment" means any charge imposed or levied by the Association on or against an Owner or Lot pursuant to the terms of the Governing Documents or applicable law, including (1) annual/regular assessments; (2) special assessments; and (3) individual assessments as set forth below.

1.4 "Association" means and refers to the McArthur Towns Homeowners Association.

1.5 "Board of Directors" shall mean and refer to the Board of Directors of the Association.

1.6 "Builder" means and refers to a person or entity owning one or more Lots in the Property and designated by Declarant in writing as a person or entity entitled to the rights afforded to a Builder under this Declaration.

1.7 "Bylaws" means the Bylaws of the Association (attached hereto as **Exhibit B**) as they may be amended from time to time.

1.8 "Common Area" means, refers to, and includes: (a) The real property, excluding all Lots as defined herein, and interests in the real property which this Declaration submits to the terms of the Act; (b) The real property, excluding all Lots as defined herein, and interests which comprise the Project; (c) All common areas and facilities designated as such on the Plat; (d) All Limited Common Areas and facilities; (e) All installations for and all equipment connected with the furnishing of the project's utility services, such as electricity, gas, water and sewer; (f) In general, all apparatus, installations and facilities included within the Project and existing for common use; (g) The Project's roads; (h) All portions of the Project not specifically included within the individual Lots; (i) All other parts of the project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management; (j) All common areas as defined in the Act, whether or not enumerated herein.

1.9 "Common Expenses" means and refers to all sums which are required by the Board of Directors to perform or exercise its functions, duties, or rights under the Act, this Declaration, the Bylaws and such rules and regulations as the Board of Directors may adopt from time to time.

1.10 "Community" means all of the land described in attached **Exhibit A**, including any property annexed into the Project.

1.11 "Community Wide Standard" means the standard of conduct, maintenance, or other activity generally prevailing in the community, as set forth in this Declaration, the Bylaws and as defined by the Board of Directors from time to time.

1.12 "Declarant" means McArthur Homes - 07, LC, a Utah limited liability company, and any successor or assign to whom it shall expressly (a) convey or otherwise transfer all of its right, title and interest in the Property; or (b) transfer, set over and assign all of its right, title and interest under this Declaration, or any amendment or modification thereof.

1.13 "Development Period" means the time between the date of recordation of this Declaration with the Recorder's Office and the date on which the administrative control of the Association is turned over to the Owners. The Development Period shall be the earlier of: (1) six (6) years from the recording of this Declaration, or (2) Sixty days after all Additional Land has been added to the Project and seventy-five percent (75%) of all Lots (including Lots in subsequent phases) have been conveyed to a consumer.

1.14 "Eligible Holder" shall mean any holder, insurer, or guarantor of a first Mortgage who makes a written request to the Association to receive any of the notices provided to Eligible Holders under this Declaration. The written request shall state the name and address of the Eligible Holder and the Lot number to which the Eligible Holder's mortgage interest applies.

1.15 "Fines" shall mean and refer to fines levied against a Lot Owner for violations of this Declaration, the Bylaws, or Rules and Regulations of the Association. Fines shall be enforced and collected consistent with the Act and may be collected as an unpaid assessment.

1.16 "Governing Documents" shall mean and refer to a written instrument by which the Association may exercise powers or manage, maintain, or otherwise affect the property under the jurisdiction of the Association, including Articles of Incorporation, Bylaws, Plat, this Declaration, rules, and architectural or design guidelines.

1.17 "Improvements" means every structure or improvement of any kind, including but not limited to landscaping, sprinkler pipes, Living Units, decks, porches, awnings, fences, garages, carports, driveways, storage compartments or other products of construction efforts on or in respect to the Property (but does not include any exterior antenna or satellite dish, authorized in accordance with the Declaration).

1.18 "Limited Common Areas" means all of the real property identified as limited common area on the Plat, and shall also include those areas identified on the Plat as common area which are enclosed by "HOA Fencing," as illustrated on the Plat. Limited Common Areas are Common Areas limited to the use of certain Lots to the exclusion of other Lot Owners.

1.19 "Lot" shall mean and refer to any residential lot or parcel of land shown upon the recorded Plat, including any Improvements thereon, with the exception of the Common Area.

1.20 "Manager" or "Managing Agent" shall mean and refer to the person or entity retained by the Association to manage the Property according to the direction of the Board of Directors.

1.21 "Master Association" shall mean the Herriman Towne Center Homeowners Association.

1.22 "Mortgage" means any mortgage or deed of trust encumbering any Lot and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Recorder's Office.

1.23 "Mortgagee" means the person or entity secured by a Mortgage.

1.24 "Owner" means the person, persons or other entity owning any Lot (including the holder of a vendee's interest under a land sale contract, unless otherwise stated in the contract), but does not include a tenant or holder of a leasehold interest or person holding only a security interest in a Lot (including the holder of a vendor's interest under a land sale contract, unless otherwise stated in the contract).

1.25 "Party Walls" means and refers to the walls separating the Living Units.

1.26 "Plat" or "Plat Map" or "Record of Survey Map" (these terms may be used interchangeably herein) means the Record of Survey Map entitled, "Herriman Towne Center Plat B – Phase 1, Lot B-45 Amended" to be recorded at the Recorder's Office of Salt Lake County, state of Utah, as the same may be amended or substituted, together with any plat recorded for an additional phase of the Project.

1.27 "Property" or "Project" means all of the real property described in attached **Exhibit A**, and all property hereafter annexed into the Project.

1.28 "Rules and Regulations" means and refers to those rules and regulations adopted by the Board of Directors from time to time that are deemed necessary by the Board for the enjoyment of the Property and Community.

1.29 "Turnover Meeting" means the meeting at which the Declarant turns over administrative control of the Association to the Owners pursuant to this Declaration.

1.30 "Unit or Living Unit" shall mean single-family residential dwelling unit on the Property and constructed upon a numbered Lot or space reflected on a recorded Plat.

ARTICLE II - PROPERTY DESCRIPTION

2.1 Property Subject the Declaration and Bylaws.

The real property which is, and shall be, transferred, held, sold, conveyed and occupied subject to this Declaration is located in Salt Lake County, Utah, and is described on **Exhibit A** attached hereto, and includes all property hereafter annexed into the Project.

2.2 Description and Legal Status of Lots.

The Map shows the Lots and building designations, their locations, dimensions from which its areas may be determined, and, together with the Definitions above, those Limited Common Areas which are reserved for such use, and the Common Areas. All Lots are residential Lots. All Lots shall be capable of being independently owned, encumbered, and conveyed.

2.3 Covenants Run with the Land and Relationship with Master Covenants.

Declarant declares that all of the Property shall be owned, conveyed hypothecated, encumbered, used, occupied and improved subject to this Declaration and the Governing Documents, the Master Declaration and the Act. The easements, covenants, conditions, restrictions and charges, described in this Declaration shall run with the Property and shall be binding upon all parties having or acquiring any right, title or interest in such property or any part thereof and shall inure to the benefit of the Association and each Owner thereof. In the event of any conflict between the provisions of the Governing Documents and the provisions of the Master Covenants, the provisions of the Master Covenants shall govern. To the extent that the Governing Documents are or become inconsistent with the provisions of any future amendments to the Act, the Act, as amended, shall control. To the extent necessary to comply with the Master Covenants, the Association for this Project shall be considered a "Neighborhood Association" as described in the Master Covenants.

2.4 Form of Lot Conveyance - Legal Description of Lot.

Each conveyance or installment contract for the sale of a Lot and every other instrument affecting title to a Lot may describe that Lot by the number shown on the Record of Survey Map with appropriate reference to said Map and to this Declaration, as each shall appear on the records of the County Recorder, State of Utah, and in substantially the following form:

Lot ____, Building _____ shown on the Record of Survey Map for Herriman Towne Center Towns, appearing in the records of the Salt Lake County Recorder as Entry No. ____ Map No. ____, and as identified in the Declaration of Covenants, Conditions and Restrictions appearing as Entry No. ____ in Book _____ at Pages _____ of the official records of the Salt Lake County Recorder, as may be amended, and the Plat. This conveyance is subject to the provisions of the aforementioned Declaration, including any amendments thereto.

ARTICLE III - EXPANSION OF PROPERTY

3.1 Discretion to Expand Community.

Declarant reserves the right at its sole discretion to expand the Properties to include Additional Land by unilateral action of the Declarant without the consent of the Owners for a period of seven (7) years from the date of recording this Declaration in the office of the Salt Lake County Recorder, state of Utah.

3.2 No Limitations on Amount of Expansion.

There are no limitations on the maximum or minimum amount of the above property which may be added. There may be more than one expansion and the expansion may be made as to any amount or in any order.

3.3 Process for Expansion.

Expansion shall occur by the Declarant recording: (1) an additional plat or plats creating additional phases for lots on the property described above; and (2) a declaration of annexation which shall state the Declarant's intention to have the area described therein subject to this

Declaration. Upon the recording of such a declaration of annexation, the property described therein shall be subject in all respects to this Declaration.

3.4 Limitations on Expansion.

(a) Any additional properties annexed hereto by the Declarant shall be exclusively for residential purposes. Any additional properties annexed hereto by the Declarant shall be architecturally compatible with the existing Living Units and shall be of similar quality. However, the Declarant makes no assurances that any Living Unit constructed on any additional properties annexed hereto by the Declarant will be substantially identical to the Living Units depicted in the plat. No other assurances are made as to the improvement or as to the location of said improvements which shall be made on the expansion land.

(b) The Declarant shall have the sole discretion as to the development of the common area in any expansion area and may (or may not) include any facilities or amenities thereon that Declarant deems necessary. Such common areas, if any, shall be managed by the Association.

(c) All taxes and other assessments relating to property to be added must be paid or provided for by the Declarant prior to the addition of the property. Liens arising in connection with Declarant's interest in the property to be added must not adversely affect the rights of existing Lot Owners or the priority of existing first Mortgages on the Property.

ARTICLE IV - PROPERTY RIGHTS AND EASEMENTS

4.1 Use and Occupancy.

Except as otherwise expressly provided in this Declaration or the Bylaws, the Owner(s) of a Lot shall be entitled to the exclusive use and benefits of ownership of such Lot. Each Lot, however, shall be bound by, and the Owner shall comply with, the restrictions contained below and all other provisions of the Governing Documents of the Association for the mutual benefit of the Owners.

4.2 Easements Reserved.

In addition to the easements shown on the Plat or provided for under this Declaration, the Bylaws or law, the following easements are hereby reserved for the benefit of Declarant, its successor and assigns, the Owners and the Association:

(a) Right of Entry. The Association and any person authorized by the Association may at any reasonable time, and from time to time at reasonable intervals, enter upon any Lot for the purpose of performing maintenance referred to herein and determining whether or not the Lot is in compliance with the Governing Documents or whether the use of the Lot is causing damage or harm to the Common Areas or Limited Common Areas. Requests for entry shall be made in advance and at a time convenient to the Owner, except in the case of an emergency, when such right shall be immediate. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Lot.

(b) Utility Easements. Declarant, its successors and assigns, the Association, or any public utility provider shall have an easement through all Lots and the Common Areas for the installation, maintenance and development of utilities and drainage facilities, as may be necessary. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may reasonably interfere with or damage utilities or drainage facilities. The easement area within each Lot and all improvements therein shall be maintained continuously by the Owner of the Lot in accordance with the terms herein, except for those improvements for which a public authority or utility provider is responsible. Each Lot Owner shall have an easement in common with all Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other Lots and serving his or her Lot.

(c) Questar Gas Company Easement. Questar Gas Company (Questar) acquired a Right-of-Way and Easement (Easement) under that certain Right-of-Way and Easement Grant dated March 1, 2006, and recorded March 2, 2006 in Book 9261, Pages 9854-9860 in the Salt Lake County Recorder's Office and supplemented by agreement recorded June 11, 2012, as Entry No. 11407771 in the Salt Lake County Recorder's Office (Supplemental Agreement). The location of the Easement is shown upon the Plat.

(i) All construction and maintenance activities performed or authorized by any Owner or the Association within the Easement, including but not limited to excavating, surveying, leveling, grading, installing, placing, removing, reclaiming, recontouring, and constructing any improvements, are to be completed in accordance with the Easement and the Supplemental Agreement.

(ii) The Association and any Owner shall not permit, construct, or allow to be constructed any structures, sheds, trash receptacle enclosures, trees, rock walls, brick or block walls, decks, patio awnings, changes to grade and contour or other types of encroachments within the Easement, except with the prior authorization of Questar and except as provided for on the Plat, and shall immediately remove and remedy any such encroachments to the satisfaction of Questar.

(d) Common Areas. All Owners are hereby granted a non-exclusive right and easement of enjoyment to the Common Areas, excluding the Limited Common Areas as defined herein.

4.3 No Encroachment

No Lot shall encroach upon an adjoining Lot without the express written consent of the Board of Directors. If, however, an encroachment occurs due to the settlement or shifting of a structure/building or any other reason whatsoever beyond the control of the Board of Directors or any Owner, there shall forthwith arise, without the necessity of any further or additional act or instrument, a good and valid easement for the maintenance of such encroachment, for the benefit of the Owner, its heirs, personal representatives and assigns, to provide for the encroachment and non-disturbance of the structure. Such easement shall remain in full force and effect so long as the encroachment shall continue.

ARTICLE V - ASSESSMENTS

5.1 *Covenant for Assessments.*

(a) Each Owner, by acceptance of a deed hereafter conveying any Lot to it, whether or not so expressed in the deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association the following types of assessments:

- (1) Annual common assessments (the "Annual Assessment") as provided below.
- (2) Special assessments ("Special Assessments") as provided below.
- (3) Individual assessments ("Individual Assessments") as provided below.

(b) No member may exempt itself from liability for Assessments by abandonment of any Lot owned by such member.

5.2 *Master Association Assessments.* To the extent that any of the Lots are required to pay assessments to the Master Association, the Association for this Project shall collect such amounts as part of the assessments of this Association and shall remit the same to the Master Association.

5.3 *Annual Budget and Assessment.*

(a) Adoption of Budget. The Board of Directors shall prepare, or cause the preparation of, an annual budget for the Association, which shall provide, without limitation, for the maintenance of the Common Areas and for the administration, management and operation of the Association. If the Board of Directors fails to adopt an annual budget, the last adopted budget shall continue in effect.

(b) Determination of Annual Assessment.

(1) The Board of Directors of the Association shall fix the amount of the annual assessment ("Annual Assessment") against each Lot for each assessment period at least thirty (30) days in advance of the beginning of the period. Written notice of the Annual Assessments shall be sent to all members of the Association at least thirty (30) days in advance of the beginning of any assessment period, or thirty (30) days in advance of any increase in the Annual Assessment that is to take effect during any assessment period.

(2) The omission by the Board of Directors, before the expiration of any assessment period, to fix the amount of the Annual Assessment for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this article or a release of any member from the obligation to pay the Annual Assessment, or any installment thereof, for that or any subsequent assessment period. In the event of such omission, the Annual Assessment fixed for the preceding period shall continue until a new assessment is fixed.

(3) Equitable Changes. If the Annual Assessments levied at any time are, or will become, inadequate to meet the expenses incurred by the Association for any reason, including nonpayment of any Owner's Assessments on a current basis, the Board of Directors may

determine the approximate amount of the inadequacy and adopt a resolution which establishes a supplemental budget and establishes the equitable change in the amount of the Annual Assessment or Private Lane Assessment. Owners shall be given at least twenty (20) days' written notice of any changes in the amount of an Assessment.

5.4 *Apportionment of Assessments.*

Subject to Subsections (d) of this section, assessments shall be apportioned as follows:

(a) Annual and Special Assessments. All Lots shall pay a pro rata share of the Annual Assessment and Special Assessments commencing upon the date the Lots are made subject to this Declaration. The pro rata share shall be based upon the total amount of each such assessment divided by the total number of Lots.

(b) Individual Assessments. Individual Assessments shall be apportioned exclusively against the Lots benefitted or to which the expenses are attributable as provided for below.

(c) Payment of Assessments. Installments of Annual Assessments shall be levied and collected on a monthly basis. However, upon resolution of the Board of Directors, installments of Annual Assessments may be levied and collected on a quarterly, semi-annual or annual basis. Any member may prepay one or more installments of any Assessment levied by the Association, without premium or penalty.

(d) Declarant Assessment Exemption. Notwithstanding anything herein to the contrary, the Declarant and any Builder, and any Lot to which the Declarant or any Builder holds record title, shall be exempt from any Assessment under this Article.

5.5 *Lien.*

The Annual Assessment and all other Assessments imposed shall be a charge and continuing lien upon each of the Lots against which the assessment is made in accordance with the terms and provisions of this Article and shall be construed as a real covenant running with the land.

5.6 *Personal Obligation and Costs of Collection.*

Assessments imposed under this Declaration, together with interest at a rate to be established by resolution of the Board of Directors, not to exceed the maximum permitted by law, and costs and reasonable attorneys' fees incurred or expended by the Association in the collection thereof (whether or not a lawsuit is initiated), shall also be the personal obligation of the Owner holding title to any Lot at the time when the assessment became due.

5.7 *Purpose of Assessments.*

The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Community, and including, but not limited to: (a) The improvement and maintenance, operation, care, and services related to the Common Areas; (b) The payment of insurance premiums; (c) The costs of utilities and other services which may be provided by the Association for the Community; (d) The cost of labor, equipment, insurance, materials, management, legal and administrative fees incurred or expended in performing the duties under this Declaration or the Bylaws; (e) The

cost of funding all reserves established by the Association, including a general operating excess and a reserve for replacements as provided below; and (f) Any other items properly chargeable as a Common Expense of the Association.

5.8 *Special Assessments.*

In addition to the Annual Assessments authorized in this article, the Association may levy at any time a special assessment ("Special Assessment"), for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of Common Areas or for any other purpose consistent with the provisions of the Governing Documents. The Board of Directors may authorize a special assessment for any lawful purpose provided, however, that such assessment shall first be approved by two-thirds (2/3) of those members of the Association, who actually cast votes through the voting procedure authorized by the Board for that particular action (e.g., at a meeting or through mail-in ballot), and the written consent of Declarant as long as Declarant owns at least five (5) Lots. Notwithstanding the foregoing, the Board of Directors may levy a special assessment in an amount not to exceed \$500 per Lot without approval of the members, except that approval of the Declarant shall be required as long as Declarant owns at least five (5) Lots.

5.9 *Notice and Quorum for any Action Authorized Under Section 5.7.*

(a) Written notice of any meetings of members of the Association called for the purpose of taking any action authorized under Sections 5.7 and 5.10 of this Article shall be sent to all members not less than twenty (20) days, or more than seventy-five (75) days, in advance of the meeting. At any meeting or voting procedure conducted for the purpose of taking any action authorized under Sections 5.7 and 5.10 of this Article, the presence at the meeting of members or of proxies, or the response of members in a vote conducted without a meeting, equaling forty percent (40%) of all of the votes of members, shall be necessary and sufficient to constitute a quorum. If a quorum cannot be obtained at any such meeting or voting procedure, the meeting may be adjourned and the quorum requirement at any subsequent meeting or voting procedure held within 30 days shall be 20% of all of the votes of members.

5.10 *Commencement and Due Date of Assessments.*

All Lots subject to this Declaration, except Declarant or Builder owned Lots, shall be subject to assessment as provided in Section 5.1 above and the full Annual Assessment as to any Lot shall commence on the date the Lot is conveyed to any person or entity other than the Declarant or a Builder.

5.11 *Individual Assessments.*

Any expenses benefitting or attributable to fewer than all of the Lots may be assessed exclusively against the Lots affected or benefitted. Individual Assessments shall include, but are not limited to: (1) Assessments levied against any Lot to reimburse the Association for costs incurred in bringing the Lot or its Owner into compliance with the provisions of this Declaration or rules and regulations of the Association and for fines or other charges imposed pursuant to this Declaration for violation of this Declaration, the Bylaws or any rules and regulations of the Association; (2) Expenses relating to the cost of maintenance, repair replacement and reserves of the Lots.

5.12 *Nonpayment of Assessments.*

The Annual Assessments shall be due and payable on a monthly basis on the first (1st) calendar day of each month, unless otherwise provided by the Board of Directors, and shall be delinquent if not paid by the 15th of the month or within such other period established by the Board from time to time. The due date of any Special Assessment or other Assessment shall be fixed in the resolution authorizing the Assessment.

5.12.1 Interest. Delinquent payments shall bear interest from the sixteenth (16th) day of the month (the "date of delinquency") at the rate established by the Board of Directors.

5.12.2 Late Charge. Delinquent payments shall be subject to a late charge of Thirty Dollars (\$30.00) per month until paid, or such other amount as determined by the Board from time to time.

5.12.3 Acceleration. If paid by installments, may, in the discretion of the Board, be accelerated (including interest as provided for above) and the entire balance declared due and payable upon not less than ten (10) days written notice to the Owner. If, however, the assessment is accelerated and an Owner subsequently files bankruptcy or the Board otherwise decides acceleration is not in its best interest, the Board, at its option and in its sole discretion, may elect to decelerate the obligation.

5.13 *Remedies, Including Suspension of Membership Rights and Services.*

All membership rights, including the right of an Owner to vote on issues concerning the Association or sit on the Board may be suspended by the Board if the Owner is delinquent by more than 60 days in the payment of his or her Assessment. Any service provided by the Association to the Owners shall also be terminated as to the delinquent Owner at the discretion of the Board. The Association shall have each and every remedy for collection of assessments provided in the Utah Community Association Act, Utah Code Title 57, Chapter 8a, as amended from time to time, and the provisions of the Act shall be deemed to be fully set forth herein when required by such Act in order to exercise any such remedy. The Declarant hereby conveys and warrants pursuant to U.C.A. § 57-1-20 and 57-8a-402 (as the same may be amended from time to time) to the attorney of the Association, with power of sale, each Lot and all improvements to each Lot for the purpose of securing payment of Assessments under the terms of the Declaration.

5.14 *Appointment of Trustee.*

The Declarant, the Association and each Owner hereby appoints the attorney of the Association who has been retained by the Association at the time a foreclosure is initiated as trustee for the purpose of exercising the power of sale in connection with non-judicial foreclosures as provided in Title 57, Chapter 1, Utah Code and made applicable hereto by Title 57, Chapter 8a, Utah Code Ann., as may be amended from time to time.

5.15 *Enforcement of Lien.*

The Association may establish and enforce the lien for any Assessment, including Annual, Special, Individual or otherwise, pursuant to the provisions of this Declaration. The lien is imposed upon the Lot against which the Assessment is made. The lien may be established and enforced for damages, interest, costs of collection, late charges permitted by law, and attorneys'

fees provided for in this Declaration (whether or not a legal proceeding is initiated) or by law or awarded by a court for breach of any provisions of this Declaration, the Bylaws or any rules and regulations of the Association. The lien maybe foreclosed judicially or non-judicially consistent with the laws of the state of Utah for the non-judicial foreclosure of Deeds of Trusts. The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Upon completion of the foreclosure sale, an action may be brought by the Association or the purchaser at the sale in order to secure occupancy of the defaulting Owner's Lot, and the defaulting Owner shall be required to pay the reasonable rental value of such Lot during any period of continued occupancy by the defaulting Owner or any persons claiming under the defaulting Owner. The Association shall be entitled to the appointment of a receiver to collect the rental income or the reasonable rental value without regard to the value of the security.

5.16 Subordination of Lien to Mortgages.

The lien of the Assessments provided for in this article shall be subordinate to the lien of any first mortgagees or deeds of trust now or hereafter placed upon the Lot subject to assessment, except as follows: the sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Such sale or transfer shall not relieve the Lot from liability for any Assessments thereafter becoming due, or from the lien of any future assessment.

5.17 Reserve Funds.

(a) The Association shall establish and maintain a reserve fund for repairs and replacement of the Common Areas by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors in its sole discretion and best business judgment or by any method required by law. The fund shall be conclusively deemed to be a Common Expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

(b) The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate.

(c) The Board of Director's reasonable determination with respect to the amount of the reserve fund contribution shall be conclusively deemed appropriate absent intentional misconduct or gross mismanagement of Association funds. Except in such instances, individual Board of Directors members shall not be held liable for any potential or alleged under funding of the reserve account.

5.18 Fee Due on Transfer of Unit. Each time legal title to a Lot passes from one person to another, except a conveyance to any Declarant or Builder, within thirty (30) days after the effective date of such title transaction, the new Lot Owner shall pay to the Association, in addition to any other required amounts, a reinvestment fee in the amount determined by the Board from time to time.

5.19 *Duty to Pay Independent.*

No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of the each Owner.

5.20 *Statement of Unpaid Assessment & Payoff Information.*

(a) The Association shall, upon demand at any time, furnish to any Owner liable for assessment a certificate in writing signed by an officer of the Association setting forth whether Assessments has been paid. The certificate shall be conclusive evidence of payment of any assessment therein stated as having been paid. A reasonable charge may be levied in advance by the Association for each certificate so delivered.

(b) The Association may charge a fee for providing Association payoff information needed in connection with the financing, refinancing, or closing of a lot owner's sale of the owner's lot up to the maximum amount allowed by law.

ARTICLE VI - RESTRICTIONS ON USE

6.1 *Restrictions and Requirements.*

The following restrictions and requirements are in addition to all other restrictions and requirements contained in this Declaration and the Bylaws:

6.1.1 Residential Use. Lots shall be used for residential purposes in accordance with, and subject to, the other provisions of this Declaration and the Bylaws and rules and regulations adopted pursuant thereto. Except as provided in this subsection, no trade, craft, business, profession, commercial or similar activities that causes additional pedestrian or vehicular traffic, creates a sight or noise nuisance, shall be conducted on any Lot or in any other portion of the Project.

6.1.2 Drainage System. There shall be no interference with the established drainage patterns or systems, if any, over or through any Lot so as to affect any other Lot or any real property outside the Property unless adequate alternative provision is made for proper drainage and is approved by the Board of Directors.

6.1.3 Offensive Activities. No noxious, offensive or unsightly conditions, including, but not limited to, the placement or storage of inoperable vehicles, car parts and appliances, or activities shall be permitted on any Lot or other portion of the Common Areas, nor shall anything be done in or placed upon any Common Area which interferes with or jeopardizes the enjoyment of other Lots or which is a source of annoyance to residents.

6.1.4 Unlawful Activities. No unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

6.1.5 Animals.

(1) The Board of Directors shall have the express authority and right to promulgate rules, beyond those stated herein, restricting the keeping of pets.

(2) No animals, livestock, or poultry of any kind may be raised, bred, kept or permitted within any Lot, except dogs, cats, or other household pets provided that they are not kept, bred, or maintained for any commercial purpose or in any unreasonable numbers. The Owner of any dog must keep such dog on a leash when outside of the Lot or keep it confined within the Lot.

(3) Those animals which are permitted shall not cause any noise or disturbance that would be deemed a nuisance to other Owners or residents within the Community. Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective Owners thereof and Owners shall be responsible for removal of wastes of their animals from the Common Areas and Limited Common Areas.

(4) An Owner may be required to remove a pet upon receipt of a written notice from the Board of Directors given pursuant to a resolution relating to rules and regulations governing pets within the Community and enforcement of such rules and regulations and provisions of this subsection. The Board of Directors may apply for appropriate judicial relief in the event that Owners violate this Article.

6.1.6 Rubbish and Trash. No part of the Property may be used or maintained as a dumping ground for rubbish, trash, garbage, or any other waste. No garbage, trash, or other waste may be kept or maintained on any part of the Property except in a sanitary container as specified by the Association or within a trash enclosure screened from public view. All such waste and garbage must be promptly and periodically removed.

6.1.7 Vehicles in Disrepair.

(1) No Owner shall permit any vehicle which is in an extreme state of disrepair to be abandoned or to remain parked upon any part of the Property unless such vehicle is within a garage. A vehicle shall be deemed in an "extreme state of disrepair" when the Board of Directors reasonably determines that its presence offends the occupants of the other Lots.

(2) If an Owner fails to remove a vehicle deemed to be in an extreme state of disrepair within seventy-two (72) hours after the date and time on which written notice is securely placed on such vehicle or delivered to the responsible Owner by the Board of Directors, the Board of Directors may have such vehicle removed from the Property (i.e., towed) and assess the Owner the expense of such removal and any storage necessitated thereby.

6.1.8 Parking of Automobiles and Other Vehicles.

(1) Parking on the streets within the Project is prohibited. Vehicles parked on the streets within the Project will be subject to being towed.

(2) Except as otherwise provided in this subsection, parking of boats, trailers, commercial vehicles, commercial trucks, truck campers, motor homes and like vehicles and equipment shall only be allowed for periods of less than 24 hours and for no more than two separate 24 hour periods in any given week.

(3) The Board of Directors may adopt and amend rules to govern the parking of vehicles in the Common Areas, which rules may include assessing an Owner the expense of removing any automobile, vehicle or equipment parked in violation of any rule or of this subsection and the cost of any storage thereof.

6.1.9 Clothes Lines and Materials. No clothes lines, clothing racks, or other apparatus on which clothes, rags, or similar items are exposed for the purpose of drying or airing shall be located on the Property except within a Unit, unless in an area screened from public view. No garments, rugs, rags, laundry, or other clothing or materials shall be allowed to hang from the windows or from any of the facades or any other part of a Unit unless in an area screened from public view.

6.1.10 Signs. Unless written approval is first obtained from the Board of Directors, no advertisement or poster of any kind may be posted in or upon the Properties except:

(1) Not more than one (1) "For Sale" or "For Rent" sign, not exceeding twenty-four (24) inches in height and thirty-six (36) inches long, may be temporarily placed on a Lot by the Owner, resident or a licensed real estate agent;

(2) "Political" signs may be temporarily placed on a Lot by the Owner or occupant of the Lot unless and until prohibited or otherwise limited by the Board of Directors by rule; and

(3) Signs may be placed on the Property by Declarant or a Builder as set forth herein.

6.1.11 Antenna and Dish Policy. Owners are encouraged to use cable service for television and internet. Satellite dishes and antennas not regulated by the FCC are prohibited. Satellite antennas, such as Direct Broadcast Satellite ("DBS") antennas/dishes one meter in diameter or less, and designed to receive direct broadcast satellite service, including direct-to-home satellite service, or receive or transmit fixed wireless signals via satellite, may be installed; provided the dish and any wires are installed so as to not be visible from the streets. If locating the dish so that it is not visible from the streets precludes reception of an acceptable quality signal, the dish shall be installed with the least visibility from the streets possible. An Owner must submit written notification to the Association within five (5) business days before installing any antenna or dish that is allowed pursuant to this section. If requested by the Association, the Owner must establish a mutually convenient time to meet with a representative of the

Association to review and discuss the antenna/dish. Location of an FCC approved dish may not be restricted by the Association so as to cause unreasonable delay in installation; unreasonably increase the cost of the equipment or its installation, maintenance, or use; or preclude reception of an acceptable quality signal. No dish may encroach upon the Common Area or the property of another Owner.

The Owner is responsible for all damage caused by or connected with the dish, for as long as the dish remains, including damage resulting from water entering a building due to the installation or existence of such antenna/dish. By installing a dish, the Owner agrees to hold the Association harmless and indemnify the Association in the event that someone is injured by the dish or in the installation or maintenance of the dish. The Owner shall keep the dish in good repair so that it does not violate any portion of this Declaration. In the event of a violation of this Section, the Association may bring an action for declaratory and/or injunctive relief and the Owner is subject to a \$50.00 fine to the Association for each violation. If the violation is not corrected within a reasonable length of time as determined by the Board, additional fines of \$10.00 per day will be imposed for each day that the violation continues. The Association shall be entitled to recover its reasonable attorney's fees, costs and expenses incurred in the enforcement of this Section. If any provision of this Section is ruled invalid, the remainder of these rules shall remain in full force and effect. If the FCC modifies its rules, the modified rules shall be incorporated into this Section as if fully set forth herein. The terms "dish" and "antenna" are to be used interchangeably in the interpretation of the above policy.

6.1.12 Noise Disturbance. Residents shall exercise extreme care to minimize noise and to use musical instruments, radios, televisions, amplifiers, or any other device so as to not disturb other residents. Noise disturbances shall subject the Owner of the Lot from which the noise originates to a fine, as levied by the Board of Directors in its sole discretion.

6.1.13 Increase in Insurance Cost. Nothing shall be done or kept within any Lot or on the Common Areas, including Limited Common Areas, which will increase the cost of insurance to the Association or to other Owners. No Owner shall permit anything to be done or kept within his or her Lot or Common Areas which will result in cancellation of insurance on any Lot.

6.1.14 Lease Restrictions. All leases shall be in writing and be subject to the Governing Documents and any failure by the lessee to comply with the terms of such documents shall be a default under the Lease. Lot Owners shall not be permitted to lease their Lots for an initial term of less than thirty (30) days.

6.1.15 Architectural Control. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to, or change or alteration thereto, of any sort, whether structural, landscaping, cosmetic or otherwise, be made by an Owner until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors. Such approval shall be solely at the discretion of the Board of Directors as it deems appropriate from time to time. Any such request shall be deemed to have been denied if the relevant Owner, including any subsequent Owner, cannot produce the written

approval granted by the Board upon request, and any changes or alterations made by an Owner, or prior Owner, shall be removed and the property restored to its original condition at the request of the Board. In the event the Board of Directors fails to approve or disapprove a request by an Owner, the request will be deemed to have been denied. This subsection shall not apply to Declarant's or a Builder's building or construction activities during the building and development of the Project.

Design and construction of the Lots and Units shall be consistent with and shall comply with the procedures and criteria set forth in this Declaration and such other building and design criteria which the Board of Directors is hereby empowered to adopt (referred to as "***Design Guidelines***") to expand, clarify, and otherwise provide for the harmony and compatibility of the Improvements constructed within the Project. Design Guidelines shall also be deemed to include the requirement that the quality of all materials to be used in any construction or Improvements within the Project be equal or superior to that utilized for original construction. All original construction by Declarant or a Builder shall be and is hereby approved. All builders and owners, including individual builders of one or more lots obtained from the Declarant, except a Builder as defined herein, shall comply with and are bound by the design restrictions herein and the Design Guidelines, if and when such are adopted.

6.2 Association Rules and Regulations.

In addition to the restrictions and requirements above, the Board of Directors from time to time may, by resolution, adopt, modify, or revoke such rules and regulations governing the conduct of persons and the operation and use of the Lots and Common Areas as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Property. Reasonable fines may be levied and collected as an assessment for violations of said rules and regulations and for violations of any restrictions contained in this Declaration. A schedule of fines may be adopted by the Board of Directors specifying the amounts of such fines, and any other provisions or procedures related to the levying of such fines.

ARTICLE VII - DECLARANT RIGHTS AND CONTROL

7.1 Administrative Control of Association.

Declarant shall assume full administrative control of the Association through an appointed interim Board of Directors, which shall serve until the Turnover Meeting. The Turnover Meeting shall be held not later than the earlier of the following:

- (a) Six years from the recording of this Declaration; or
- (b) Sixty days after all Additional Land has been added to the Project and seventy-five percent (75%) of all Lots (including Lots in subsequent phases) have been conveyed to a consumer.

The Declarant, however, may elect to relinquish control of the Association at an earlier time by written notice to Owners and the Turnover Meeting shall be held within ninety (90) days of such notice.

7.2 Other Rights.

In addition to any other rights under this Declaration or the Bylaws, as long as Declarant or a Builder owns at least one (1) Lot within the Property, Declarant or a Builder:

(a) Sales Office and Model. Shall have the right to maintain a sales office and model in one or more of the Lots which Declarant or a Builder owns. Declarant, Builders and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week.

(b) "For Sale Signs." May maintain a reasonable number of "For Sale" signs, the size of which may be determined by Declarant, at reasonable locations on the Property.

(c) Approval of Amendments. Consistent with the amendment provisions of this Declaration and Bylaws, for so long as the Declarant owns at least one Lot within the Property and so long as any Additional Property remains to be added to the property, the approval of the Declarant shall be required in order to adopt any amendment to the Declaration or Bylaws of the Association.

(d) The Act. The Declarant, the Declarant-appointed Board and the Association are exempted from all procedures, requirements and obligations imposed by the Act to the extent allowed by the Act during the Development Period and all rights authorized to be reserved by a declarant under the Act are hereby deemed reserved by the Declarant. The Declarant and the Declarant-appointed Board are exempt from association rules and the rulemaking procedure under Utah Code Ann. § 57-8a-217 and all rights under that section are hereby reserved by Declarant.

7.3 Easements Reserved to Declarant.

(a) The reservation to Declarant, its successors and assigns, of non-exclusive easements and rights of way over those strips or parcels of land designated or to be designated on the Plat as "Drainage and Utility Easement," "Sewer Easement," "Drainage and Sewage Easement," and "Open Space," or otherwise designated as an easement area over any road or on the Property, and over those strips of land running along the front, rear, side and other Lot lines of each Lot shown on the Plat.

(b) An easement for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Property and the Lots therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located.

(c) Declarant further reserves unto itself and its successors and assigns, the right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any

abutting Common Area and grade a portion of such Common Area adjacent to such street, provided such grading does not materially interfere with the use or occupancy of any structure built on such Common Area, but Declarant shall not be under any obligation or duty to do such grading or to maintain any slope.

ARTICLE VIII – THE ASSOCIATION

8.1 *Organization*

(a) The Association has been or will be organized as a nonprofit corporation under the nonprofit corporation laws of the state of Utah (Utah Code Annotated Titled 16 Chapter 6a, as may be amended from time to time).

(b) The Articles of Incorporation of the Association provide for its perpetual existence, but in the event the Association is at any time dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. All of the property, powers and obligations of the incorporated Association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association. Such vesting shall thereafter be confirmed as evidenced by appropriate conveyances and assignments by the incorporated Association. However, the Board of Directors, upon its own motion, may re-incorporate the Association without a vote of the Owners. To the greatest extent possible, any successor unincorporated association shall be governed by the Articles of Incorporation and Bylaws (as the same may be amended from time to time) as if they had been drafted to constitute the governing documents of the unincorporated association.

(c) The affairs of the Association shall be governed by a Board of Directors as provided in the Bylaws.

8.2 *Membership.*

Each Owner during the entire period of Owner's ownership of one or more Lots within the Community shall be a member of the Association. The membership shall commence, exist and continue by simply virtue of the ownership, shall expire automatically upon termination of ownership and need not be confirmed or evidenced by any certificate or acceptance of membership.

8.3 *Voting Rights.*

The method of voting shall be as provided in the Bylaws. Voting rights within the Association shall be allocated as follows:

(a) Lots. Subject to any rights granted to Declarant during the period of Declarant control expressed above, each Owner shall have one (1) vote in matters of the Association for each Lot owned as set forth in the Bylaws.

(b) Declarant. For each Lot owned, the Declarant shall have three (3) votes up until, but not including, the Turnover Meeting.

8.4 Powers, Duties and Obligations.

The Association shall have such powers and duties as may be granted to it or imposed by this Declaration, the Articles of Incorporation, the Bylaws and any applicable statute, as such statute may be amended to expand the scope of association powers, including without limitation:

8.4.1 Duties of the Association. Without limiting any other duties which may be imposed upon the Association by its Articles of Incorporation or this Declaration; the Association shall have the obligation and duty to do and perform each and every one of the following for the benefit of the Owners and the maintenance and improvement of the Property:

- (1) The Association shall maintain the Common Areas.
- (2) To the extent not assessed to or paid by the Owners directly, the Association shall pay all real property taxes and assessments levied upon any portion of the Property, provided that the Association shall have the right to contest or compromise any such taxes or assessments.
- (3) The Association shall obtain and maintain in force the policies of insurance required by the provisions of this Declaration.
- (4) The Association may employ a responsible corporation, partnership, firm, person or other entity as the Managing Agent to manage and control the Community, subject at all times to direction by the Board of Directors, with such administrative functions and powers as shall be delegated to the Managing Agent by the Board of Directors.

8.4.2 Powers and Authority of the Association. The Association shall have all the powers set forth in its Articles of Incorporation and any Bylaws, together with its general powers as a corporation, and the power to do any and all things which may be authorized, required or permitted to be done by the Association under and by virtue of this Declaration, including the power to levy and collect assessments and fines as provided in this Declaration. Without in any way limiting the generality of the foregoing, the Association shall have the following powers:

- (1) The Association shall have the power and authority at any time and from time to time and without liability to any Owner for trespass, damage or otherwise, to enter into any Lot for the purpose of maintaining and repairing such Lot or any improvement thereon if for any reason the Owner fails to maintain and repair such Lot or improvement, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such Lot in violation of this Declaration.

The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoy any breach or threatened breach of this Declaration or any rules and regulations promulgated by the Officers, or to enforce by

mandatory injunction or otherwise all of the provisions of this Declaration and such rules and regulations.

(2) In fulfilling any of its duties under this Declaration, including its duties for the maintenance, repair, operation or administration of the Community or in exercising any of its rights to construct, maintain and repair the Common Areas, and provided that any contract for goods or services having a term of more than one (1) year shall state that it may be terminated by the Association at the end of the first year or at any time thereafter upon no less than thirty (30) days written notice if without cause, the Association shall have the power and authority (i) to pay and discharge any and all liens placed upon any Lot on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration and (ii) to obtain, contract and pay for, or to otherwise provide for:

A. Such utility services, including (without limitation) water, sewer, trash removal, snow removal, electrical, telephone and gas services, as the Officers may from time to time deem desirable;

B. The services of architects, engineers, attorneys and certified public accountants and such other professional or nonprofessional services as the Officers may deem desirable.

(3) The Officers may delegate by resolution or contract to the Managing Agent any of its powers under this Declaration; provided, however, that the Officers cannot delegate to such Managing Agent the power to execute any contract binding on the Association for a sum in excess of Five Thousand Dollars (\$5,000.00).

(4) Telecommunications/Fiber Optic/Related Contracts. The Board of Directors shall have the power, in its own discretion and subject to federal law, to enter into, accept an assignment of, or otherwise cause the Association to comply with contracts with Telecommunication Service providers and Telecommunication Facilities owners (both, a "Telecommunication Provider"), pursuant to which the Telecommunication Provider serves as the exclusive provider of Telecommunication Services and/or Telecommunication Facilities to each Lot in the Properties. The Board shall also have the power to enter into or contract on behalf of the Association for similar bulk rate service contracts of any nature deemed in the Association's best interests.

8.5 Adoption of Bylaws, Appointment of Interim Board of Directors.

The Association has adopted Bylaws for the Association which are being recorded simultaneously with this Declaration. Declarant has appointed an interim Board of Directors of the Association, which shall serve until their successors have been elected at the Turnover Meeting as provided above.

ARTICLE IX - PARTY WALLS

9.1 General Rules of Law Apply.

Each wall to be built as a part of the original construction of any Living Unit and placed substantially on a dividing line between any two (2) Living Units shall constitute a party wall. In the event the Owner, or its tenant, guest or invitee, causes damage to the party wall, then the general rules of law regarding party walls and liability for damage due to negligence or willful acts or omissions shall apply thereto. The Owner of each Lot adjoining a Party Wall shall be an "Owner" of the wall for purposes of this Article.

9.2 Sharing of Repair and Maintenance.

The cost of reasonable repair and maintenance of a Party Wall shall be shared by the Owners in proportion to their ownership thereto.

9.3 Destruction by Fire or Other Casualty.

If a Party Fence or a Party Wall is destroyed or damaged by fire or other casualty, any Owner thereof may restore it, and the other Owners thereof shall contribute to the cost of restoration thereof in proportion to such ownership without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

9.4 Arbitration.

In the event any dispute arises concerning a Party Fence or a Party Wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all of the arbitrators.

9.5 Right to Contribution Runs with Land.

The right of any 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.

ARTICLE X - MAINTENANCE OBLIGATIONS

10.1 Owner's Responsibility.

10.1.1 Lots. Except to the extent that the Association is responsible therefore under Section 10.2, maintenance of the Lots and the Living Units shall be the responsibility of the Owner(s) thereof, who shall maintain such Lots and Living Unit in good condition and repair. Each Owner at his or her sole expense shall maintain and repair the interior of the Living Units, including floors and each and every structural element beneath the Unit, exterior windows, window frames, and exterior doors/door frames. In addition to decorating and keeping the interior of his or her Unit in good repair and in a clean and sanitary condition, he or she shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, heating equipment, air conditioners, lighting fixtures, refrigerators, dishwasher, disposal equipment, ranges, toilets, or other appliances or fixtures that may be in, or connected with, his or her Lot, including fences. Any fixture, pipe, conduit, or other utility device or apparatus that

services only one Lot shall be the responsibility of that Lot's Owner to maintain, repair, and replace. Each Unit and Lot shall be maintained so as to not detract from the appearance of the Community and so as to not adversely affect the value or use of any other Unit or Lot.

10.1.2 Limited Common Area. Each Lot Owner shall, at its own cost, maintain, repair, replace, and keep in a clean, sanitary and attractive condition at all times, the Limited Common Areas appurtenant to his or her Lot, including the driveway and walkway leading to the front door.

10.1.3 Fences and Fenced-in Areas.

(a) In any case where a fence is installed, the Owner whose Unit directly enjoys the benefit of the fence or fenced enclosure shall be responsible for all maintenance of the fence and landscaping and improvements within the area enclosed by such fence, including sprinkler lines, fixtures, and accessories. The Owner of each Lot adjoining such a fence shall be an "Owner" of the fence for purposes of this section and the cost of repair and maintenance of such fence shall be shared by the Owners in proportion to their ownership thereof.

(b) No Separate Property Right Created. Any area enclosed by a fence shall retain its original status as Common Area, Limited Common Area, or a Lot, as the case may be, and shall not be deemed to be part of a Lot or an interest in real property only by virtue of its being enclosed by a fence. The applicable Owner shall merely enjoy a temporary revocable license to enjoy such enclosed area for his or her exclusive use but no further property right is or shall be created and no guarantee, covenant or promise that such a license shall continue to exist for any period of time is created hereby.

(c) Certain Lots Subject to Easement. The fenced in Limited Common Area appurtenant to Lot B-TH3-1 and Lots B-TH4-1 through B-TH4-4 and B-TH5-1 through B-TH5-3 is subject to an easement and to specific requirements as more fully set forth in Section 4.2(c) above.

(d) Additional Requirements. The Board may adopt rules from time to time further regulating fences and clarifying or otherwise expanding the provisions of this Section 10.1.3 and may impose additional requirements for an Owner to continue to keep a fence or obtain approval to install a fence.

10.2 *Maintenance by Association.*

The Association shall maintain the Common Areas of the Property, unless otherwise stated in this Declaration, and shall provide for such maintenance and repair of the exteriors of the Living Units, including roofs, gutters and downspouts, (but not including the replacement of glass, doors, door frames, window, window frames and also not including sealing, repairing or otherwise fixing foundations) as may be necessary or desirable to keep them attractive and generally in good condition and repair. However, if the Common Areas are damaged by the willful misconduct of an Owner, their guests, tenants, or invitees, the Owner shall be responsible for all such damage.

The Association shall provide for snow removal from the Common Areas, including the roads and sidewalks, but not from the Limited Common Area benefitting or servicing only one Lot, unless the Board so elects in a duly adopted resolution of the Board. The Association shall also maintain all Common Area amenities which may be installed from time to time.

To the extent not clarified herein and not inconsistent with the provisions of this Declaration, the Association may, by duly adopted Board resolution, identify and assign those areas of maintenance and responsibility that are either (1) Owner responsibilities; or (2) Association responsibilities, including the responsibility for snow removal from Limited Common Areas. Such determinations shall be set forth in a Board resolution distributed to all Owners and shall be binding against all Owners.

Additionally, the Association, by and through the Board of Directors, may assume the Owner's general maintenance responsibility over a Lot and Limited Common Area if, in the opinion of the Board of Directors, the Owner is unwilling or unable to adequately provide such maintenance. Before assuming such maintenance responsibility, the Board of Directors shall provide notice to the Owner of its intention to do so, and if such Owner has not commenced and diligently pursued remedial action with fifteen (15) days after mailing of such written notice, then the Association may proceed to maintain the Lot. The expenses of such maintenance incurred by the Association shall be reimbursed to the Association by the Owner. Such expenses shall be levied and collected in the same manner as assessments pursuant to this Declaration.

ARTICLE XI - COMPLIANCE AND ENFORCEMENT

11.1 Compliance.

Each Owner, tenant or occupant of a Lot shall comply with the provisions of this Declaration, the Bylaws and the rules and regulations adopted pursuant thereto and any applicable statute. Failure to comply therewith shall be grounds for levying of a fine and an action or suit maintainable by the Association or an aggrieved Owner.

11.2 Remedies.

Violation of any provisions of this Declaration, the Bylaws, or any rules or regulations adopted pursuant thereto, or of any decision of the Association made pursuant to such documents, shall give the Board of Directors acting on behalf of the Association, the right, but not the obligation, in addition to any other rights set forth in this Declaration or the Bylaws, or under law, to do any or all of the following after giving notice:

11.2.1 Subject to the provisions of this Declaration, to enter the Lot as to which such violation exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist contrary to the intent and meaning of such provisions, and the Board of Directors shall not thereby be deemed guilty of any manner of trespass, provided that judicial proceedings shall be instituted before any items of construction may be altered or demolished;

11.2.2 To enjoin, abate, or remedy such thing or condition by appropriate legal proceeding;

11.2.3 To levy fines and any violation of any express rule, regulation, covenant, restriction, or term of any Governing Document of the Association shall be subject to a fine in the amount determined by the Board from time to time. A subsequent violation of the same specific type occurring within 12 months of a prior violation shall be deemed the same violation for all purposes, including the purpose of notice, and shall be subject to an immediate fine;

11.2.4 To terminate the right to receive utility services paid for by assessments, if any, to terminate the right of access to and use of recreational and service facilities of the Association, if any, until the correction of the violation has occurred; or

11.2.5 The right of the Association to suspend the voting rights after notice and an opportunity to request a hearing for any period not to exceed sixty (60) days for any infraction of any of the Governing Documents, including failure to timely pay an assessment.

11.2.6 Bring suit or action against the Owner on behalf of the Association and other Owners to enforce this Declaration, the Bylaws and any rules or regulations adopted pursuant thereto. The Association shall be entitled to an award of its attorneys' fees and costs in any action taken for the purpose of enforcing or otherwise implementing the terms of the Governing Documents, or for any action taken pursuant to the Governing Documents, if it prevails in such action, regardless of who instituted the action.

11.3 Action by Owners.

Subject to any limitation imposed under the Governing Documents or Utah law, an aggrieved Owner may bring an action against such other Owner or the Association to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

11.4 Injunctive Relief.

Nothing in this section shall prevent an Owner, the Association, or other interested party from resorting to a court of competent jurisdiction in those instances where injunctive relief may be appropriate.

ARTICLE XII - INSURANCE

12.1 Types of Insurance Maintained by the Association.

The Association shall obtain the following types of insurance:

(a) A public general liability insurance policy covering the Association, its officers, Board members and managing agents, having at least a One Million Dollar (\$1,000,000.00) limit per total claims that arise from the same occurrence or in an amount not less than the minimum amount required by applicable law, ordinance or regulation. Coverage under this policy shall

include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the common elements, and legal liability arising out of lawsuits related to employment contracts of the Association;

(b) Workers' compensation insurance, if and to the extent required by law;

(c) Fidelity bond or bonds covering all Board members, officers, employees and other persons handling or responsible for the funds of, or administered by, the Association, in such amounts as the Board of Directors deems appropriate, but no less than a sum equal to three months aggregate assessments on all units plus reserve funds. Where the Managing Agent has the responsibility for handling or administering funds of the Association, the Managing Agent shall maintain fidelity bond coverage for its officers, employees, and agents handling or responsible for funds of, or administered on behalf of, the Association. Such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or Managing Agent, as the case may be, at any given time during the term of each bond. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the Managing Agent, shall be paid by the Association as a common expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Association or insurance trustee;

(d) Blanket property insurance with not less than 100% of the full replacement cost for the physical structure of all attached dwellings, limited common areas appurtenant to a dwelling on a Lot, and Common Areas in the project, insuring against all risks of direct physical loss commonly insured against, including coverage for any fixture, improvement, or betterment installed by a Lot Owner to an attached dwelling or to a Limited Common Area appurtenant to a dwelling on a Lot, including a floor covering, cabinet, light fixture, electrical fixture, heating or plumbing fixture, paint, wall covering, window, and any other item permanently part of or affixed to an attached dwelling or to a Limited Common Area.;

12.2 Acceptable Insurance Providers.

The Association shall use generally acceptable insurance carriers.

12.3 Lot Owner Insurance Responsibility.

For Units, the Association's policy is primary but the Unit Owner is responsible for the deductible as follows:

12.3.1. If a loss occurs that is covered by the Association's policy and by a Lot Owner's policy, the Association's policy provides primary insurance coverage and the Lot Owner's policy applies to that portion of the loss attributable to the policy deductible of the Association.

12.3.2. If a Lot, or Limited Common Area or facility appurtenant to a Lot, suffers damage as part of a covered loss, the Lot Owner is responsible for an amount calculated by applying the percentage of total damage resulting in a covered loss that is attributable to unit damage for that unit to the amount of the deductible under the Association's policy. The amount of the

deductible under the Association's policy shall be determined by the Board from time to time and is currently \$5,000. The Association shall provide notice to the Lot Owners of any change in the amount of the deductible.

12.3.3. The Association's policy does not cover the contents of a Lot or Unit or a Lot Owner's personal property. Each Lot Owner is strongly encouraged to obtain insurance coverage for contents of their Lot or Unit, as well as for coverage in the event the Owner has to pay the Association policy deductible as provided above

12.4 Power of Attorney

(a) Notwithstanding any of the foregoing provisions and requirements relating to Association property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any insurance trust agreement (the "Insurance Trustee") who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. By purchasing a Lot, all Owners appoint the Association or any Insurance Trustee designated by the Association as attorney-in-fact for the purpose of purchasing and maintaining the insurance specified in this section, including: (1) the collection and appropriate disposition of the proceeds thereof; (2) the negotiation of losses and execution of releases of liability; (3) the execution of all documents; and (4) the performance of all other acts necessary to accomplish such purpose.

(b) By purchasing a Lot, all Owners appoint the Association or any trustee designated by the Association as attorney-in-fact for the purpose of representing the Owners in condemnation proceedings or negotiations, settlements, and agreements with the condemning authority for acquisition of the Common Areas, or part thereof, by the condemning authority.

ARTICLE XIII - AMENDMENT AND DURATION

13.1 Amendments.

(a) How Proposed. Amendments to the Declaration shall be proposed by either a majority of the Board of Directors or by Owners holding thirty percent (30%) or more of the voting rights of the Association. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for approval or consent to the amendment

(b) Approval Required. This Declaration may be amended if such amendment is approved by Owners holding sixty percent (60%) of the voting rights of the Association. Notwithstanding the foregoing, however, for so long as the Declarant owns a single Lot in the Property or any of the Additional Property remains to be annexed into the Project, any and all amendments proposed pursuant to this Section must first receive the approval of the Declarant. Failure to receive such approval shall make the amendment null and void.

(c) Declarant Amendments. The Declarant may unilaterally amend this Declaration at any time until the Turnover Meeting, except any material changes shall require the approval of a majority of the voting rights of the Association.

(d) Execution and Recordation. An amendment shall not be effective until the amendment is certified by the president of the Association as being adopted in accordance with this Declaration is acknowledged and is recorded in the appropriate County Recorder's Office. An amendment or revocation which only requires the execution of an instrument by Declarant shall be effective when executed by Declarant and recorded with the County Recorder.

13.2 Duration.

(a) Period. All provisions, covenants, conditions and restrictions contained in this Declaration shall continue and remain in full force and effect until there is recorded an instrument directing the termination of this Declaration after the vote and approval of seventy-five percent (75%) of all of the Owners of the Lots.

(b) Execution and Recording of Termination Certificate. Any such termination shall become effective only if a certificate of the president and secretary of the Association, certifying that termination as of a specified termination date has been approved in the manner required herein, is duly acknowledged and recorded in the County Recorder's Office not less than six (6) months prior to the intended termination date.

ARTICLE XIV - MISCELLANEOUS PROVISIONS

14.1 Invalidity; Number; Captions.

The invalidity of any part of this Declaration shall not impair or affect in any manner the validity, enforceability, or effect of the balance of this Declaration. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Declaration.

14.2 Joint Owners.

In any case in which two or more persons share the ownership of any Lot, regardless of the form of ownership, the responsibility of such persons to comply with this Declaration shall be a joint and several responsibility and the act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Board of Directors, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter in accordance with the Bylaws.

14.3 Lessees and Other Invitees.

No damage to, or waste of the Common Areas or any part thereof shall be committed by any Owner or any Unit occupant, guest, invitee, lessee of any Owner, and each Owner shall indemnify and hold the Board and the other Owners harmless against all loss resulting from any such damage or waste caused by any such person. Lessees, invitees, guests, Unit occupants, contractors, family members and other persons entering the Property under rights derived from

an Owner shall comply with all of the provisions of the Governing Documents restricting or regulating the Owner's use, improvement or enjoyment of such Owner's Lot and other areas within the Property. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner.

14.4 Waiver, Precedent and Estoppel.

No restriction, condition, obligation or provision contained in this Declaration or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Declarant, Association, the Board of Directors or any Owner by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute precedent or estoppel impairing the right of the Declarant, Association, Board of Directors or Owner as to any similar matter.

14.5 Interpretation. All questions of interpretation or construction of any of the covenants or restrictions in this Declaration shall be resolved by the Board, and its decision shall be final, binding and conclusive on all parties affected for all purposes.


14.6 Premises Liability. From the time that the Common Area, or any portion thereof, is opened and put into use for the enjoyment of Owners, Declarant shall be and remain wholly free and clear of any and all liability to, or claims by, all Owners, and all persons and entities, of whatever kind or character, whether sounding in contract or tort, deriving from the occurrence of any injury or damage to any person or property on, or in respect of the use and operation of, the Common Area or any of its improvements, fixtures, and facilities; inasmuch as the control, operation, management, use and enjoyment, of the common area shall be within, under, and subject to the Association—and not Declarant, and an Owner shall defend, indemnify and hold harmless the Declarant against such claim, loss or liability asserted by such Owner or his or her guest, invitee, licensee, tenant, or visitor. In this respect, it shall be the affirmative duty and responsibility of each Owner and user of the common area facilities to continuously inspect the same for any defects or perils or other unsafe conditions or circumstances, prior to and during such use or enjoyment thereof; and all users of, and visitors to, the common area and its improvements and facilities shall use, enjoy, and visit, the same at their own risk and peril.

14.7 Notice of Sale, Mortgage, Rental, or Lease.

Immediately upon the sale, mortgage, rental, or lease of any Lot, the Owner shall promptly inform the secretary or manager of the name and address of said grantee, vendee, mortgagee, lessee, or tenant.

IN WITNESS WHEREOF, McArthur Homes 07, LC, has executed this Declaration this 18 day of October, 2012.

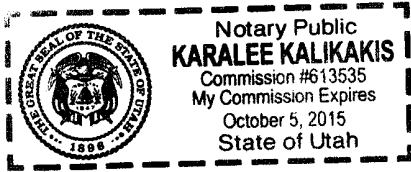
MCARTHUR HOMES 07, LC


By: McArthur Homes, Inc.
Its: Manager

31 By: David McArthur
Its: Co-President

STATE OF UTAH)
)ss:
County of Salt Lake)

The foregoing instrument was acknowledged before me on this 18 day of October,
2012 by David McArthur, Manager, of McArthur Homes - 07, LC.



Karalee Kalikakis
Notary Public for Utah

EXHIBIT A

(LEGAL DESCRIPTION)

All of Lots B-TH7-1, B-TH7-2, B-TH7-3 and B-TH7-4, contained within the HERRIMAN TOWNE CENTER PLAT B - PHASE 1 , LOT B-45 AMENDED as identified on the Plat recorded in the Office of the Salt Lake County Recorder as Entry No. 11424151 , in Book 2012P, at Page 86, (as such Plat may be or have heretofore been amended or supplemented).

EXHIBIT B

BYLAWS

**SECTION 1
MEETINGS OF OWNERS**

1.1. Annual Meetings. The first annual meeting and subsequent annual meetings of the Association will be held at a time and in a month specified by the Board.

1.2. Special Meetings. A special meeting of the Association may be called at any time by the Board or the president of the Association, or by the Board upon the written request of at least 30% of the Owners. A special meeting may only be held for the purposes set forth in the notice for that special meeting.

1.3. Place of Meetings. The Board may designate any place in the County as the place for any annual or special meeting of the Association.

1.4. Notice of Meetings. Notice of each meeting stating the place, date, and time of the meeting and the purpose or purposes for which the meeting is called, will be delivered to each Owner entitled to vote at the meeting, not less than 7 nor more than 90 days before the date of the meeting. If mailed, the notice will be deemed to be delivered when deposited in the United States mail, postage prepaid, and addressed to the Owner at its address as it appears in the records of the Association. The Board may set a record date for determining the Owners entitled to notice. The Association will give notice at the Association's expense of any special meeting called by the Owners.

**SECTION 2
VOTING; QUORUM**

2.1. Quorum. Except as otherwise provided in the Declaration, the number of Owners participating in a meeting in person, by proxy, or by written ballot will constitute a quorum.

2.2. Voting Method. Votes may be cast in person, by proxy, or by written ballot.

2.3. Action by Proxy. Every proxy must be executed in writing by the Owner or its duly authorized attorney-in-fact and filed with the secretary of the Association before or at the time of the meeting. No proxy will be valid after the expiration of one year from the date of its execution unless otherwise provided in the proxy.

2.4. Action by Written Ballot.

(a) Any action that may be taken at any meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Owner entitled to vote on the matter. Such written ballot will set forth each proposed action and provide an opportunity to

vote for or against each proposed action. Approval by written ballot will be valid only when the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot. Owners submitting a written ballot will be considered to have participated in the meeting for all purposes.

(b) All solicitations for votes by written ballot will: 1) indicate the number of responses needed to meet the quorum requirements; 2) state the percentage of approvals necessary to approve each matter other than election of directors; 3) specify the time by which a written ballot must be received by the Association in order to be counted; and 4) be accompanied by written information sufficient to permit each Owner casting a written ballot to reach an informed decision on the matter.

(c) A written ballot may not be revoked.

(d) Action by written ballot will have the same effect as action taken at a meeting.

(e) The number of votes cast by written ballot will constitute a quorum for action on the matter.

(f) A written ballot may also be used in connection with any meeting of the Association, thereby allowing Owners the choice of either voting in person or by written ballot delivered by an Owner to the Association in lieu of attendance at such meeting. A valid written ballot will be counted equally with the votes of Owners in attendance at any meeting for every purpose.

SECTION 3 BOARD & OFFICERS

3.1. Number, Election, Term of Directors. The Board shall consist of three Directors. The Directors shall also constitute the Officers of the Association as set forth in Section 4. Except during the Development Period, Directors will be elected at the annual meetings of the Association by a plurality of votes, that is, the candidate(s) with the most votes shall be elected. Except during the Development Period and except at the first election, each Director will hold office for a term of two years. At the first election, the two candidates receiving the most votes shall be elected for two year terms and the third Director shall serve a one year term, so as to achieve a staggering of terms.

3.2. Resignation or Death. A Director may resign before the expiration of his term by giving written notice to the president or to the secretary of the Association. Such resignation will take effect on the date specified in the notice. Upon the resignation or death of a Director, the remaining Directors will appoint a replacement Director to serve until his successor is elected.

3.3. Meetings. Meetings of the Board will be held at least annually, and at any time when called by the president of the Association or by two or more Directors, upon the giving of at least two days' prior notice of the time and place of the meeting to each Director by hand-delivery, prepaid United States mail, fax, email, telephone, or in any other manner deemed fair and

reasonable by the Board. Any business may be transacted at a Board meeting. No notice of a Board meeting need state the purposes for holding the meeting, and no notice of any adjourned Board meeting will be required. If the Board establishes a regular meeting schedule, then such regular meetings of the Board may be held without notice of the date, time, or place of the meeting.

3.4. Place of Meetings. The Board may designate any location convenient to the Directors in which to hold a Board meeting. Directors may participate in any Board meeting by means of any electronic or telephonic communication by which all participants may simultaneously hear one another during such meeting. Directors who participate in a Board meeting by such means will be considered present for all purposes, including the presence of a quorum.

3.5. Quorum. A majority of Directors will constitute a quorum for the transaction of business, but a lesser number may adjourn any Board meeting from time to time. When a quorum is present at any Board meeting, a majority of the Directors in attendance will decide any question brought before such meeting.

3.6. Waiver of Notice. Before, at, or after any Board meeting, any Director may, in writing, waive notice of such meeting and such waiver will be deemed equivalent to the giving of such notice. Attendance by a Director at a Board meeting will constitute a waiver of notice by such Director except when such Director attends the meeting for the express purpose of objecting to the transaction of business based on a claim that the meeting was not duly called or convened.

3.7. Informal Action by Directors. Any action required or permitted to be taken at a Board meeting may be taken without a meeting (e.g., via email correspondence) if each member of the Board in writing either: (1) votes for the action, or (2) votes against the action, or (3) abstains from voting and waives the right to demand that action not be taken without a meeting.

SECTION 4 OFFICERS AND AGENTS

4.1. General. The Officers shall be elected by the Board. The Officers of the Association shall be a president, a vice president, and a secretary/treasurer. The Board may appoint such other Officers, assistant Officers, committees, and agents, including assistant secretaries and assistant treasurers, as it may consider necessary or advisable, who will be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any Officer, agent, or employee are not prescribed by these Bylaws or by the Board, such Officer, agent, or employee will follow the orders and instructions of the president.

4.2. Removal of Officers. The Board may remove any Officer with or without cause, and elect a successor at any Board meeting.

4.3. Vacancies. A vacancy in any office will be filled by the Board for the unexpired portion of the term.

4.4. President. The president will be the chief Officer of the Association. The president will preside at all Association meetings and Board meetings. The president will have the general and active control of the affairs and business of the Association and general supervision of its Officers, agents, and employees. The president is designated as the Officer with the power to prepare, execute, certify, and/or file amendments to the Articles, Bylaws, and the Rules and Regulations on behalf of the Association.

4.5. Vice President. The vice president will assist the president and will perform the duties assigned to him by the president or the Board. In the absence of the president, the vice president will have the powers and perform the duties of the president.

4.6. Secretary/Treasurer. The Secretary/Treasurer will:

(a) keep, or cause to be kept, the minutes of the proceedings of Association meetings and Board meetings;

(b) see that all notices are duly given in accordance with the provisions of these Bylaws;

(c) maintain the records of the Association, including a record containing the names and registered addresses of all Owners, the designation of the Lot owned by each Owner, and, if a Lot is Mortgaged, the name and address of each Mortgagee;

(d) perform all other duties incident to the office of secretary and the duties assigned to her or him by the president or the Board;

(d) be the principal financial Officer of the Association and will have the care and custody of all funds, securities, evidences of indebtedness, and other personal property of the Association;

(e) receive and give receipts and acquittances for moneys paid in on account of the Association and will pay out of the funds on hand all bills, payrolls, and other just debts of the Association upon maturity;

(f) perform all other duties incident to the office of treasurer and, upon request of the Board, make such reports to it as may be required at any time;

(g) if required by the Board, give the Association a bond for the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money, and other property in his possession or under his control belonging to the Association; and

(h) have such other powers and perform such other duties assigned to her or him by the president or the Board.

SECTION 5 CONTACT INFORMATION; ADDRESS

Each Owner is required to register a mailing address, a phone number, and an email address with the Association within ten days after becoming an Owner. The contact information of each Owner will be kept in the records of the Association. Owners must notify the Association of any

change in contact information within ten days after the change. Any notice mailed to an Owner's registered address or—if the Owner fails to register an address with the Association—to the address on file with the County Recorder will be deemed duly delivered.

**SECTION 6
NOTICE, AFFAIRS, ELECTRONIC MEANS**

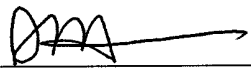
6.1. **Affairs, Electronic Means.** Any transaction or action involving the business or affairs of the Association, including but not limited to voting and providing notice or records, may be conducted by electronic means. The Association may accept a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation as the act of the member if the Board does so in good faith and has no reason to believe it is not the act of the member. A writing may be delivered in an electronic medium or by electronic transmission, and may be signed by photographic, electronic, or other means. An electronic record or electronic signature is attributable to a person if it was the act of the person. An electronic signature may consist of a mark, symbol, character, letter, or number or any combination thereof attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record and the same shall be considered the signature of such person. A writing includes any document, record, vote, ballot, proxy, or instrument required or permitted to be transmitted by a Member or by the Association.

6.2 **Notice.** In any circumstance where notice is required to be given to the homeowners, the Association may provide notice by electronic means, including text message, email, or an Association website, if the Board deems the notice to be fair and reasonable. A homeowner may require the Association, by written demand, to provide notice to the homeowner by mail. The Board is authorized to promulgate rules and procedures facilitating the implementation of this section as it deems fit from time to time, including requiring members to furnish the Association with a current email address.


**SECTION 7
AMENDMENT**

Except as limited by law or the Articles, these Bylaws may be amended or repealed by a vote of at least 51% of the voting rights of the Association.

IN WITNESS WHEREOF, the Association has caused these Bylaws to be executed by its duly authorized officers on this 18 day of October, 2012.



David McArthur, President



Ronald McArthur, Secretary