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Salt Lake City, Utah 84111

**DECLARATION OF COVENANTS,
CONDITIONS & RESTRICTIONS**

For The Villas at Dimple Dell,
A Planned Unit Development

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE VILLAS AT DIMPLE DELL, a Planned Unit Development (this "Declaration") is made and executed on this 21st day of September, 2016, by LF Dimple Dell, LLC, a Utah limited liability company (hereinafter "Declarant").

RECITALS:

(A) This Declaration will take effect on the date recorded at the office of the Salt Lake County Recorder's Office (the "Effective Date").

(B) Declarant is the owner of certain real property located in Salt Lake County, Utah and more particularly described as follows (the "Property"):

Beginning at a point on the South R.O.W. line of Dimple Dell Road and the Easterly Bounds of Bell Canyon Subdivision; said point lies East along section line, a distance of 1,760.00 feet, and South 47°08'20" East, a distance of 271.40 feet and South 00°28'00" West, a distance of 27.82 feet from a found brass cap marking the West 1/4 corner of section 16, Township 3 south Range 1 East Salt Lake Base & Meridian and running along the said Southerly R.O.W. the following 6 courses: South 45°45'41" East, a distance of 102.68 feet to the point of curve of a non tangent curve to the left, of which the radius point lies North 44°05'47" East, a radial distance of 792.01 feet; thence southeasterly along the arc, through a central angle of 14°52'20", a distance of 205.58 feet; thence South 47°05'08" East, a distance of 11.87 feet; thence South 47°05'09" East, a distance of 26.25 feet; thence South 80°12'09" East, a distance of 37.70 feet to the point of curve of a non tangent curve to the left, of which the radius point lies North 23°43'23" East, a radial distance of 761.90 feet; thence southeasterly along the arc, through a central angle of 00°21'51", a distance of 4.84 feet to the point of curve of a non

tangent curve to the left, of which the radius point lies North 27°21'13" East, a radial distance of 938.50 feet; thence southeasterly along the arc, through a central angle of 09°13'20", a distance of 151.06 feet; thence South 00°28'00" West, a distance of 161.83 feet; thence South 89°15'20" East, a distance of 210.31 feet; thence South 00°14'40" West a distance of 200.01 feet; thence North 89°15'20" West along the Northerly bounds of Cobble Stone Village Subdivision, a distance of 411.32 feet; thence South 89°52'53" West, a distance of 127.70 feet; thence West, a distance of 121.09 feet to the Easterly Bounds of said Bell Canyon Subdivision; thence North 00°28'00" East, a distance of 646.19 feet to the point of beginning. Containing 255,526 square feet or 5.866 acres, more or less. 26 Units

Tax I.D. Nos. 28-16-327-033, 034

(C) Declarant desires to subject the Property to the terms of this Declaration. Declarant intends to develop a residential subdivision on the Property pursuant to the Community Association Act, Utah Code Sections 57-8a-101, *et. seq.* Declarant will develop and convey all of the Lots within the Subdivision subject to a general plan of development, and subject to certain protective covenants, conditions, restrictions and easements, as set forth in this Declaration, as amended from time to time, which are deemed to be covenants running with the land mutually burdening and benefitting each of the Lots within the Subdivision. Common Areas are those areas that are depicted in the recorded Plat(s), as amended, and as described in this Declaration. The Subdivision does not constitute a cooperative.

(D) Declarant has deemed it desirable, for the efficient preservation of the values and amenities of the Property, to create an entity which possesses the powers to maintain and administer the Common Areas and otherwise administer and enforce the provisions of this Declaration. For such purposes, contemporaneously with the recording of this Declaration, Declarant will register with the Utah Department of Commerce The Villas at Dimple Dell Owners Association, Inc. (the "Association").

(E) The Association is governed by the terms of this Declaration, the Articles of Incorporation for The Villas at Dimple Dell Owners Association, Inc. ("Articles"), and the Bylaws for The Villas at Dimple Dell Owners Association, Inc. ("Bylaws"), which Bylaws are attached hereto as **Exhibit "A"** and shall be recorded in the Salt Lake County Recorder's Office contemporaneously with the recording of this Declaration.

(F) Declarant declares that the Property shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied, and improved, subject to the following easements, restrictions, covenants, conditions and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Property, in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale

of the Property or any portion thereof. The covenants, conditions, restrictions, reservations, easements and equitable servitudes set forth herein shall run with each Lot located on the Property, including any additions thereto, and shall be binding upon all persons having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns and shall inure to the benefit of every portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon Declarant, and its successors in interest; and may be enforced by the Declarant, any Owner and its successors in interest and by the Association.

(G) Notwithstanding the foregoing, no provision of this Declaration shall prevent the Declarant from doing any of the following, which shall be deemed to be among Declarant's reserved rights in addition to such rights as may be described elsewhere in this Declaration: (1) installation and completion of the Subdivision Improvements; (2) use of any Lot owned by the Declarant as a model home, or for the placement of a temporary construction or sales office; (3) installation and maintenance of signs incidental to sales or construction which are in compliance with applicable City or County ordinances; and (4) assignment of Declarant's rights under this Declaration in whole or part.

(H) These Recitals are made a part of this Declaration.

COVENANTS, CONDITIONS AND RESTRICTIONS

ARTICLE I **DEFINITIONS**

1.0 Unless the context clearly requires the application of a more general meaning, the following terms, when used in the Declaration, shall have the following meanings:

(A) "Act" means the Community Association Act, Utah Code Ann. Sections 57-8a-101 *et. seq.*

(B) "Architectural Control Committee" or "ACC" shall mean the Architectural Control Committee created by this Declaration, the Bylaws, and/or Articles of Incorporation.

(C) "Assessment" shall mean any monetary charge, fine or fee imposed or levied against an Owner by the Association, as provided in the Governing Documents, regardless of whether said assessment is identified as a regular assessment, special assessment, individual assessment, reserve assessment, capital improvement assessment, lot type assessment, fine, late fee or other charge.

(D) "Articles" shall mean the Articles of the Association, as amended from time to time.

(E) "Association" shall mean THE VILLAS AT DIMPLE DELL OWNERS ASSOCIATION, INC., and as the context requires, the officers or directors of that Association.

(F) "Board" or "Board of Directors" shall mean the duly elected and acting Board of Directors of THE VILLAS AT DIMPLE DELL OWNERS ASSOCIATION, INC.

(G) "Bylaws" shall mean the Bylaws of the Association, as amended from time to time, a copy of which is attached hereto as **Exhibit "A."**

(H) "City" shall mean Sandy City, Utah and its appropriate departments, officials and boards.

(I) "County" shall mean Salt Lake County, Utah and its appropriate departments, officials and boards.

(J) "Common Areas" shall mean all property designated on the recorded Plat(s) as Common Area, being intended ultimately to be owned by the Association for the common use and enjoyment of all Owners, together with all improvements thereon and all of the easements appurtenant thereto, including, but not limited to: open space, detention basin, walking paths (if any), gazebo (if constructed) and pickleball court. The Association shall maintain the Common Areas.

(K) "Common Expenses" means any and all costs, expenses and liabilities incurred by or on behalf of the Association, including, without limitation, costs, expenses and liabilities for (A) managing, operating, insuring, improving, repairing, replacing and maintaining the Common Areas; (B) providing facilities, services and other benefits to Owners as set forth in this Declaration; (C) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby; (D) levying, collecting and enforcing the assessments, charges, fines, penalties and liens imposed pursuant hereto; (E) operating the Association; and (F) creating reserves for any such costs, expenses and liability as required by this Declaration or the Act.

(L) "Declarant" shall mean and refer to LF Dimple Dell, LLC a Utah limited liability company, and its successors and assigns.

(M) "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for The Villas at Dimple Dell, together with any subsequent amendments or additions through supplemental declarations.

(N) "Dwelling" shall mean the single family residence built or to be built on any Lots, including the attached or detached garage.

(O) "Governing Documents" shall mean this Declaration, Bylaws, Articles, Rules, and any other documents or agreements binding upon an Owner.

(P) "Improvement" shall mean all structures and appurtenances of every type and kind, including but not limited to buildings, dwellings, garages, walkways, retaining walls, driveways, fences, landscaping, decks, stairs, poles, lighting, signs, satellite dishes or other antennas, and any mechanical equipment located on the exterior of any building.

(Q) "Lot" shall mean any numbered building Lot shown on any official and recorded Plat(s), including all Improvement located thereon.

(R) "Lot Type Assessment" shall mean the assessment charged by the Association for a certain type of Lot, which may correspond to the level of Association maintenance for that Lot type. The Lot Type Assessment shall be in an equal amount for each Lot type. However, different Lot types may be assessed in different amounts.

(S) "Manager" shall mean any entity or person engaged by the Board of Directors to manage the Project.

(T) "Member" shall mean and refer to every person who holds membership in the Association, including an Owner and the Declarant as set forth herein.

(U) "Owner" shall mean the person or persons having title to any Lot. Owner shall mean the person holding fee simple title, including the Declarant, and buyers under any contract for deed, but shall exclude any person or entity holding title for purposes of securing performance of any obligations, including the trustee and/or beneficiary under a deed of trust or mortgagee under a mortgage.

(V) "Person" shall mean a natural person or any legal entity with a right to hold title to real property in its own name in the State of Utah.

(W) "Plat(s)" shall mean an official and recorded plat of The Villas at Dimple Dell, including all subsequent phases when recorded, as approved by the City and recorded in the office of the Salt Lake County Recorder, as it may be amended from time to time. A copy of the Plats is attached hereto as **Exhibit "B."**

(X) "Property" shall have the meaning set forth in the recitals.

(Y) "Rules" mean any instrument adopted by the Board for the regulation and management of the Association as provided in the Governing Documents.

(Z) "Subdivision" or "Project" shall mean all phases of The Villas at Dimple Dell and all Lots, and other property within the Subdivision, as shown on the Plat(s) and any future Plat(s) covering the Property.

(AA) "Subdivision Improvements" shall mean all improvements to be installed outside the boundaries of Lots or within easements as identified on the Plats that are necessary to provide public road access and/or private road access and utility service to the Lots, and including other construction work required to comply with any conditions of City or County or other governmental agencies to the approval of the Subdivision or any Plat(s) thereof.

ARTICLE II EASEMENTS

2.1 Easement Concerning Common Area. Each Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Common Area. Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom, or encumbered, pledged, assigned or otherwise alienated by an Owner. Any Owner may temporarily delegate the right and easement of use and enjoyment described herein to any family member, household guest, tenant, lessee, contract purchaser, or other person who resides on such Owner's Lot. Notwithstanding the foregoing, no Owner shall have any right or interest in any easements forming a portion of the Common Area except for the necessary parking, access, and utility easements for use in common with others.

2.2 Limitation on Easement. An Owner's right and easement of use and enjoyment concerning the Common Area shall be subject to the following:

(a) The right of the Association to govern by Rules the use of the Common Area for the Owners so as to provide for the enjoyment of said Common Areas by every Owner in a manner consistent with the preservation of quiet enjoyment of the Lots by every Owner, including the right of the Association to impose reasonable limitations on

the number of guests per Owner who at any given time are permitted to use the Common Area;

(b) The right of the Association to suspend an Owner's right to the use of the Common Areas, or any amenities included therein, for any period during which an Owner is in violation of the terms and conditions of the Governing Documents or delinquent in the payment of a levied assessment or fee.

(c) The right of the City, County, and any other governmental or quasi-governmental body having jurisdiction over the Property, to enjoy access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Common Areas for the purpose of providing police and fire protection, transporting school children, utility access/installation, and providing any other governmental or municipal service; and

(d) The right of the Association to dedicate or transfer any part of the Common Areas to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Association, provided that such dedication or transfer must first be assented to in writing by the Owners of at least seventy-five percent (75%) of the Lots (not including Lots owned by Declarant).¹ No such dedication or transfer, however, may take place without the Association first receiving written approval from City and/or County pursuant to all applicable state and city laws, rules and ordinances in effect at the time of such proposed dedication or transfer.

2.3 Reservation of Access and Utility Easements. Declarant hereby reserves an easement for access and utilities (including but not limited to: electrical, gas, communication, phone, internet, cable, sewer, drainage and water facilities) over, under, along, across and through the Property, together with the right to grant to a City and County, or any other appropriate governmental agency, public utility or other utility corporation or association, easements for such purposes over, under, across, along and through the Property upon the usual terms and conditions required by the grantee thereof for such easement rights, provided, however, that such easement rights must be exercised in such manner as not to interfere unreasonably with the use of the Property by the Owners and the Association and those claiming by, through or under the Owners or the Association; and in connection with the installation, maintenance or repair of any facilities as provided for in any of such easements, the Property shall be promptly restored by and at the expense of the person owning and exercising such easement rights to the approximate condition of the Property immediately prior to the exercise thereof. Each Owner in accepting the deed to a Lot expressly consents to such easements and

¹ Declarant shall enjoy this right without limitation generally and these limitations specifically up through transfer of control of the Subdivision as set out in this Declaration.

rights-of-way and authorizes and appoints the Association as attorney-in-fact for such Owner to execute any and all instruments conveying or creating such easements or rights-of-way.

2.4 Easements for Encroachments. If any part of the Common Areas as improved by Declarant now or hereafter encroaches upon any Lot or if any structure constructed by Declarant on any Lot now or hereafter encroaches upon any other Lot or upon any portion of the Common Area, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. If any structure on any Lot shall be partially or totally destroyed and then rebuilt in a manner intended to duplicate the structure so destroyed, minor encroachments of such structure upon any other Lot or upon any portion of the Common Area due to such reconstruction shall be permitted; and valid easements for such encroachments and the maintenance thereof, so long as they continue, shall exist.

2.5 Easements for Construction and Development Activities. Declarant reserves easements and rights of ingress and egress over, under, along, across and through the Property and the right to make such noise, dust and other disturbance as may be reasonably incident to or necessary for the (a) construction of Dwellings on Lots, (b) to maintain sales or leasing offices, management offices and models throughout the Project and to maintain one or more advertising signs on the Common Area with respect to the sales of Lots, or other property in the Project, (c) improvement of the Common Area, and construction, installation and maintenance thereon of roadways, walkways, buildings, structures, landscaping, and other facilities designed for the use and enjoyment of some or all of the Owners, and (d) construction, installation and maintenance on lands within, adjacent to, or serving the Property of roadways, walkways, and other facilities, planned for dedication to appropriate governmental authorities.

2.6 Easement in Favor of Association. The Lots, Common Area are hereby made subject to the following easements in favor of the Association and its directors, officers, agents, employees and independent contractors:

(a) For inspection during reasonable hours of the Lots, Common Area in order to verify the performance by Owners or other persons of all items of maintenance and repair for which they are responsible;

(b) For inspection, maintenance, repair and replacement of portions of the Common Area;

(c) For correction of emergency conditions on one or more Lots or on portions of the Common Area;

(d) For the purpose of enabling the Association, the Architectural Control Committee or any other committees appointed by the Association to exercise and discharge during reasonable hours their respective rights, powers and duties;

(e) For inspection during reasonable hours of the Lots, Common Area in order to verify that the Owners and occupants, and their guests, tenants and invitees, are complying with the provisions of the Governing Documents.

ARTICLE III **COMMON AREAS**

3.1 The Common Areas consist of areas designated as Common Areas on the recorded Plat(s) or described in this Declaration, including any structures related to the operation or maintenance of the Common Areas, together with any rights of way and utilities, as shown on the recorded Plat(s).

3.2 Notwithstanding anything contained in this Declaration to the contrary, all Common Areas appurtenant to each recorded Plat of the Project shall be conveyed to the Association upon recordation of a Plat depicting such Common Areas, reserving all easements as set forth in this Declaration.

3.3 Except as otherwise provided in this Declaration, the Association, or its duly designated agent, shall maintain all Common Areas, including, without limitation, the improvements and landscaping located thereon in good order and repair and shall otherwise manage and operate all Common Areas as it deems necessary and appropriate. The Association shall have the authority to assess its members for the costs of said maintenance in accordance with the terms of this Declaration.

ARTICLE IV **MEMBERSHIP**

4.1 Membership in the Association shall at all times consist exclusively of the Owners. Each Owner shall be a member of the Association so long as such Owner has an ownership interest in a Lot and such membership shall automatically terminate when the Owner cease to have an ownership interest in the Lot. Upon the transfer of an ownership interest in a Lot the new Owner succeeding to such ownership interest shall likewise succeed to such membership in the Association. If titled ownership to a Lot is held by more than one Person, the membership appurtenant to that Lot shall be shared by all such Person in the same proportional interest and by the same type of tenancy in which title to the Lot is held. Notwithstanding the

foregoing, the Declarant shall also be granted voting rights as a Class "B" Member, as defined below.

ARTICLE V VOTING

5.1 The Association shall have two (2) classes of voting membership, Class "A" and Class "B", as follows:

(A) Class "A". Class "A" Members shall be all Owners with the exception of Class "B" membership, if any. Class "A" membership shall be entitled to one (1) equal vote for each Lot in which they are an Owner. Since an Owner may be more than one Person, if only one of such Person(s) is present at the meeting of the Association that Person shall be entitled to cast all votes appertaining to that Lot. But if more than one of such Person(s) is present, the votes appertaining to that Lot shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the votes appertaining to that Lot without protest being made forthwith by any of the others to the person presiding over the meeting. The votes appurtenant to any one Lot may not be divided between Owners of such Lot or with respect to matters before the Association, and all such votes appurtenant to any one Lot shall be voted in one block. If the vote of a majority of the owners of a Lot cannot be determined, no vote shall be cast in relation to such Lot.

(B) Class "B". The Class "B" Member shall be Declarant. In all matters requiring a vote, the Class "B" membership shall receive one hundred (100) votes for each recorded Lot owned by Declarant. The Class "B" membership shall also be entitled to appoint the members of the Board and Association during the Class "B" Control Period.

ARTICLE VI CONTROL PERIOD

6.1 The Class "B" Control Period runs until ninety (90) days after the first to occur of the following:

- (A) When the total number of votes for the Class B Member is less than the total number of votes for the Class A Members; or
- (B) When, at its discretion, the Class B Member so determines.

7.2 Notwithstanding anything to the contrary in this Declaration, Declarant may exercise its discretionary termination of control in whole or in part as to any portion of the Subdivision at its sole election and determination. In doing so as to a portion of the Subdivision, it does not waive any reversionary or remaining control as to all other portions of the Subdivision, the control of which is not expressly terminated by Declarant.

ARTICLE VII **LOT TYPES**

7.1 The Project shall be comprised of two separate and distinct Lot Types: "Estate Lots" and "Patio Lots". All Lots are part of the Association and all Lots have equal rights, use and enjoyment of the Common Areas.

(A) Estate Lots – Estate Lots are Lot Nos. 1-16 on the Plat. Owners are solely responsible for any and all maintenance of Estate Lots and any Improvements located thereon, including, but not limited to, all landscaping aspects of the Lot.

(B) Patio Lots - Patio Lots are Unit Nos. 17-26 on the Plat. The Association will maintain the general landscaping of the Patio Lots, composed of the front, side and back yards, which shall include mowing, edging, blowing of grass, raking and disposal of leaves. The Association shall maintain the original sprinkler system, as originally installed, in the front and side yards. Owner is responsible for any approved changes in sprinkler modification or landscaping.

ARTICLE VIII **HOMEOWNER ASSOCIATION**

8.1 Organization. The Association has been created to effectively enforce the Governing Documents and shall operate as a non-profit corporation. The Association shall be comprised of the Owners within the Project, and is established for the benefit of the Owners and the enforcement of the Governing Documents. Membership in the Association is deemed an appurtenance to the Lot, and is transferable only in conjunction with the transfer of the title to the Lot. The Association shall serve as the organizational body for all Owners.

8.2 Enforcement Powers. The Association shall have all powers granted to it by the Governing Documents and the Act to enforce these covenants and restrictions by actions in law or equity brought in the name of the Association, and the power to retain professional services needed to the enforcement of the Governing Documents and to incur expenses for that purpose, including but not limited to: (1) record, lien, foreclose and other enforcement and collection actions against an Owner and their Lot; (2) initiate legal or similar proceedings; (3) impose fines;

(4) collect any rents directly from tenant for past due assessments; (5) terminate an Owners' right to receive utility service paid as a common expense (with the exception of water, sewer, power and natural gas); (6) terminate an Owner's right to utilize Common Area and/or amenities; and (7) any other action or remedy allowed by the Governing Documents or Utah law.

(a) The Association shall have the exclusive right to initiate enforcement actions in the name of the Association. The Association may appear and represent the interest of the Project at all public meetings concerning zoning, variances, or other matters of general application and interest to the Owners.

(b) The Association shall have the authority to initiate and compromise claims and litigation on behalf of the Association resulting from the enforcement of the Governing Documents. In the event that the Association initiates legal action against a specific Owner or Owners to enforce these Governing Document, whether or not such action results in the commencement of a formal legal proceeding, the Association shall have the right to assess the costs of such litigation, dispute, or enforcement action, including reasonable attorney fees, against the Owner(s) or Lot(s) in question and collect those assessment in any manner authorized in the Governing Documents or Utah law.

(c) The Board shall be afforded discretion to utilize its reasonable judgment to determine whether and how to: impose fines, record liens, pursue legal action; otherwise enforce the Governing Documents; or when and how to settle or compromise claims.

8.3 Assessments. Assessments will be made to meet the anticipated and recurring costs, expenses and Common Expenses of the Association. The Association has the power to levy assessments against each Lot as necessary to carry out its functions. Assessments shall be levied against all Lots in the Property, whether vacant or improved. Each Owner shall by acquiring or in any way becoming vested with his/her interest in a Lot, be deemed to covenant and agree to pay to the Association the assessments described in these covenants, together with late payment fees, interest and costs of collection (including reasonable attorney fees), if and when applicable.

(a) All such amounts shall be, constitute and remain: (a) a charge and continuing lien upon the Lot with respect to which such assessment is made until fully paid; and (b) the personal, joint and several obligations of the Owner or Owners of such Lot at the time the assessment fails due. No Owner may exempt himself or his Lot from liability for payment of assessments by waiver of his rights in the Common Areas or by abandonment of his Lot. In a voluntary conveyance of a Lot, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments, late payment fees, interest and costs of collection (including reasonable attorney fees) which shall be a

charge on the Lot at the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

(b) **Special Assessment.** The Association may levy special assessments for the purpose of defraying, in whole or in part: (a) any expense or expenses not reasonably capable of being fully paid with funds generated by monthly assessments; or (b) the cost of any construction, reconstruction, or unexpectedly required repairs or replacement of the Common Areas.

(c) **Individual Assessment.** The Association may levy individual assessments on every Lot, Owner or occupant that shall cause any damage to the Project or otherwise causes the Association to incur any individual expense for maintenance, repairs, or enforcement action taken under the provisions of the Governing Documents. The amount of any such individual assessments shall be determined by the cost of such repairs, maintenance or enforcement action, including all overhead and administrative costs (including reasonable attorney fees), and shall be allocated among the affected Owner(s) or Lot(s) according to the cause of damage, maintenance, repair work or enforcement action, as the case may be, which individual assessment may be levied in advance of the performance of work.

(d) **Lot Type Assessment.** The Association may levy a Lot Type Assessment that corresponds to a specific type of Lot that may receive a specific service or level of Association maintenance for that Lot type. The Lot Type Assessment shall be in an equal amount for each Lot type. However, different Lot types may be assessed in different amounts.

(e) The Association may levy a reserve fund assessment, as set forth in this article.

(f) The Association may levy other assessments or fees, as authorized by the Governing Documents.

8.4 **Budget.** The Board is authorized and required to adopt a budget annually, which shall be presented to the Owners at a meeting of members.

(a) The Board may revise the approved budget from time to time as necessary to accurately reflect actual and/or anticipated expenses that are materially greater than previously budget.

(b) The budget shall estimate and include the total amount for the Common

Expenses, shall contain an appropriate amount for reserves, and may include an amount for other contingencies. The budget shall also be broken down into reasonably detailed expense and income categories.

(c) Unless otherwise established by the Board, regular Assessments shall be paid in equal monthly installments.

8.6 Reserve Fund Analysis. Following the Class B Period, the Board shall cause a reserve analysis to be conducted no less frequently than every six (6) years to analyze the cost of repairing, replacing or restoring Common Area that have a useful life of three years or more and a remaining useful life of less than 30 years. This reserve analysis should be reviewed no less frequently than every three (3) years and updated if necessary. The Board may conduct a reserve analysis itself or may engage a reliable person or organization, as determined by the Board, to conduct the reserve analysis.

8.7 Reserve Fund Account Creation. The Board shall create a reserve fund account that is separate and distinct from the Association's general account, which account shall be funded from the reserve fund assessments. The amount of the reserve fund assessment shall be a separate line item in the approved budget. The Board shall cause an assessment to be made against all Owners in an amount sufficient, within the Board's discretion, to fund the reserve account.

8.8 Reinvestment Fee. The Board shall have power to levy a one-time reinvestment fee when a change in ownership of a Lot occurs in the amount of \$250.00 for Estate Lots and \$500.00 for Patio Lots.

8.9 Date of Commencement of Assessments. Assessments provided for herein shall commence as to each Lot on the first day of the first month following the effective date of the first budget. Assessments shall be due and payable in a manner and on a schedule, as the Board may provide. Notwithstanding, Assessments for those Lots owned by Declarant or its assigns, successors, subsidiaries, related construction entities, or other entities established by Declarant, or Declarant's members, for the purpose of constructing Dwellings on the Lot (collectively "Declarant Related Entities"), Bach Homes and Secrist Investments, LLC shall not commence until the completed Dwelling is conveyed to an Owner that is not the Declarant, Declarant Related Entity, Bach Homes or Secrist Investments, LLC. No amendment of this Declaration changing the allocation ratio of such assessments shall be valid without the consent of the Declarant, Declarant Related Entity, Bach Homes, or Secrist Investments, LLC that owns a Lot adversely affected.

8.10 Fines. Following notice as required by the Act, the Association shall have the power to assess a fine against an Owner (or their Lot) for a violation of the terms and conditions of the Governing Documents in an amount set by the Board.

8.11 Hearing Process. The Board shall have authority to create a reasonable hearing process, consistent with the Act, applicable when the Association takes an adverse action related to any particular Owner(s).

8.12 Association Rules. The Board from time to time and subject to the provisions of the Governing Documents, may adopt, amend, repeal and enforce Rules governing: (a) the use of the Common Areas; (b) the use of any facilities owned by the Association; (c) the collection and disposal of refuse; (d) the maintenance of animals in the Project; (e) collection policies and procedures; and (f) other matters concerning the use and enjoyment of the Property and the conduct of residents, as deemed necessary by the Board. The Rules may supplement, clarify and add detail to issues addressed in Governing Documents. However, the Rules may not contradict the Governing Documents.

(a) During the Class B Period, Declarant shall be exempt from the rule making procedure required by Utah Code § 57-8a- 217.

8.13 Statement of Account & Payoff Information. Upon a written request from an Owner that the Association provide the Owner with a statement of his/her account, the Association may charge a fee, not to exceed \$10.00, for providing such statements. In addition, when a request is made to the Association to provide payoff information needed in connection with the financing, refinancing, or closing of a Lot Owner's sale of his/her Lot, the Association may charge a fee not to exceed \$50.

8.14 Availability of Documents. The Association shall make appropriate documents available to Owners (and their lenders, insurers and/or authorized agents) consistent with the Act and the Utah Revised Non-Profit Act. The Board may adopt a record retention policy to govern its record retention procedures.

8.15 Indemnity of Association Board and Officers. The Association will indemnify the officers, agents and Board of the Association against any and all claims arising against them personally which are a result of the good faith exercise of the powers, duties and responsibilities of their office under the Governing Documents.

8.16 Election, Notice of Election, Notice of Meeting and Special Meetings. Election procedures and notice of any meeting shall be conducted as set forth in the Articles of Incorporation and Bylaws of the Association.

8.17 Number of Board, Term of Office. The appointment, election and term of the Members of the Board are set forth in the Bylaws and Articles. Members of the Board of Directors may serve consecutive terms, and may also serve as officers of the Association.

8.18 Independent Accountant/Bookkeeper. The Association may retain the services of an independent accountant or bookkeeper to assist the Board of Directors and officers to maintain accurate financial records of the Association.

ARTICLE IX **NONPAYMENT OF ASSESSMENTS & THE APPOINTMENT OF TRUSTEE**

9.1 Delinquent Assessment. Any assessment not timely paid shall be delinquent, and the Association may invoke any and all remedies to recover said delinquent assessments including by: suit, judgment, lien, foreclosure, or other remedy authorized by the Governing Documents or the Act.

9.2 Due Date, Charges & Interest. Unless otherwise established by the Board, monthly assessments shall be due and payable on the first of each month and late if not received by the 10 of each month. The Board may charge a late fee in an amount set by the Board, but not to exceed \$50, for each unpaid or late assessment. In addition to late fees, interest shall accrue on all unpaid balances, including prior, unpaid interest and attorney fees (resulting in compounding interest), late fees, and assessments at 18% per annum or 1.5% per month. The Board may also impose other reasonable charges imposed by a Manager related to collections.

9.3 Lien. Upon recording of a notice of lien on any Lot, there shall exist a perfected lien for unpaid assessments prior to all other liens, except: (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto; and (2) the lien or charge of any first or second mortgage of record made in good faith and for value recorded prior to a recorded notice of lien by the Association.

9.4 Foreclosure. The Association shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be charged or levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged had such Lot not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid assessments and attorney fees shall be maintainable without foreclosing or waiving the lien securing the same.

9.5 Other Remedies. All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy. The "One Action Rule" shall not be a defense to the enforcement of all rights and remedies of the Association. The Association may elect to bring an action to recover for a delinquent Assessment against the Owner or other obligee personally. Any attorney fees or costs incurred in these efforts shall also be assessed against the Owner(s), their Lot(s), and/or other obligees jointly and severally.

9.6 Payment by Tenant. The Association shall be entitled to demand and collect from a tenant of any Lot, the amount of any assessment that is more than sixty (60) days past due.

9.7 Attorney Fees. In addition to the recovery of costs and attorney fees as provided herein, the Association shall be entitled to recover all reasonable attorney fees and costs incurred as a result of an Owner breach of the Governing Documents, including meetings, research, memoranda, monitoring and other legal work incurred in response to an Owner breach or violation of the Governing Documents. These fees may be collected by special or individual assessment against the subject Owner(s) or Lot(s).

9.8 Appointment of Trustee. The Declarant hereby conveys and warrants pursuant to U.C.A. Sections 57-1-20 and 57-8a-402 to Burt R. Willie, Esq., a licensed member of the Utah State Bar, with power of sale, the Lot and all Improvements to the lot for the purpose of securing payment of assessments under the terms of this Declaration.

ARTICLE X
SUBORDINATION OF LIEN TO INSTITUTIONAL
FIRST AND SECOND MORTGAGES

10.1 The lien of assessments, including interest, late charges (subject to the limitations of Utah law), and costs (including attorney fees) provided for herein, shall be subordinate to the lien of any institutional first or second mortgage of record made in good faith and for value, recorded prior to a recorded notice of lien by the Association. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a prior, recorded institutional first or second mortgage shall extinguish the lien of such assessments as to payments that became due prior to such sale or transfer; provided, that to the extent there are any proceeds of the sale on foreclosure of such mortgage or by exercise of such power of sale in excess of all amounts necessary to satisfy all indebtedness secured by and owed to the holder of such mortgage, the lien shall apply to such excess. No sale or transfer shall relieve such Lot from lien rights for any assessments thereafter becoming due. Where the mortgagee holding an institutional first or second mortgage of record or other purchaser of a Lot obtains title pursuant to remedies under the mortgage, its successors and assigns shall not be

liable for the share of the assessments by the Association chargeable to such Lot that became due prior to the acquisition of title to such Lot by such acquirer. No foreclosure, sale or transfer shall relieve any Owner who was the Owner prior to such foreclosure, sale or transfer from personal liability for any assessments due and owing prior to such foreclosure, sale or transfer.

ARTICLE XI USE LIMITATIONS & RESTRICTIONS

11.1 Single Family. All Lots shall be used only for single-family residential purposes, and no more than one Dwelling shall be constructed on any Lot. "Single Family" shall mean one household of persons related to each other by blood, marriage, or adoption, or one group of not more than two unrelated persons per bedroom.

11.2 Zoning Regulations. The lawfully enacted zoning regulations of the City and/or County, and any building, fire, and health codes are in full force and effect in the Project. No Lot may be occupied in a manner that is in violation of any statute, law or ordinance.

11.3 Licensed Contractor. Unless the Architectural Control Committee gives a written waiver of approval to an Owner, no Improvement may be constructed, remodeled or altered on any Lot except by a licensed contractor, duly qualified and licensed by the appropriate governmental authorities.

11.4 No Mining Uses. The property within the Project shall be used for residential purposes only, and no mining, drilling, prospecting, mineral exploration or quarrying activity will be permitted.

11.5 No Business or Commercial Uses. No portion of the Subdivision may be used for any commercial business use. Notwithstanding, nothing in this provision is intended to prevent (a) the Declarant, or other builders, from using one or more Lots for purposes of a construction office or sales office during the actual period of construction of the Subdivision Improvements or until 100% of the Lots are sold in the Subdivision, whichever occurs later; or (b) the use by any Owner of his Lot for a home occupation pursuant to City or County ordinance. Businesses, professions or trades may not require heavy equipment or create a nuisance within the Project, and may not unreasonably increase the traffic flow to the project.

11.6 Restriction on Signs. The Subdivision may be identified by permanent signs to be installed by Declarant, at Declarant's discretion. No signs will be permitted on any Lot or within the Subdivision, except for: traffic control signs placed by the City, temporary signs warning of some immediate danger, or signs not in excess of eight square feet identifying the contractor and/or architect of any Dwelling while it is under construction. Signs indicating the Lot is for

sale may be placed in accordance with City sign regulations. The Declarant may erect a sign at the entrances to the Subdivision announcing the availability of Lots and giving sales information. No permanent signs stating the address or the name of the owner of any Lot may be installed without the advance consent of the ACC. Approved contractor Bach Homes shall enjoy the same rights as Declarant with respect to signage in the Project.

11.7 Completion Required Before Occupancy. No Dwelling may be occupied prior to its completion and the issuance of a certificate of occupancy by the City and/or County.

11.8 Dwelling to be Constructed First. No garage, out building or other Improvement may be constructed prior to the construction of Dwelling on the Lot.

11.9 Underground Utilities. All gas, electrical, telephone, television, and any other utility lines in the Project are to be underground, including lines within any Lot which service installations entirely within that Lot. No above ground propane tanks, with the exception of small tanks related to barbeque grills, shall be allowed.

11.10 Sewer Connection Required. All Lots are served by sanitary sewer service, and no cesspools, septic tanks, or other types of waste disposal systems are permitted on any Lot. All Dwelling must be connected to the sanitary sewer system.

11.11 Drainage. No Owner shall alter the direction of natural drainage from his Lot, nor shall any Owner permit accelerated storm run-off to leave his Lot without first using reasonable means to dissipate the flow energy.

11.12 No Re-Subdivision. No Lot may be re-subdivided.

11.13 Combination of Lots. No Lot may be combined with another Lot without the consent of the Architectural Control Committee.

11.14 Construction. No Dwelling or structure shall be permitted to remain incomplete for a period in excess of one (1) year from the date of commencement of construction unless any delays are approved in writing by the ACC.

11.15 Maintenance of Property. All Lots, and the Improvements on them, shall be maintained in a clean, sanitary, attractive and marketable condition at all times. No Owner shall permit his Lot or the Improvements on it to fall into a state of disrepair.

11.16 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried out on any Lot or the Project, including the creation of loud or offensive noises or odors

that detract from the reasonable enjoyment of nearby Lots. No Owner or occupant shall engage in activity within the Project in violation of any law, ordinance, statute, rule or regulation of any local, county, state or federal body.

11.17 No Hazardous Activity. No activity may be conducted on any Lot that is, or would be considered by a reasonable person to be unreasonably dangerous or hazardous, which would cause the cancellation of conventional homeowners' insurance policy. This includes, without limitation, the storage of caustic, toxic, flammable, explosive or hazardous materials in excess of those reasonable and customary for household uses, the discharge of firearms or fireworks, and setting open fires (other than property supervised and contained).

11.18 No Unsightliness. No unsightliness is permitted on any Lot. This shall include, without limitation, the open storage of any building materials (except during construction of an Improvement); open storage or parking of construction equipment; open storage or parking of vehicles, trailers or other pieces of equipment that are unusable, in poor condition or unsightly; accumulations of lawn or tree clippings or trimmings; accumulations of construction debris or waste; and the storage or accumulation of any other material that is unsightly.

11.19 Garbage. All garbage, rubbish, and trash shall be kept in covered containers. In no event shall such containers be maintained so as to be visible for neighboring Lots, roadways and Common Areas. The storage, collection and disposal of garbage, rubbish and trash shall be in strict compliance with applicable laws and the Rules of the Board.

11.20 No Annoying Lights. No outdoor lighting shall be permitted except for lighting that is designed to aim downward and reasonably limit the field of light to the confines of the Lot on which it is installed. This shall not apply to street lighting maintained by the City and/or County. Holiday or seasonal decorative lights, that otherwise comply with the terms of the Governing Documents, are permitted.

11.21 No Annoying Sounds. No speakers, windbells, windchimes, or other noise making devices may be used or maintained on any Lot which creates noise that might reasonably be expected to be unreasonably or annoyingly loud to adjoining Lots, except for security or fire alarms.

11.22 Livestock, Poultry and Pets. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets (maximum of two) may be kept provided that they are not kept, bred or maintained for any commercial purpose and are restricted to the owner's control. "Control" for the above purposes shall only mean on a leash or lead, within a vehicle, within the Dwelling of the Owner, or within confines on the premises of the Owner. Pet owners shall promptly remove and dispose of all excrement emitted

by their pets. Fierce, dangerous or vicious animals or animals that cause a nuisance by barking or other offensive activity shall not be permitted. Failure to abide by these conditions shall result in fines as authorized by the Board.

11.23 Landscaping. The front, side yard and backyard of each Lot must be fully landscaped within one (1) year of receipt of a certificate of occupancy for all Dwellings not owned by Declarant or Declarant Related Entities. The amount of landscaping completed by the Developer or the Owner may depend on the Lot Type. If landscaping is completed by the Owner, the Owner shall submit a landscaping plan to the ACC and receive approval of said plan prior to commencement of any such landscaping. Prior written permission must be obtained by the ACC to materially modify exterior landscaping on any Lot.

11.24 Fencing. No fencing may be installed by an Owner without prior written approval from the ACC. Further, no fencing not installed by the Declarant or Declarant Related Entities shall be allowed in the Cottage Lots. Any fencing within the Estate Lots must be constructed of iron, wood or high-quality vinyl or synthetic material in harmony with the Dwelling and surrounding area. No barbwire or chain link is permitted. Height of any fencing may not exceed six (6) feet from natural grade.

11.25 Vehicles & Parking. No vehicles are to be parked or stored on streets or driveways of the Lots unless they are in running condition, properly licensed, regularly used and in compliance with City and/or County ordinances. No recreational vehicles, campers, motorcycles, atvs, trailers, boats, or similar vehicles may be parked or stored in the driveways, streets or elsewhere within the Project. Recreational vehicles, campers, motorcycles, atvs, trailers, boats, and similar vehicles must be parked or stored in a garage or otherwise screened from view on an RV pad. Prior, written permission must be obtained from the ACC before constructing any screening on the RV pad. The Association reserves the right to adopt Rules relating to the parking of vehicles within the Project including, without limitation: (1) the right to immediately remove or cause to be removed any vehicles that are improperly parked, (2) restrictions on the time period and duration that any guest or visitor parking may be utilized; (3) restrictions or bans on vehicles without Department of Transportation compliant mufflers and exhaust systems, and (4) the assessment of fines to Owners and occupants who violate such Rules.

11.26 Exterior Antennas and Satellite Dishes. An Owner is required to utilize existing cables, satellite dishes, antennas and related structures before installing any new hardware to the exterior of the Dwelling or Lot. Except for minimal length connecting to exterior equipment, no visible cables and/or wiring on the exterior of a Dwelling shall be allowed. Prior, written approval from the ACC as to the location of any new satellite dishes, antennas, cables and related hardware is required.

11.27 Approved Builder. During the Class B Control Period, only contractors approved in advance by Declarant, in its sole discretion, may construct Improvement(s) upon the Lots. Among other builders that may be approved by Declarant, Bach Homes is one of the approved builders. This provision is not intended to govern or manage a builder's use or selection of subcontractors.

11.28 Firearms, Incendiary Devices and Graffiti. The use of firearms, incendiary devices, or graffiti within the Project is prohibited. The term firearms includes, but is not limited to: all guns, pistols, handguns, rifles, automatic weapons, semi-automatic weapons, BB guns, air-soft guns, pellet guns, sling shots, wrist-rockets, blow-dart guns, and other firearms of all types, regardless of size. Notwithstanding, this provision is not intended to regulate the ownership of firearms, or the carrying of a firearm to and from an Owner's Dwelling, as otherwise authorized by Utah law.

11.29 Temporary Structures. No Owner or resident shall place upon any part of the Project any temporary structures including, but not limited to tents, trailers, or sheds, without the prior written consent of the Board of Directors.

11.30 Energy Conservation Equipment. Owners shall first submit a plan and receive prior written approval from the ACC, as to the type, location, size and appearance of solar or green energy devices, prior to their installation. Declarant shall be exempt from this requirement.

ARTICLE XII OWNERS' MAINTENANCE OBLIGATIONS

12.1 Duty to Maintain. It is the obligation of each Owner to maintain his Lot and Improvements located thereon in a clean and sanitary condition, free of pests and rodents, and uncluttered at all times in order to preserve and enhance the enjoyment of the Project.

12.2 Repairs by Association. In the event that an Owner permits his Lot or Improvements to fall into a state of disrepair that is dangerous, unsafe, unsanitary or unsightly condition or fails to comply with any other covenant or restriction in violation of this Declaration, the Association may give written notice to the Owner describing the condition complained of and demand that the Owner correct the condition within 30 days. If the Owner fails to take corrective action, the Association shall have the right, but not the obligation, to enter upon the offending Owner's Lot and take corrective action to abate the condition. All costs of abatement shall be charged to the Owner, who agrees to promptly pay the reasonable costs of any work performed under this provision, plus 15%. In addition, each Owner hereby grants to

the Association a lien on the Lot and any improvements to secure repayment of any sums advanced pursuant to this section, which lien may be foreclosed at any time by the Association in the manner prescribed in Utah for the foreclosure of mortgages. Alternatively, without requiring foreclosure, the Association may seek collection of sums advanced directly from the Owner of the Lot in question. Unpaid amounts will bear interest from the date advanced at the lawful judgment rate under applicable state law.

12.3 Alterations of Exterior Appearance. The Owners will maintain their Lots and Improvements in substantially the same condition and appearance as that approved by the Board. No subsequent exterior alterations, improvements or remodeling, whether structural or changes in landscaping, paint color or materials will be made without the advance consent of the Board.

12.4 Repair Following Damage. In the event of casualty loss or damage to the improvements, the Owner will be entitled to reconstruct the Improvements as they existed prior to the damage or loss without review by the Board, provided however that alterations or deviations from the original approved plans will require review. Nothing in this Declaration is intended to prevent an Owner who has suffered property damage or loss from taking temporary measures to secure the property and prevent injury or dangerous conditions following loss or damage, before re-construction begins. Such temporary measures may be taken without the consent or approval of the Board, provided that any such measure must be of a temporary nature, and repair or reconstruction must begin as soon as circumstances will permit. Unless delayed by City/County approval or insurance carrier approval, no damaged structure will be permitted to remain on any Lot for more than 90 days without repairs commencing and any damaged structure which does remain unrepaired after 90 days following the occurrence of damage is deemed a nuisance which may be abated by the Association.

ARTICLE XIII ARCHITECTURAL CONTROL COMMITTEE

13.1 Purpose. It is the intention and purpose of this Declaration to impose architectural standards on the improvements and landscaping on any Lot of a type and nature that result in buildings and yards which are architecturally and aesthetically compatible in terms of lot coverage, proportion, materials, colors and general appearance. To accomplish this goal, the Declarant, during the Class B Control Period, and Board thereafter are empowered to oversee and enforce the Design Guidelines, which are contained within a separate document maintained by the Declarant and Board. The ACC shall not apply to the Declarant.

13.2 Architectural Control Committee Created. During the Class B Control Period, the functions of the ACC can be performed by the Declarant. Thereafter, the Architectural Control Committee will be appointed in accordance with the Bylaws and Articles of the Association.

13.3 Approval by Committee Required. No Improvements of any kind will be made on any Lot without the prior written approval of the Architectural Control Committee. Approval of the Committee will be sought in the following manner:

(A) Plans Submitted. Two complete sets of the plans for the construction of any new Dwelling or Improvements must be submitted to the ACC for review. In the case of an addition or modification of an existing Dwelling, the Committee may waive in writing any of the foregoing it feels are unnecessary to its review of the remodel or addition.

(B) Review. Within 15 days from receipt of a complete submission, the ACC will review the plans and make an initial determination whether or not the plans comply with the conditions imposed by the Declaration. If they do not, the plans will be rejected. If they are in compliance, the committee will approve the plans. The Committee may also approve the plans subject to specific modifications or conditions. Owners may desire to submit preliminary plans for review. The committee will review preliminary plans, and make its comments known to the Owner provided; however, that no preliminary approval is to be considered a final approval, and no final approval will be granted on less than a complete submission. Upon approval, the Committee will sign a copy of the plans, one of which shall be left with the Committee. No construction that is not in compliance with the approved plans will be permitted.

(C) Failure to Act. If the committee has not approved or rejected any submission within 45 days after submission of complete plans, the submission is deemed to have been disapproved. If the plans are disapproved as a result of the committee's failure to act, then the applicant may send, by certified mail, return receipt requested, notice to any member of the ACC that if the plans are not either approved or disapproved, as submitted. If within 15 days thereafter, the committee fails to respond to the notice by either approving or disapproving the plans, then the plans will be deemed to have been approved; provided, however, that the submission and Improvements do not, in fact, violate any conditions imposed by this Declaration.

13.4 Variances. Variances to the Design Guidelines may be granted when strict application would create an unforeseen or unreasonable hardship to the Owner of any Lot; provided, however, that any variance granted is consistent with the intent of this Declaration and the Design Guidelines. The ACC cannot grant any variance that has the effect of modifying applicable zoning or building code regulations. The burden of obtaining a variance is entirely on

the applicant.

13.5 General Design Review. The ACC will use its best efforts to provide a consistent pattern of development, and consistent application of standards of this Declaration and the Design Guidelines. These standards are, of necessity, general in nature, and it is the ACC's responsibility to apply them in a manner that results in a high quality, attractive and well-designed community.

13.6 Declarant, Board and Committee not Liable. The Declarant, the Board, and the ACC and its members shall not be liable to the applicant for any damages, or to the Owners of any Lots within the Subdivision for their actions, inactions, or approval or disapproval of any set of plans submitted to the ACC for review. The Owners' shall have no claim against the Declarant or ACC as a result of the performance or failure to perform the duties created by this Declaration. Each Owner has an equal duty and right to enforce these covenants against every other Owner, and may seek independent redress if it believes the ACC has acted improperly.

13.7 Limitations on Review. The ACC's review is limited to those matters expressly granted in this Declaration. The ACC shall have no authority over the enforcement of building codes, zoning ordinances, or other statutes, laws or ordinances affecting the development or improvement of real property and shall have no liability to any Owner whose plans were approved in a manner that included any such violation. Corrections or changes in plans to bring them into conformity with applicable codes must be approved by the ACC prior to construction.

13.8 Exemption of Declarant. At any time during the Class B Control Period, Declarant and Declarant Related Entities need not submit or receive any approval from the ACC or the Board whenever such approval is required for the installation of Improvements within the Project.

ARTICLE XIV **GENERAL ARCHITECTURAL RESTRICTIONS ON IMPROVEMENTS**

14.1 The architectural restrictions for Improvements within the Project are contained in the Design Guidelines. During the Class B Control Period, the Declarant may revise the Design Guidelines at any time.

ARTICLE XV **INSURANCE**

15.1 Insurance Requirement. The Association shall obtain insurance as required in this Declaration and as required by applicable law. The Association may obtain insurance that

provides more or additional coverage than the insurance required in this Declaration. EACH OWNER SHALL BE SOLELY RESPONSIBLE TO INSURE THE OWNER'S LOT AND DWELLING.

15.2 Property Insurance.

(a) Hazard Insurance.

(i) Blanket Policy of Property Insurance. The Association shall maintain a blanket policy of property insurance covering all Common Areas.

(1) At a minimum, any required blanket policy shall afford protection against loss or damage by: (1) fire, windstorm, hail, riot, aircraft, vehicles, vandalism, smoke, theft, and storm water run-off, if reasonably available; and (2) all perils normally covered by "special form" property coverage.

(2) Any blanket policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all property covered by such policy at the time the insurance is purchased and at each renewal date. The actual replacement cost of the property shall be determined by using methods generally accepted in the insurance industry.

(b) Flood Insurance. If the property insured by the Association is not situated in a Special Flood Hazard Area, the Association may nonetheless, if approved by a majority of Owners, purchase flood insurance to cover water and flooding perils not otherwise covered by blanket property insurance.

(c) Earthquake Insurance. The Association may nonetheless, if approved by a majority of Owners, purchase earthquake insurance to cover earthquakes not otherwise covered by blanket property insurance.

(d) Associations Obligation to Segregate Property Insurance Deductible. The Association shall keep an amount equal to the Association's property insurance policy deductible or \$10,000, whichever is less. This requirement shall not apply to any earthquake or flood insurance deductible.

(e) Association's Right to Not Tender Claims that are Under the Deductible. If, in the exercise of its business judgment, the Board of Directors determines that a claim is likely not to exceed the Association's property insurance policy

deductible the Association need not tender the claim to the Association's insurer.

15.3 Comprehensive General Liability (CGL) Insurance. The Association shall obtain CGL Insurance insuring the Association, the agents and employees of the Association, and the Owner, against liability incident to the use, ownership or maintenance of the Common Area or membership in the Association. The coverage limits under such policy shall not be less than One Million Dollars (\$1,000,000) covering all claims for death of or injury to any one person or property damage in any single occurrence.

15.4 Director's and Officer's Insurance. The Association shall obtain Directors' and Officers' liability insurance protecting the Board of Directors, the officers, and the Association against claims of wrongful acts, mismanagement, failure to maintain adequate reserves, failure to maintain books and records, failure to enforce the Governing Documents, and breach of contract (if available). The policy shall:

- (a) Include coverage for volunteers and employees;
- (b) Include coverage for monetary and non-monetary claims;
- (c) Provide for the coverage of claims made under any fair housing act or similar statute or that are based on any form of discrimination or civil rights claims; and
- (d) Provide coverage for defamation. In the discretion of the Board of Directors, the policy may also include coverage for any manager and any employees of the manager and may provide that such coverage is secondary to any other policy that covers the manager or any employees of the manager.

15.5 Insurance Coverage for Theft and Embezzlement of Association Funds. The Association may obtain insurance covering the theft or embezzlement of funds that shall:

- (a) Provide coverage for an amount of not less than the sum of three months regular assessment in addition to the prior calendar year's highest monthly balance on all operating and reserve funds; and
- (b) Provide coverage for theft or embezzlement of funds by:
 - (i) Officers and Board of Directors member of the Association;
 - (ii) Employees and volunteers of the Association;
 - (iii) Any manager of the Association; and
 - (iv) Officers, directors and employees of any manager of the Association.

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

15.7 Owner Act Cannot Void Coverage Under Any Policy. An Owner's act or omission may not void an insurance policy or be a condition to recovery under a policy.

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

ARTICLE XVI **DAMAGE & DESTRUCTION**

16.1 Immediately after damage or destruction by fire or other casualty to all or any part of the Common Areas covered by insurance written in the name of the Association, the Board, or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Common Areas. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Common Areas to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

16.2 Any damage or destruction to the Common Areas shall be repaired or reconstructed unless Owners representing at least seventy-five (75%) percent of the total vote of the Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such

damage or destruction, or reliable and detailed estimates of the costs of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Areas shall be repaired or reconstructed; provided, however, this provision shall not apply to construction mortgagees providing construction financing for such damaged property.

16.3 In the event, that it should be determined in the manner described above that the damage or destruction to the Common Areas shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Common Areas shall be restored to their natural state and maintained by the Association, in a neat and attractive condition.

ARTICLE XVII **DISBURSEMENT OF PROCEEDS**

17.1 If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Areas shall be retained by and for the benefit of the Association and placed in a capital improvements and/or reserve account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner(s) shall be retained by and for the benefit of the Association and placed in a capital improvements and/or reserve account.

ARTICLE XVIII **REPAIR AND RECONSTRUCTION**

18.1 If the damage or destruction to the Common Areas for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the members, levy a special assessment against all Owners as provided in the Governing Documents.

ARTICLE XIX **CONDEMNATION**

19.1 Whenever all of any part of the Common Areas shall be taken (or conveyed in

lieu of and under threat of condemnation by the Board acting on the written direction of members representing at least sixty-seven percent (67%) of the total Association vote by any authority having the power of condemnation or eminent domain), each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows: if the taking involves a portion of the Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking the Owners representing at least sixty-seven percent (67%) of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Areas to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If the taking does not involve any improvements of the Common Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

ARTICLE XX
MISCELLANEOUS PROVISIONS

20.1 Violation Deemed a Nuisance. Any violation of these covenants that is permitted to remain on the Property is deemed a nuisance, and is subject to abatement by the Association or by any other Owner.

(a) Any single or continuing violation of the covenants contained in this Declaration may be enjoined in an action brought by an Owner or by the Association. In any action brought to enforce these covenants, the prevailing party shall be entitled to recover as part of its judgment the reasonable costs of enforcement, including reasonable attorney fees and court costs.

(b) Nothing in this Declaration shall be construed as limiting the rights and remedies that may exist at common law or under applicable federal, state or local laws and ordinances for the abatement of nuisances, health and safety, or other matters. This Declaration is to be construed as being in addition to those remedies available at law.

(c) The remedies available under this Declaration and at law or equity generally are not to be considered as exclusive, but rather as cumulative.

(d) The failure to take enforcement action shall not be construed as a waiver of the contents contained in this Declaration in the future or against other similar violations.

20.2 Association Litigation.

(a) In recognition of the expenses and disruption associated with litigation, the Association shall not commence a judicial or administrative proceeding without the approval of the Declarant for so long as the Members govern the Association and thereafter only upon the approval of Owners representing at least 80% of the total vote of the Association.

(b) Neither the Association nor any Owner shall institute an action against any person which arises out of an alleged defect in the development of the Subdivision until: (i) Declarant and the person(s) who physically constructed the portion of the subdivision in which the alleged defect exists have been notified and given a reasonable time and opportunity in which to inspect, assess, correct, or redesign any alleged defect or other portions of the Subdivision (provided, however, that the terms of this Section shall not create an obligation of any person to effect a repair of an alleged defect); (ii) the Association or Owner(s) have pursued their remedies under any express warranty covering all or any portion of the alleged defect; (iii) the Declarant and the affected contractor(s) have been given the opportunity to be heard at a meeting of the Association regarding the alleged defect; and (iv) all proposed parties to the action have been given a reasonable opportunity to mediate any dispute or disagreement relating to the alleged defect, and have either participated or refused to participate in such mediation.

(c) Notwithstanding any other provision to the contrary in this Declaration, the Association shall not file, commence or maintain any lawsuits, actions or legal proceedings against Declarant, the individual managers, owners, members or officers of Declarant, Declarant's contractors, or any other person or entity involved in the construction of the Units unless and until all of the following requirements have been satisfied:

(i) The Association has obtained a legal opinion from an attorney licensed to practice law in Utah having at least ten (10) years of experience in litigation practice, with the legal opinion providing in substance the following: (i) a description of the factual allegations and legal claims to be asserted in the action; (ii) an analysis of the facts and legal claims explaining why it would be in the best interests of the Association to file and pursue such action, taking into account the anticipated costs and expenses of litigation, the likelihood of success on the merits of the claims, and the likelihood of recovery if a favorable judgment is obtained

by the Association; and (iii) providing a budget of the estimated amounts of legal fees, costs, expert witness fees and other expenses likely to be incurred in connection with such action (the "Litigation Budget"); and

(ii) The Association has collected funds from the Owners, by special assessment or otherwise, equal to at least one-half (1/2) of the Litigation Budget.

(d) If any claims or actions falling within the scope of this Section are filed without satisfying all of the requirements set forth above, such claims/action shall be dismissed without prejudice and shall not be re-filed unless and until all such requirements have been satisfied. In any action to enforce the requirements of this Section, the prevailing party shall be entitled to an award of reasonable attorney fees and costs. Individual Owners, however, shall not be allowed to file or pursue any actions or claims belonging to other Owners or to the Association.

(e) No action affected by this Section shall be conducted utilizing legal counsel who are compensated on a contingency fee or similar means of compensation in which litigation costs and attorneys fees are not paid on a current basis or are paid out of the settlement or judgment amount recovered by the Association in such action.

(f) This Section shall not apply to: (i) actions brought by the Association to enforce the Governing Documents (including, without limitation, the foreclosure of liens); (ii) the collection of assessments; (iii) proceedings involving challenges to ad valorem taxation; (iv) counterclaims brought by the Association in proceedings instituted against it; or, (v) actions brought by the Association against any contractor, vendor, or supplier of goods or services arising out of an express contract with the Association or its manager for services or supplies. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

20.3 Repurchase Option for Construction Defect Claims. In the event any Owner shall commence action against Declarant or Declarant Related Entities for the purpose of constructing Dwellings on the Lot (collectively "Declarant") in connection with any alleged construction defects in such Owner's Unit, Declarant shall have the option, but not the obligation, to purchase such Dwelling on the following terms and conditions:

(a) The purchase price shall be an amount equal to the sum of the following, less any sums paid to such Owner under any homeowner's warranty, in connection with the alleged defect:

- (i) The purchase price paid by the original Owner of the Dwelling & Lot when originally purchased from Declarant;
- (ii) The agreed upon value of any improvements made to the Dwelling by anyone other than Declarant; and
- (iii) The Owner's reasonable moving costs; and

(b) Close of escrow shall occur not later than forty-five (45) days after written notice from Declarant to the Owner of Declarant's intent to exercise the option herein.

(c) Title shall be conveyed to Declarant free and clear of all monetary liens and other encumbrances other than non-delinquent real estate taxes.

(d) Exercise of the repurchase option as provided for herein above shall constitute full and final satisfaction of all claims relating to the subject Dwelling and Lot. The Owner shall promptly execute and deliver any notice of dismissal or other document necessary or appropriate to evidence such satisfaction.

(e) Declarant's option to repurchase granted herein with respect to any particular Dwelling and Lot shall automatically terminate upon the expiration of the last applicable statute of limitations applicable to any construction or warranty claim governing such Dwelling and Lot including all applicable tolling periods.

20.4 Amendment Requires Consent of Declarant. Notwithstanding any other provision of this Declaration, this Article and its subsections may not be amended except with the prior written consent of the Declarant.

20.5 Severability. Each of the covenants contained in this Declaration shall be independent of the others, and in the event that any one is found to be invalid, unenforceable, or illegal by a court of competent jurisdiction, the remaining covenants shall remain in full force and effect.

20.6 Limited Liability. Neither the Declarant, the Board, nor the Architectural Control Committee or its individual members, nor any Owner shall have personal liability to any other Owner for actions or inactions taken under these covenants, provided that any such actions or inactions are the result of the good faith exercise of their judgment or authority, under these covenants, and without malice.

20.7 Consent, Power of Attorney, Waiver. By acceptance of a deed, lease, or other conveyance of an interest in Dwelling, each Owner or Occupant consents to the rights reserved to the Association in this Declaration, including but not limited to, the right to prepare, execute, file, process, and record necessary and appropriated documents and other items to establish and grant easements and to make necessary and appropriate amendments of this Declaration, the Plat and Bylaws. By such acceptance, each Owner or Occupant agrees to execute all documents and to do all other things as may be necessary or convenient to effect the same; and such acceptance shall be deemed an appointment of the Association, with full right of substitution, as the attorney-in-fact of such Owner or Occupant to execute such documents and to do such things on Owner's or Occupant's behalf; and such appointment, being coupled with an interest, shall be irrevocable for the specific period of the Association's reserved rights as set forth in this Declaration and shall not be affected by the disability of any such Owner or Occupant.

20.8 No Representations and Warranties. Each Owner and occupant understands, agrees, and acknowledges through taking title or residing in the Project that the Declarant, Association and the Board have not made any representations or warranties of any kind related to the Project and that each Owner or occupant has not relied upon any reorientations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose relative to the Project.

20.9 Conflicting Provisions. In the case of any conflict between the Governing Documents, the order of priority from the highest to the lowest shall be the Declaration, the Plat, the Articles, Bylaws, and then the Rules.

20.10 Amendment. At any time while this Declaration is in effect, the covenants herein contained can be modified by the Declarant or Declarant's successors and assigns during the Class B Control Period at the sole discretion of the Declarant. Thereafter, the covenants herein contained can only be modified by the affirmative vote of the Owners representing not less than sixty-seven (67%) percent of the total votes of the Association. No meeting or voting shall be required for an amendment, if the required, written consent is obtained from the requisite number of Owners.

20.11 Constructive Notice. Every person who owns, occupies or acquires any right, title or interest in any Lot in the Project is conclusively deemed to have notice of this Declaration and its contents, and to have consented to the application and enforcement of each of the provision of this Declaration against his/her Lot, whether or not there is any reference to this Declaration in the instrument by which he/she acquires interest in any Lot.

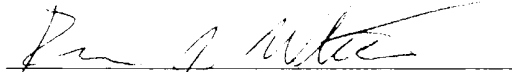
20.12 Notices. All notices under this Declaration are provided as set forth in the Bylaws.

20.13 Liberal Interpretation. The provisions of this Declaration shall be interpreted liberally to further the goal of creating a uniform plan for the development of the Project. Headings are inserted for convenience only and shall not be considered in interpretation of the provisions. Singular will include plural, and gender is intended to include masculine, feminine and neuter as well.

20.14 Right to Modify Lot Boundaries and Interior Boundary Lines. Declarant reserves the unilateral right to modify Lot boundaries and interior boundary lines and/or combine Lots or Units so long as it owns the Lots or Units; provided, however, such changes may not extensively alter the boundaries of the Common Area and Facilities nor change the percentages of ownership interest.

Executed on the date stated above.

LF DIMPLE DELL, LLC, the Declarant



By: Benson J. Whitney

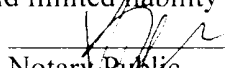
Its: Member

STATE OF UTAH)

: SS

COUNTY OF SALT LAKE)

On this 19 day of September 2016, personally appeared before me Benson J. Whitney, who being by me duly sworn, did say that he is a Member of LF Dimple Dell, LLC, a Utah limited liability company, and that the within and foregoing instrument was signed on behalf of said limited liability company by authority and said member duly acknowledged to me that said limited liability company approved the same.


Notary Public
Residing at: South Jordan, UT
My Commission Expires: 8-12-17

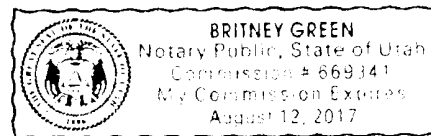


Exhibit "A"

BYLAWS OF THE VILLAS AT DIMPLE DELL OWNERS ASSOCIATION, INC.

The following are the Bylaws of The Villas at Dimple Dell Owners Association, Inc. ("Bylaws"), a Utah nonprofit corporation (the "Association"). Upon recordation of these Bylaws, they are binding upon the Association and all present and future Owners and/or occupants.

ARTICLE I DEFINITIONS

Section 1.1 Definitions. All terms used but not defined herein shall have the meanings given them under that certain Declaration of Covenants, Conditions & Restrictions for The Villas at Dimple Dell, a Planned Unit Development, of even date and recorded in the Official Records of the Salt Lake County Recorder's Office (hereinafter referred to as the "Declaration"), and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein, as if set forth herein at length. The term "Owner" shall mean and refer to those persons entitled to membership in the Association, as provided in the Declaration and Articles of Incorporation of the Association.

ARTICLE II MEETINGS OF OWNERS

Section 2.1 Annual Meetings. An annual meeting of the Owners shall be held no less than once each calendar year at a location and time designated by the Board. The Board may set the date, time and location of the annual meeting in accordance with Section 2.3 below.

Section 2.2 Special Meetings. Special meetings of the Owners may be called at the request of the Board, or upon written request of the Owners holding at least fifty-one percent (51%) of the total membership, as defined in the Declaration. Notwithstanding, the Board remains the only authorized body to act for and in behalf of the Association.

Section 2.3 Notice of Meetings. Unless an Owner requests in writing that all notices be provided to said Owner by U.S. mail, all notices shall be given by, or at the direction of, the Board via email or other electronic communication. Notice shall be provided at least ten (10) days before a meeting, but no more than sixty (60) days, to each Owner entitled to vote at the email or electronic address provided by the Owner to the Board. Said notice is effective upon sending the email or electronic communication. Notices provided by U.S. mail shall be sent via U.S. First Class Mail and effective upon depositing in the mail. Such notice shall specify the location, day and time of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Upon becoming a Member of the Association or upon the written request by the Association, Owners shall provide a valid email address for purpose of notification related to the Association unless the Owner has opted out by providing a written request for notice by U.S. Mail.

Section 2.4 Quorum. The quorum required for any action by the Owners hereunder, unless otherwise specifically set forth in the Declaration, shall be as follows: at each scheduled meeting called, the presence of Owners holding, or holders of proxies entitled to cast, at least twenty-five percent (25%) of all outstanding votes shall constitute a quorum for the transaction of business. If a quorum is not met, the meeting shall be postponed to a date of not more than thirty (30) days and not less than twenty-four (24) hours at which time the Owners and proxies present shall constitute a quorum for transacting business. In the case of any postponement, no notice of such rescheduled meeting shall be required except an announcement thereof at the original meeting and an electronic notification with the new meeting time, date and location to those Owners who have previously provided an email or other electronic means to the Association for notice purposes.

Section 2.5 Proxies. At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing, signed by the Owner, and filed with the Board on or before said meeting. Notwithstanding, any proxy delivered to the Board at the meeting must be provided no later than any point in the meeting announced as the final time to deliver proxies. The notice of meeting and/or the proxy form provided with any notice of meeting may also provide a deadline to return proxies, after which time further proxies will not be received. Every proxy shall be revocable and shall automatically terminate upon conveyance by the Owner of his Lot. If conflicting proxy votes for an Owner or Lot exist, said proxy votes will not be counted.

Section 2.6 Conduct of Meetings. The President, or in his absence the Vice President, shall preside over all meetings. The Secretary or other authorized person shall keep minutes of all meetings and maintain a record of the minutes including, but not limited to: election of directors, adopted resolutions, adopted Rules and other matters coming before the Owners.

Section 2.7 Action Taken Without a Meeting. Any action that may be taken at any annual or special meeting of members may be taken without a meeting and without prior notice, if one or more consents in writing, setting forth the action taken, are signed by the members having not less than the minimum voting power that would be necessary to authorize or take the action at a meeting at which all members entitled to vote on the action were present and voted.

In addition, the Board may obtain approvals and conduct business through mail or email/electronic ballots. The ballot must set forth each proposed action and provide the option of voting for or against each proposed action with the requisite number of members approving the action that would be necessary to authorize or take the action at a

meeting at which all members entitled to vote on the action were present and voted. The ballot must specify the period during which the Association shall accept written ballots for counting. Following this period, the Association shall provide notice of whether such action was or was not approved.

Section 2.8 Voting. Only an Owner that is current on all assessments and charges due and owing shall be deemed in good standing and entitled to vote at any annual or special meeting.

The Association shall have two (2) classes of voting membership, Class "A" and Class "B," as set forth in the Declaration:

Since an Owner may be more than one Person, if only one of such Person(s) is present at the meeting of the Association that Person shall be entitled to cast all votes appertaining to that Lot. But if more than one of such Person(s) is present, the votes appertaining to that Lot shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the votes appertaining to that Lot without protest being made forthwith by any of the others to the person presiding over the meeting. The votes appurtenant to any one Lot may not be divided between Owners of such Lot or with respect to matters before the Association, and all such votes appurtenant to any one Lot shall be voted in one block. If the vote of a majority of the owners of a Lot cannot be determined, no vote shall be cast in relation to such Lot.

The Association shall honor the vote of a trustee or successor trustee of any trust that is an Owner and shall honor the vote of an individual that is a holder of a Limited or General Durable Power of Attorney with respect to an Owner who is disabled or unavailable as though such vote were the vote of the Owner.

ARTICLE III BOARD, SELECTION AND TERM OF OFFICE

Section 3.1 Number & Tenure. Except for the Initial Board selected by Declarant which consists of three members, and their successors, that may hold office so long as Class B membership specified in the Declaration exists, the affairs of the Association shall be managed by a Board of Directors composed of three (3) individuals ("Board"). At the first meeting of the Owners at which the election of Directors will take place following the Class B Control Period, the candidate who receives the most votes shall serve as a Director for three (3) years. The candidate that receives the second highest number of votes shall serve as a Director for two (2) years, and the third candidate who receives the third highest number of votes shall serve as Director for one (1) year. At each annual election, the successor to the Director whose term shall expire in that year shall be elected to hold office for the term of (3) years. Any change in the number of Directors may be made only by amendment of these Bylaws. The members of the Board of Directors shall serve until their respective successors are elected, or until their death, resignation or removal.

Section 3.2 Eligibility. Following the Class B Control Period, all members of the Board shall be Owners.

Section 3.3 Resignation & Removal. A Director may resign at any time by delivering a written resignation to either the President or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Director, except during Class B Control Period, may be removed from the Board, with or without cause, by a vote of at least (51%) of the Owners of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Directors and shall serve for the unexpired term of his predecessor.

Section 3.4 Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 3.5 Action Taken Without a Meeting. The Directors may take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

Section 3.6 No Estoppel or Reliance. No one may rely upon any authorization (from the Board or otherwise) contrary to the terms and conditions of the Governing Documents regardless of circumstances. No claim of estoppel, waiver or similar equitable claims or defense may be raised by anyone related to any alleged reliance.

Section 3.7 Records Retention. The Board shall take appropriate action to develop, implement and update procedures for record retention. The Board should maintain documents in a manner to be easily accessible and copied. The Board may budget specifically for this expense and may seek the advice of consultants in developing retention procedures.

ARTICLE IV NOMINATION AND ELECTION OF DIRECTORS

Section 4.1 Nomination. Following the Class B Control Period, nomination for election to the Board may be made by the Board or by Owners from the floor at the annual meeting.

Section 4.2 Election. Following the Class B Control Period, the election of Directors shall be by vote or written ballot, as determined at the discretion of the Board. The persons receiving the largest number of votes shall be elected. Cumulative voting is not authorized.

**ARTICLE V
MEETINGS OF THE BOARD**

Section 5.1 Regular Meetings. Regular meetings of the Board shall be held at least annually, or more frequently as determined by the Board. All notices shall be provided by email or other electronic means. Directors are required to provide an email or electronic address for purposes of notice of Board meetings. Notice shall be provided at least five (5) days before a meeting, but no more than thirty (30) days.

Owners, and Owner representatives (if designated in writing) may attend meetings and may be present for all discussion, deliberation, and decisions except when the Board is in executive session. Owners shall comply with all reasonable rules established by the presiding officer for their attendance, including a requirement that they remain silent except when comments are solicited by the Board. The Board may limit Owners' comments and/or questions to a specific period of time within the meeting. The Board shall provide email notice in accordance with the Act to Owners that have requested, in writing, to be notified of Board Meetings and have provided a valid email address.

Section 5.2 Special Meetings. When, in the discretion of the President or two members of the Board, circumstances require that a meeting be held sooner than the required five (5) five' notice for a regular meeting, a special meeting may be called by the President or by any two (2) Directors, after not less than twenty-four (24) hours' notice to each Director.

Section 5.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 5.4 Conduct of Meetings. The President, or in his absence the Vice President, shall preside over all meetings. The Secretary or other authorized person shall keep minutes of all meetings and maintain a record of the minutes including, but not limited to: election of Officers, adopted resolutions, adopted Rules and other non-privileged matters coming before the Directors. The Board shall keep a copy of all approved minutes and make them reasonably available to Owners upon their written request. Corrections and/or changes to the minutes shall be made at the next meeting of the Board

**ARTICLE VI
POWERS AND DUTIES OF THE BOARD**

Section 6.1 Powers and Duties. The Board shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Declaration and as outlined below. The Board may delegate its authority and responsibility to a manager or managers, subject to any limitations or provisions contained in the Declaration. The Board shall be responsible for a number of activities including, but not limited to the following:

- (a) Management of the Association;
- (b) Preparation of annual assessments and budget;
- (c) Collection of assessments;
- (d) Maintenance of a bank account for the Association and designating required signatories;
- (e) Maintenance of the Common Areas and Facilities;
- (f) Maintenance of any private irrigation system or other private utility;
- (g) Adoption and amendment of rules and regulations;
- (h) Enforcement of the Declaration, including the retention of legal counsel;
- (i) Commencement of legal action when necessary;
- (j) Imposition of fines, sanctions and citations;
- (k) Payment of any amount necessary to discharge any mechanic's or materialman's lien or other encumbrance levied against the Common Area or Facilities;
- (l) Purchase of and maintenance of insurance;
- (m) Maintenance of books and records of the Association;
- (n) Emergency repairs;
- (o) Maintenance of parking;
- (p) Adoption of reasonable pet restrictions; and
- (q) Performance of other actions and duties to enforce the terms and conditions of the Declaration and effectively manage the Association.

ARTICLE VII OFFICERS AND THEIR DUTIES

Section 7.1 Enumeration of Officers. The officers of this Association shall be a president, vice-president and secretary, who shall at all times be members of the Board, a treasurer or such other officer as the Board may from time to time, by resolution, create.

Section 7.2 Election of Officers. The election of officers shall take place at the first Board meeting following the annual meeting of the Owners. Elected officers shall serve in their office for a period of one (1) year. Notwithstanding, nothing in these Bylaws prevent an officer or directors from being re-elected to their respective positions.

Section 7.3 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine. Appointed officers, which do not include the elected or appointed Board of Directors, must be: Owners; may not vote; and may be removed by the Board at any time, with or without cause.

Section 7.4 Resignation and Removal. Any officer may resign at any time by delivering a written resignation to any Director or to any Manager. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed and replaced by a majority of the Board of Directors at any time, with or

without cause. In the event of death, resignation or removal of an officer, his successor shall be selected by the Board and shall serve for the unexpired term of his predecessor.

Section 7.5 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except temporarily in the case of special offices created pursuant to Section 7.3 of this Article or the death, resignation or removal of an officer.

Section 7.6 Duties. Unless modified by resolution of the Board, the duties of the officers are as follows. The Board may also utilize a manager or managers to assist in these duties. The Board may also adopt rules and policies governing the signing of checks, approval of invoices, deposit of accounts, limits on spending without Board approval and other polices governing the accounts and funds of the Association.

President: The president shall preside at all meetings of the Board and shall see that orders and resolutions of the Board and/or the Owners are carried out.

Vice-President: The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary/Treasurer: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Owners; shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting.

Other Officers: Other officers shall have the duties and obligations as set by the Board.

ARTICLE VIII CONDUCT AT ASSOCIATION MEETINGS

Section 8.1 Weapons. No person, whether an Owner, occupant, owner representative, or other third party is permitted to bring (whether concealed or open) any firearm, knife, aerosol, weapon, or similar item to any Association or Board meeting, work session, event, get-together, or similar event regardless of the location of such event.

Section 8.2 Recording. No person, whether an Owner, occupant, owner representative, or other third party is permitted to record (whether audio, video, transcription or combination) any Association or Board meeting, work session, or similar event regardless of the location of such event.

**ARTICLE IX
CONTRACTS, LOANS AND DEPOSITS**

Section 9.1. Contracts. The Board may authorize any officer(s), agent(s), to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Association, and such authority may be general or confined to specific instances.

Section 9.2 Loans. Any loan entered into by the Association must be in accordance with the Declaration.

Section 9.3 Checks, Drafts. All checks, drafts and other order for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer(s), employee(s), or agent(s) of the Association and in the manner of such from the time to time be determined by the resolution of the Board.

Section 9.4 Deposits & Investments. Association funds may only be deposited into institutions that are federally insured. The Board may deposit Association funds into savings accounts, money market accounts, or purchase certificates of deposits. Other investment options that may pose additional risks must be approved by at least 51% of the total membership prior to the investment.

**ARTICLE X
COMMITTEES**

Section 10.1 Committees. The Board may appoint such committees as deemed appropriate in carrying out its purposes. A committee shall not have any powers, duties, or responsibilities beyond those specifically assigned by the Board. The Board may terminate any committee at any time.

**ARTICLE XI
INDEMNIFICATION**

Section 11.1 Indemnification. No Director, officer, or member of a committee shall be personally liable for any obligations of the Association or for any duties or obligations arising out of any acts or conduct of said Director, officer, or committee member performed for or on behalf of the Association. The Association shall and does hereby indemnify and hold harmless each person who shall serve at any time as a Director, officer of the Association, or a member of a duly formed committee, as well as such person's heirs and administrators, from and against any and all claims, judgments, and liabilities to which such persons shall become subject, by reason of that person having heretofore or hereafter been a Director, officer of the Association, or member of a committee or by reason of any action alleged to have been heretofore or hereafter taken or omitted to have been taken by him/her as such Director, officer, or committee member, and shall advance and reimburse any such person for all legal and other expenses reasonably incurred in connection with any such claim or liability; provided that the Association shall have the right, in its sole discretion, to defend such person from all suits

or claims. However, that no such person shall be indemnified against or be reimbursed for or be defended against any expense or liability incurred in connection with any claim or action arising out of such person's intentional misconduct. The rights accruing to any person under the foregoing provisions of this section shall not exclude any other right to which such person may lawfully be entitled, nor shall anything herein contained restrict the right of the Association to indemnify or reimburse such person in any proper case, even though not specifically provided for herein or otherwise permitted.

Section 11.2 Settlement of Association. The right of any person to be indemnified shall be subject always to the right of the Association by the Board of Directors, in lieu of such indemnity, to settle any such claim, action, suit, or proceeding at the expense of the Association by the payment of the amount of such settlement and the costs and expenses incurred in connection therewith.

ARTICLE XII AMENDMENTS, ORDER OF PRECEDENCE

Section 12.1 Waiver of Procedural Irregularities. All inaccuracies and irregularities in calls or notices of meetings, in the manner of voting, in the form of proxies, in the method of asserting persons present, in the method of making decisions, or in the method of accepting or counting votes shall be deemed waived under the following circumstances:

- (a) If the objecting person was in attendance at the meeting – they are waived if the issue upon which the objection was based was perceptible and no objection to the particular procedural issue is made at the meeting; or
- (b) If the objecting person was not in attendance at the meeting but has proper notice of the meeting, they are waived; or
- (c) If the objecting person was not in attendance at a meeting, did not have proper notice of the meeting, but had actual notice of the meeting before it occurred, they are waived; or
- (d) If the objecting person was not in attendance at the meeting and did not have actual and proper notice of the meeting before it occurred, within 60 days of receiving actual notice of the occurrence of the meeting or of any decision that was made at the meeting; or
- (e) For any action, vote, or decision that occurred without a meeting, within 60 days of receiving actual notice of the occurrence of the action, vote, or decision.

Section 12.2 Requirements for Objections. All objections except those made at a meeting shall be in writing. Whenever made, objections must be specific and shall include identification of the specific provision of the Governing Documents or other law that is alleged to have been violated and a brief statement of the facts supporting the claimed violation.

Section 12.3 Irregularities that Cannot Be Waived. The following irregularities cannot be waived under the prior subsection:

- (a) Any failure to comply with the provisions of the Declaration;
- (b) Any failure to obtain the proper number of votes required to pass a particular measure; or
- (c) Any irregularity that is the result of fraud or that was done knowingly and intentionally in violation the applicable standards.

**ARTICLE XIII
AMENDMENTS, ORDER OF PRECEDENCE**

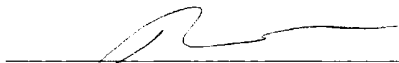
Section 13.1 Amendment. During the Class B Control Period, these Bylaws may be amended at any time by the Declarant. Following the Class B Control Period, these Bylaws may be amended, at a regular or special meeting of the Owners, by Owners holding at least sixty-seven percent (67%) of the total membership or by the written consent of at least sixty-seven percent (67%) of the total membership. An amendment to these Bylaws shall be effective immediately upon recordation in the Office of the Salt Lake County Recorder, State of Utah. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**ARTICLE XV
FISCAL YEAR**

Section 15.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

The foregoing Bylaws are adopted by the undersigned and made effective upon recordation in the Office of the Salt Lake County Recorder, State of Utah.

THE VILLAS AT DIMPLE DELL OWNERS ASSOCIATION, INC.
A Utah nonprofit corporation
By:



Todd Demarets
Board Member

THE VILLAS AT DIMPLE DELL OWNERS ASSOCIATION, INC.
A Utah nonprofit corporation
By:

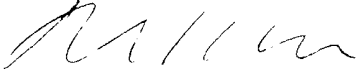


Benson J. Whitney
Board Member

THE VILLAS AT DIMPLE DELL OWNERS ASSOCIATION, INC.

A Utah nonprofit corporation

By:



Nick Mason
Board Member

SURVEYOR'S CERTIFICATE

VILLAS AT DIMPLE DELL DESCRIPTION

OWNER'S DEDICATION

VILLAS AT DIMPLE DELL

ACKNOWLEDGEMENT

VILLAS AT DIMPLE DELL

RECORDED # 12,360,150

DATE: 01/18/2016

5704

1 in. = 40 FT.

NUMBER
ACCOUNT
SHEET
OF SHEETS

VILLAS AT DIMPLE DELL
10 UNIT & 16 LOTS P.U.D. SUBDIVISION
LOCATED IN THE SOUTHWEST QUARTER OF
RANGE 1 EAST, T14N, R10E, S40E
SANDY CITY, SALT LAKE COUNTY, UTAH

VILLAS AT DIMPLE DELL

VILLAS AT DIMPLE DELL

VILLAS AT DIMPLE DELL

VILLAS AT DIMPLE DELL

JOHNSON SURVEYING

CITY ATTORNEY

SANDY CITY ENGINEER

SANDY SUBURBAN IMPROVEMENT DIST.

COMCAST CABLE

PLANNING COMMISSION

ROCKY MOUNTAIN POWER

SANDY PARK & REC.

SANDY CITY PUBLIC UTILITIES

QUESTAR GAS

SLECO HEALTH DEPARTMENT

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