

LAVA COVE AT ENTRADA PROPERTY OWNERS ASSOCIATION

Resolution of the Board of Directors

ALL LOTS LavaCove At Entrada
Amendmended 2

WHEREAS, Article 9 of the Lava Cove Second Amended and Restated Declaration of Covenants, Conditions and Restrictions ("Declaration") requires that all members of the Association pay assessments to pay for the common expenses of the Association;

WHEREAS, from time to time, members become delinquent in the payment of their Assessment obligation;

WHEREAS, pursuant to Articles 8 and 12 of the Declaration, the Association is authorized to adopt rules and regulations, including architectural guidelines for the benefit of the Association;

WHEREAS, the Association requires a "building deposit" to be deposited with the Association and/or Architectural Review Committee to help ensure that the construction of a home complies with the Association's rules and/or policies.

WHEREAS, the situation may arise where there is a refundable portion of the "building deposit" to the member but that same member has unpaid assessment obligations to the Association which s/he is either unable or unwilling to pay;

WHEREAS, pursuant to Articles 16 and 17 of the Declaration, each member is obligated to comply with the terms of the Declaration, Bylaws, rules, regulations and policies of the Association, including, the timely payment of assessments. In addition, the Association has all remedies at law to collect unpaid assessments including the filing of collection lawsuits or foreclosing its lien securing the unpaid assessment obligation(s);

NOW, THEREFORE, BE IT RESOLVED that because members are already legally obligated to pay assessments and, in some cases, the Association may be holding an unused portion of the "building deposit," it is the desire of the Association to apply the remaining "building deposit" to any unpaid assessment balance as an alternative to filing a collection lawsuit with the court or foreclosing its assessment lien on the following terms:

1. In the event that "building deposit" fully satisfies the past due and owing assessment amount, the balance shall be then refunded to the member providing the construction is complete pursuant to the design guidelines and Lava Cove Board approval and any lien against the property shall be removed.
2. The Board of Directors shall financially account for any such use of the "building deposit."

The Board of Directors, having considered all relevant factors, and based on its best business judgment, deems it necessary and in the best interest of the Association to adopt this policy in order to equitably pay for common expenses;

NOW, BE IT FURTHER RESOLVED that a copy of this resolution shall be distributed to all owners.

Date: 5/27/09

ATTEST

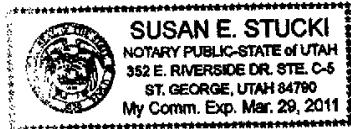
Joe S.
President

Linda C. Smith
Secretary

ACKNOWLEDGEMENT

STATE OF UTAH,)
: SS.
County of Washington)

On the 27 day of May 2009 personally appeared before me
Susan E. Stucki, the signer of the above instrument, whose identity is known or
was satisfactorily proven to me, who duly acknowledged before me that he/she executed the
same, and that he/she is the President of Lava Cove Property Owners' Association, a Utah
nonprofit corporation.



Susan E. Stucki
Notary Public