

SUPPLEMENT

to

**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS**

for

QUAIL MEADOWS PLANNED UNIT DEVELOPMENT

This document supplements and amends the AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS dated and recorded July 1, 2009 in the Utah County Recorder's Office as Entry No. 72462:2009 (the "Prior CC&Rs"). All terms used and definitions applicable in the Prior CC&Rs, are used and applicable herein. Where there is a contradiction or conflict between the Prior CC&Rs and this document, this document governs. The term "Declaration" refers to the AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS as supplemented by this document. This Supplement shall apply to the real property described on the attached Exhibit A.

ARTICLE I

The definition of "approved lessee", contained in paragraph 7 is amended to read "Allowed Lessee as defined herein."

ARTICLE III

Paragraph 3 on Voting Rights is amended to read:

3. Voting Rights. All Owners shall be entitled to one vote for each Lot which the interest required for membership in the Association is held. Lessees as allowed by this Declaration or by law are not entitled to vote.

ARTICLE IV

Limitation of Liability

[*delete hanging "a." (no text follows)*]

ARTICLE VIII

Paragraph 4 is replaced in its entirety with the following:

4. Leasing of Living Units. Except as set forth below or as required to be allowed by law (hereinafter collectively referred to as an "Allowed Lease"), Living Units may not be leased or rented to any person who is not an Owner, regardless of whether consideration is received. House-sitting for an Owner while an Owner will not be in the Living Unit for a period of less than sixty days (60) is not considered to be a lease for purposes of this section.

a. Allowed Leases include a lease or rental:

- (i) while the Owner is deployed in the military;
- (ii) to the Owner's parent, child, or sibling;
- (iii) while the Owner's employer has relocated the Owner for no less than two years;
- (iv) by an Owner that is a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for (A) the estate of the current resident of the Living Unit or (B) the parent, child or sibling of the current resident of the Living Unit; or
- (v) that existed and was in place before the time the rental restriction described in this section was recorded in the Utah County Recorder's Office until: (A) the Owner occupies the lot; or (B) an officer, owner, member, trustee, beneficiary, director, or person holding a similar position of ownership or control of an entity or trust that is the Owner, occupies the lot.

b. The Board shall establish rules, resolutions or procedures to:

- (i) determine and track the number of rentals and leases subject to the provisions described in this Article VIII, Section 4, Subsection a; and (ii) ensure consistent administration and enforcement of the rental restrictions.

c. An Allowed Lease must be for the entire Living Unit. No fraction or portion of a Living Unit may be leased or rented. Lessees of an Allowed Lease (an "Allowed Lessee") must qualify for residency under the same age restriction as Owner occupants. There shall be no subleasing of Living Units. The Allowed Lessee must execute a "QMHOA Lease Agreement" (see attachment to the Prior CC&Rs). The Board may adopt additional reasonable rules and regulations governing the leasing and renting of Living Units as it deems necessary or appropriate.

d. Notice of any prospective Allowed Lease, a copy of the proposed unexecuted lease agreement and non-refundable leasing fee of \$2,500 made payable to the Association to cover the administrative costs and procedures must be provided by the Owner and received by the Board or its designee thirty (30) days prior to the execution of the Allowed

Lease. The Owner must thereafter timely provide any other additional information reasonably required by the Board regarding the proposed Allowed Lessee, including but not limited to criminal background checks. Allowed Lessees may not begin to occupy the Living Unit until thirty (30) days after the Board receives the above-referenced notice and after the information requested by the Board, if any, has been provided.

e. The Owner must attach a copy of the Declaration, as amended, and any other rules, regulations or other governing documents then in effect (collectively, the "QMHOA Governing Documents") to the Allowed Lease and the Allowed Lessee must acknowledge in the Allowed Lease, the receipt of the QMHOA Governing Documents and the obligation to comply with the same.

ARTICLE XIII REINVESTMENT FEES

The following Article XIII in its entirety is added to the CC&Rs.

1. Reinvestment Fee. Upon any transfer, conveyance or change in ownership of a Living Unit and except as expressly provided otherwise herein (the "Transfer"), the transferee of such unit (the "Transferee") must pay at closing of that Transfer a Reinvestment Fee of \$1000 (and in no event to exceed .5% of the value of the Living Unit at the time of Transfer), made payable to the Quail Meadows at Tri-City Twin-Homes Homeowners Association located at 1178 North 160 East, American Fork, Utah 84003 (the "Association") for the benefit of the Association to pay for and fund Association expenses (the "Reinvestment Fee"). The following changes in ownership of a Living Unit are excluded from the definition of "Transfer", and no Reinvestment Fee is assessed for the following:

- (a) an involuntary transfer;
- (b) a transfer that results from a court order;
- (c) a bona fide transfer to a family member of the seller within three degrees of consanguinity who, before the transfer, provides adequate proof of consanguinity;
- (d) a transfer or change of interest due to death, whether provided in a will, trust, or decree of distribution; or
- (e) a transfer of a Living Unit by a financial institution.

The Reinvestment Fee Covenant or the right to the proceeds therefrom may not be assigned except by the Association as a pledge of collateral to its lender; provided, however, that the lender shall release the collateral interest upon payment in full of all amounts that the Association owes to the lender.

2. Term. Except as otherwise provided herein, this Declaration and the covenants contained herein shall take effect upon the recording of this

document in the Utah County Recorder's Office and shall expire at midnight ninety-nine (99) years from the date of such recording.

3. Lien and Priority; Liability; Collection. To the extent permitted by law, a Reinvestment Fee that is not paid when due ("Unpaid Reinvestment Fee") shall thereupon become a continuing lien and charge ("Lien") upon the Living Unit that was the subject of the Transfer giving rise to the Unpaid Reinvestment Fee (the "Lien Property"), which Lien shall thereafter be binding upon such Living Unit and shall run with the land, and:

- a. The Lien is effective from and shall relate back to the later of the date of (1) recording this Declaration in the Utah County Recorder's Office or (2) the most recent Estoppel Letter.
- b. The Lien shall secure the Unpaid Reinvestment Fees as well as interest and all reasonable attorney fees and costs incurred incident to the collection process.
- c. The Association may bring an action, in its name, to foreclose a Lien for Unpaid Reinvestment Fees, together with such other sums incident thereto, in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid sums against the Transferee. The Association is entitled to recover from the Transferee (including from the proceeds of the sale, if any), reasonable attorney fees incurred in either a Lien foreclosure action or an action to recover a money judgment for Unpaid Reinvestment Fees.
- d. The Association has the power to purchase the Lien Property at the foreclosure sale and to then hold, lease, mortgage, or convey it, subject to prior liens.
- e. The purchaser at a sale of the Lien Property by the Association shall be liable for, and shall promptly pay to the Association, all Unpaid Reinvestment Fees that existed prior to the sale. This liability is without prejudice to any right such purchaser may have to seek contribution or indemnity from prior transferees or owner(s) of the Lien Property.
- f. A first mortgagee (or its successor or assignees) who acquires title to Lien Property by foreclosure (including by deed in lieu of foreclosure) shall have no liability for Unpaid Reinvestment Fees that

became due prior to the mortgagee's acquisition of title to such Lien Property.

g. Unpaid sums due under this Declaration shall bear interest at the rate of 18 percent per year.

h. Payment received by the Association at foreclosure hereunder shall be applied first to any permissible accrued interest, then to any costs and reasonable attorney fees incurred in collection, and then to the Unpaid Reinvestment Fee. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment.

i. The Association shall furnish an estoppel certificate (an "Estoppel Certificate") within 10 business days of receipt of a written request from an Owner or their designated representative, including any mortgagee or closing agent provided such request is delivered by certified mail, first-class postage prepaid, return receipt requested, or by other commercially reasonably means, with proof of delivery, and describes with reasonable particularity (i) the Owner; (ii) the approximate date and Gross Sales Price of the Transfer of Title to Owner; and (iii) the Requesting Party's name, address and contact information; and (iv) includes a copy of this Declaration. An Estoppel Certificate shall be conclusive and binding upon the Association, and the Living Unit described in the Estoppel Certificate shall not be subject to liens or claims arising prior to the date of the Estoppel Certificate for Unpaid Reinvestment Fees not set forth in the Estoppel Certificate.

j. Within 10 business days of receipt of a written request from the Association, an Owner or closing agent shall promptly provide information reasonably requested by the Association related to a transfer of title to or from an Owner, including date of sale, gross sales price, and a copy of any closing statement prepared in connection therewith (redacted as to each social security number, tax identification number, date of birth and financial account information appearing therein). By acceptance of a deed, each Owner does thereby irrevocably authorize and instruct each closing agent involved in the closing a Transfer to comply with the foregoing, and does release said closing agent(s) from liability of whatever kind and of whatever nature arising out of or related to a closing agent's compliance with this provision.

k. To the extent the foregoing conflicts with any applicable statute, the statute shall govern.

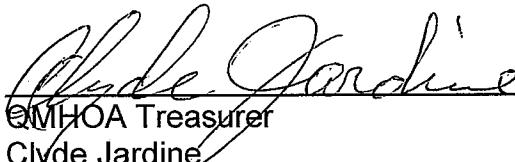
EXECUTED by the Association on the 16 day of June, 2011.

Quail Meadows at Tri-City Twin-Homes
Homeowners Association, Inc.

By: 
QMHOA President
B. Craig Anderson

IN WITNESS WHEREOF, the undersigned, Quail Meadows Twin-Homes
Planned United Development of Utah County, has executed the instrument this
16 day of June, 2011.


QMHOA President
B. Craig Anderson


QMHOA Treasurer
Clyde Jardine

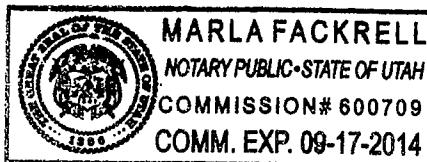
STATE OF UTAH)
: ss.
COUNTY OF UTAH)

On the 16 day of June, 2011, personally appeared before me B. Craig Anderson, who being by me duly sworn did say that he is the President of said Quail Meadows at Tri-City Twin-Homes Homeowners Association, Inc. that executed the within instrument and did acknowledge to me that the said corporation executed the same.

Marla Fackrell
Notary Public
Residing at One Park Ln

My Commission Expires:

9-17-11



ND: 4823-5118-1321, v. 1

EXHIBIT A

Beginning at a point located north 00 01'21" west along the section line 47.71 feet and west 44.33 feet, from the east quarter corner of section 11, township 5 south, range 1 east, Salt Lake Base and Meridian;

Thence N 89°56'03" W 456.33 feet;

Thence N 84°30'27" W 169.23 feet to the easterly boundary of 100 East St;

Thence along the easterly boundary of 100 East Street N 25°36'08" E 260.78 feet

Thence along the southerly boundary of Robinson Heights Subdivision, Plat "B", S 64°23'52" east 120.00 feet;

Thence along the easterly boundary of Robinson Heights Subdivision, Plats "A" and "B", N 25°36'08" E 828.36 feet;

Thence along a fence line S 77°25'13" E 305.74 feet;

Thence S 16°00'00" W 915.97 feet to the point of beginning.

Area 9.294 acres

Serial Nos.:

50:052:0003	50:052:0013	50:052:0023
50:052:0004	50:052:0014	50:052:0024
50:052:0005	50:052:0015	50:052:0025
50:052:0006	50:052:0016	50:052:0026
50:052:0007	50:052:0017	50:052:0027
50:052:0008	50:052:0018	50:052:0028
50:052:0009	50:052:0019	50:052:0029
50:052:0010	50:052:0020	50:052:0030
50:052:0011	50:052:0021	50:052:0031
50:052:0012	50:052:0022	50:052:0032
50:052-033		