

11367784

11367784
4/10/2012 3:57:00 PM \$118.00
Book - 10007 Pg - 3781-3827
Gary W. Ott
Recorder, Salt Lake County, UT
TITLE GUARANTEE
BY: eCASH, DEPUTY - EF 47 P.

**AMENDED AND RESTATED
DECLARATION OF
COVENANTS, CONDITIONS AND
RESTRICTIONS
OF
ROYAL OAK ESTATES**

(A Planned Unit Development)

TABLE OF CONTENTS

RECITALS 1

I. DEFINITIONS 1

 1.1. Articles of Incorporation..... 1

 1.2. Act..... 1

 1.3. Association..... 1

 1.4. Board..... 1

 1.5. Bylaws..... 1

 1.6. Common Areas 2

 1.7. Declarant 2

 1.8. Declaration..... 2

 1.9. Development..... 2

 1.10. Eligible Mortgagecc..... 2

 1.11. Living Unit..... 2

 1.12. Lot..... 2

 1.13. Member 2

 1.14. Mortgage 2

 1.15. Mortgagee 2

 1.16. Owner..... 2

 1.17. Parcl..... 3

 1.18. Person..... 3

 1.19. Plat 3

 1.20. Property..... 3

 1.21. Subdivision 3

II. PROPERTY DESCRIPTION..... 3

 2.1. Submission..... 3

III. MEMBERSHIP AND VOTING RIGHTS 3

 3.1. Membership 3

 3.2. Voting Rights 4

 3.3. Multiple Ownership Interest 4

IV. PROPERTY RIGHTS IN COMMON AREAS 4

 4.1. Easement of Enjoyment 4

 4.2. Form for Conveyancing 4

 4.3. Limitation on Easement 4

 4.4. Utility Lines 5

V. ASSESSMENTS..... 5

 5.1. Personal Obligation and Lien..... 5

5.2.	Purpose of Assessments	5
5.3.	Assessment.....	6
5.4.	Reserve Fund	6
5.5.	Maximum Assessment.....	6
5.6.	Undeveloped Lots	6
5.7.	Special Assessments	7
5.8.	Reimbursement Assessment on Specific Lot.....	7
5.9.	Uniform Rate of Assessment	7
5.10.	Monthly Assessment Due Dates	7
5.11.	Late Fees	7
5.12.	Certificate Regarding Payment.....	7
5.13.	Effect of Non-Payment; Remedies	7
5.14.	Property Taxes on Common Area.....	8
VI.	DUTIES AND POWERS OF THE ASSOCIATION/ BOARD OF TRUSTEES.....	8
6.1.	Duties of the Association	8
6.2.	Powers and Authority of the Association	9
6.3.	Association Rules.....	10
6.4.	Limitation of Liability.....	11
6.5.	Insurance	11
6.6.	Board of Trustees	12
6.7.	Authority of the Board.....	12
6.8.	Managing Agent.....	13
6.9.	Composition of Board.....	13
VII.	USE RESTRICTIONS.....	13
7.1.	Lots and Living Units	13
7.2.	Permitted Business Activities	13
7.3.	Recreational Vehicles	14
7.4.	Animals	14
7.5.	Common Areas	14
7.6.	Exterior Fires	15
7.7.	Insurance	15
7.8.	Machinery and Equipment.....	15
7.9.	Maintenance and Repair	15
7.10.	Nuisances	15
7.11.	Antennas/Satellite Dishes	15
7.12.	Right of Entry	15
7.13.	Signs.....	16
7.14.	Trash Containers and Collection.....	16
7.15.	Water and Water Metering.....	16
7.16.	Enforcement of Land Use Restrictions	16

VIII. ARCHITECTURAL REVIEW	16
8.1. Architectural Control Committee	16
8.2. Submission to Committee	16
8.3. Standard	17
8.4. Approval Procedure	17
8.5. Architectural Review Fees	17
8.6. Construction Progress	17
8.7. Minimum Living Unit Size	18
8.8. Landscaping	18
8.9. Liability for Damages	18
8.10 Building Features and Material	18
(a) Living Unit Location	18
(b) Garages	18
(c) Exterior Building Wall Materials	18
(d) Roof, Soffit and Fascia	18
(e) Accessory Structures	18
(f) Chimneys	18
(g) Fences and Walls	18
(h) Window Coverings	19
(i) Mechanical Equipment	19
(j) Gas and Electric Meters	19
(k) Exterior Lighting	19
(l) Landscape Site Preparation Guidelines	19
(m) County and Other Approval	19
(n) Clothes Lines	19
(o) Trees and Landscaping	20
(p) Storage	20
IX. RIGHTS OF FIRST MORTGAGEE	20
9.1. Abandonment, Termination. Etc.	20
9.2. Notice of Substantial Damage or Destruction	20
9.3. Condemnation of Eminent Domain Proceedings	20
9.4. Hazard Policy to Include Standard Mortgagee Clause	20
9.5. Rights Upon Foreclosure of Mortgage	21
9.6. Mortgagees' Rights Concerning Amendments	21
9.7. Mortgagees' Rights to Inspect Association Records	21
X. DESTRUCTION OF IMPROVEMENTS	21
10.1. Damage to Common Area	21
10.2. Damage to Living Units	21
10.3. Alternate Plans for Restoration and Repair	22
10.4. Appraisal of Damage	22

XI. MISCELLANEOUS	22
11.1. Notices	22
11.2. Amendment.....	22
11.3. Consent in Lieu of Voting.....	22
11.4. Lease Provision.....	23
11.5. Dissolution	23
11.6. Severability	23
11.7. Interpretation.....	23
11.8. Property Part of Development	23
11.9. Covenants to Run With Land.....	23
11.10. Exceptions.....	23
11.11. Effective Date	24

EXHIBIT "A" LEGAL DESCRIPTION

EXHIBIT "B" BYLAWS

EXHIBIT "C" LANDSCAPING AND WATERING RESPONSIBILITY MAP

**AMENDED AND RESTATED
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
ROYAL OAK ESTATES
(A Planned Unit Development)**

THIS AMENDED AND RESTATED DECLARATION is made and executed on the dates indicated below by ROYAL OAK ESTATES HOMEOWNERS' ASSOCIATION, a Utah Nonprofit Corporation.

RECITALS

A. The Association desires to provide for preservation of the values and amenities of the Property and for maintenance of the Common Areas. To this end, and for the benefit of the Property and of the Owners, this Amended and Restated Declaration is adopted and recorded to replace and supersede the first declaration entitled "Declaration of Covenants, Conditions, and Restrictions of Royal Oak Estates, LLC (A Planned Unit Development)" recorded with entry No. 9918086 at book 9384 and page 7456 in the office of the recorder of Salt Lake County, and all amendments thereto recorded prior to the date of this Amended and Restated Declaration.

The Owners and the Association hereby covenant, agree and declare that all of the Property described in Article II hereof shall be held, transferred, sold, conveyed, occupied and used subject to the covenants, conditions, restrictions, easements, charges, assessments, obligations, and liens hereinafter set forth.

I. DEFINITIONS

1.1. "Articles of Incorporation" shall mean and refer to the articles of incorporation of the ROYAL OAK ESTATES HOMEOWNERS' ASSOCIATION, A Utah nonprofit corporation.

1.2. "Act" shall refer to the Community Association Act in effect when this Amended and Restated Declaration is recorded. All provisions of the Act in effect at the time of the recording of this Declaration shall apply to this Association, the Property, and the Owners. Subsequent amendments to the Act shall not apply to this Association, the Property, or the Owners unless they are retroactively applied pursuant to the terms of the amendment to the Act, are adopted through an amendment to this Declaration, or as otherwise required by law.

1.3. "Association" shall mean and refer to the ROYAL OAK ESTATES HOMEOWNERS' ASSOCIATION, a Utah nonprofit corporation.

1.4. "Board" shall mean and refer to the Board of Trustees of the Association as duly elected in accordance with the terms and conditions of the Articles of Incorporation and Bylaws of the Association.

1.5. "Bylaws" shall mean and refer to the Bylaws of the ROYAL OAK ESTATES HOMEOWNERS' ASSOCIATION, A Utah nonprofit corporation. The Bylaws are attached hereto as Exhibit "B".

1.6. "Common Areas" shall mean and refer to that part of the Property that is not included with the Lots. It shall all be owned by the Association and for the common use and enjoyment of the Owners, together with all improvements thereon and all easements appurtenant thereto including but not limited to private utility lines and fixtures and other personal property owned by the Association when the context so requires. The Common Area shall also include any portion of the individual Lots which is designated as "Road". The Common Areas are specifically described and identified in the Plat of the ROYAL OAK ESTATES, P.U.D., as Common Parcel "A", Common Parcel "B", and as "Royal Creek Cove, Royal Pine Cove, and Royal Birch Cove" - "Private Roads".

1.7. "Declarant" shall mean and refer to ROYAL OAK ESTATES, L.L.C.

1.8. "Declaration" shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions.

1.9. "Development" shall mean, the Royal Oak Estates P.U.D. Subdivision then in existence.

1.10. "Eligible Mortgagee" shall mean and refer to a mortgagee, beneficiary under a trust deed, or lender who had requested notice in writing of certain matters from the Association in accordance with this Declaration.

1.11. "Living Unit" shall mean and refer to a structure which is designed and intended for use and occupancy as a single-family residence, together with all improvements located on or with respect to the Lot concerned which are used in connection with such residence.

1.12. "Lot" shall mean and refer to any one of the separately numbered and individually described plots of land described on the Plat: (a) which is intended to be owned individually, rather than by the Association or in common with Owners of different Lots; and (b) which is intended to be used as the site of a single Living Unit and which are identified as Lot numbers 1-15.

1.13. "Member" shall mean and refer to every person who holds a membership in the Association. However, where a Lot may be owned by more than a single person, the term "Member" with regard to representation within the Association shall in no case carry any greater weight than a single person. Likewise, in determining the constitution of a quorum only a single person from each individual Lot shall be counted toward the necessary percentage of Members required.

1.14. "Mortgage" shall mean any mortgage, deed of trust or trust deed of the act of encumbering any Lot or any property by a mortgage, trust deed or deed of trust.

1.15. "Mortgagee" shall mean any person named as a mortgagee of a mortgage or beneficiary under or holder of a deed of trust.

1.16. "Owner" shall mean and refer to the person who is the Owner of record (in the office of the County Recorder of Salt Lake County, Utah) of a fee or an undivided interest in any Lot. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term "Owner" shall not mean or include a mortgagee or a beneficiary or trustee

under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

1.17. "Parcel" shall mean and refer to the Property which is subject to this Declaration, which is filed for record in the office of the County Recorder of Salt Lake County, Utah, is separately subject to the terms of this Declaration with the intention that, it shall thereby comprise the Development. The real property described in Article II of this Declaration constitutes the Parcel.

1.18. "Person" shall mean a natural person or, in the case of a Lot Owner may include a corporation, trust, limited liability company, or other entity.

1.19. "Plat" shall mean and refer to any subdivision plat, any plat of a planned unit development, or any plat or map similar to any of the foregoing: (a) which covers the Property; (b) which describes or creates one or more Lots; (c) on which or in an instrument recorded in conjunction therewith there is expressed the intent that the Subdivision created by the Plat shall comprise the Development; and (d) which is filed for record in the office of the County Recorder of Salt Lake County, Utah

1.20. "Property" shall mean and refer to all of the real property which is included within Royal Oak Estates, P.U.D. as described by the Plat recorded with recording number 9914284, at Book 9382, Page 8411A in the office of the recorder of Salt Lake County. The Property and Development shall be referred to as Royal Oak Estates.

1.21. "Subdivision" shall mean and refer to the entire Development which is created and covered by the Plat.

II. PROPERTY DESCRIPTION

2.1. **Submission.** The Property which is and shall be held, transferred, sold, conveyed and occupied subject to the provisions of the Declaration consists of the following-described real property situated in Salt Lake City, State of Utah.

SEE THE LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND INCORPORATED HEREIN BY REFERENCE.

ALL OF THE FOREGOING IS SUBJECT TO; All liens for current and future taxes, assessments and charges imposed or levied by governmental or quasi-governmental authorities; all patent reservations and exclusions; all mineral reservations of record and rights incident thereof; all instruments of record, as of the date of recording of this Declaration and which are not otherwise superseded or amended herein, which affect the above-described tract or any portion thereof, including without limitation, any mortgage; all visible easements and rights-of-way; and all easements and rights-of-way of record.

III. MEMBERSHIP AND VOTING RIGHTS

3.1. **Membership.** Every Owner shall be a Member of the Association. Membership in the Association shall be mandatory, shall be appurtenant to the Lot in which the Owner has the necessary interest, and shall not be separated from the Lot to which it appertains.

3.2. **Voting Rights.** The Owners shall be entitled to one vote for each Lot in which the interest required for membership in the Association is held. In no event, however, shall more than one vote exist with respect to any Lot.

3.3. **Multiple Ownership Interest.** In the event there is more than one Owner of a particular Lot, the vote relating to such Lot shall be exercised as such Owners may determine among themselves. A vote cast at any Association meeting by any of the such Owners, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the Lot concerned unless an objection is made by another owner of that Lot in which case the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

IV. PROPERTY RIGHTS IN COMMON AREAS

4.1. **Easement of Enjoyment.** Each Member shall have a right and easement of use and enjoyment in and to the Common Areas. Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom. Any Member may delegate the right and easement of use and enjoyment described herein to any family member, tenant, lessee or contract purchaser who resides on such Member's Lot.

4.2. **Form for Conveyancing.** Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering title to a Lot shall describe the interest or estate involved substantially as follows:

Lot No. _____, contained within the Royal Oak Estates, P.U.D., as identified in the Plat recorded as entry number _____, in Book _____, at Page _____, of the official records of the Salt Lake County Recorder TOGETHER WITH a right and easement of use and enjoyment in and to the Common Areas and private streets described and provided for in said Plat, this Declaration, and in the Record of Survey Map in the official record of the Salt lake County Recorder.

Whether or not the description employed in any such instrument is in the above-specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Lot.

4.3. **Limitation on Easement.** A Member's right and easement of use and enjoyment concerning the Common Areas and Private Roads shall be subject to the following:

(a) the right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas;

(b) the right of Cottonwood Heights City and any other governmental or quasi-governmental body having jurisdiction over the Property to access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Property for purposes of providing police and fire protection, transporting school children, and providing any other governmental or municipal service; and

(c) the right of the Association to dedicate or transfer all or any part of the Common Areas, the Private Roads and any sewer, water and storm drain trunk lines to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Association. Any such dedication or transfer must, however, be assented to by a vote of two-thirds (2/3) of all Members in person or by proxy entitled to a vote at a meeting duly called for that purpose.

4.4. **Utility Lines.** All utility lines in Common Area shall be part of the Common Area. Notwithstanding anything to the contrary in this Declaration and the fact that any Utility line may be part of the Common Area:

(a) all utility lines including but not limited to plumbing, electrical, telephone, water, natural gas, telecommunication, and fiber optic lines, shall be the responsibility of the Owner of the Lot to maintain, repair, and replace, to the extent that, and to the point that such utility lines serve only that Lot or the Residential Unit on that Lot;

(b) the Association shall maintain, repair, and replace all utility lines to the extent that any utility lines serve more than one Residential Unit, but only if the obligation to maintain, repair, or replace such lines is not the legal responsibility of someone other than an Owners under this Declaration or the Association;

(c) in the case of any dispute over the obligation to maintain, repair, or replace any utility line serving more than one Lot or Residential Unit, the Association shall complete any necessary repair, replacement, or maintenance subject to the right to reimbursement from the responsible party if it is ultimately determined or agreed that the Association is not responsible for the repair, replacement, or maintenance.

V. ASSESSMENTS

5.1. **Personal Obligation and Lien.** Each Owner shall, by acquiring or in any way becoming vested with an interest in a Lot, be deemed to covenant and agree to pay to the Association the assessments described in this Article, together with the hereinafter provided for interest and costs of collection. 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; and (b) the personal obligation of the Person(s) who is/are the Owner(s) of such Lot at the time the assessment falls due. No Owner may exempt himself or his Lot from liability for payment of assessments by waiver of his rights concerning 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 any unpaid assessments, late payment fees, interest, and costs of collection, including reasonable attorneys fees, which shall be a charge and continuing lien on the Lot as provided for

by law, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore.

5.2. **Purpose of Assessments.** Assessments levied by the Association shall be used exclusively for the purposes described in this Declaration. The use made by the Association of funds obtained from assessments may include, but is not limited to, payment of the cost of taxes (if any taxes are required) and insurance on the Common Areas; maintenance, repair, and improvements of the Common Areas; establishing and funding a reserve to cover major repair or replacement of improvements within the Common Areas; watering of the Common Area; and any expenses necessary or desirable to enable the Association to perform or fulfill its obligations, functions or purposes under this Declaration, the Bylaws, or the Articles of Incorporation, including professional services fees incurred for managers, accountants, attorneys, or other service professionals.

5.3. **Assessment.** Assessment amounts shall be based on a budget prepared annually after a review of all costs incurred by the Association throughout the prior year, any deficiencies from the prior year, any reasonable estimations of anticipated increases in the current year, and the amount allotted for the Reserve Fund, as described below. The Budget shall be presented to the Owners at or before the annual meeting of the Owners. Each Owner shall be assessed an amount equal to 1/15th of the total assessment, which amount shall be payable at such time and in such installments, as determined by the Board.

5.4. **Reserve Fund.** The Association shall obtain and update a reserve study as required by law and establish a separate fund from any operating account to cover major repairs or replacement of the Common Area improvements. This fund (referred to herein as the "Reserve Fund") shall be administered by the Board and shall be funded as recommended by the Board and approved, as required, by the vote of the Owners at each annual meeting.

5.5. **Maximum Assessment.** The initial maximum annual assessment shall be not more than one thousand eight hundred dollars (\$1,800.00). From and after the initial assessment, the maximum assessment may be exceeded so long as the change is assented to by not less than a majority of all of the Owners, present in person or represented by proxy at a meeting duly called for such purposes.

5.6. **Undeveloped Lots.** Lots on which no Living Unit has been constructed ("Undeveloped Lots") shall pay all required assessments.

5.7. **Special Assessments.** The Board may levy special assessments (referred to herein as "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 the annual Assessments; or (b) the cost of any construction, reconstruction or unexpectedly required repair, or replacement in connection with the Common Areas. Any Special Assessments must be assented to by not less than a majority of the Members present in person or represented by proxy entitled to cast a vote at a meeting duly called for the purpose.

5.8. **Reimbursement Assessment on Specific Lot.** In addition to the Monthly Assessment and any Special Assessments authorized above, the Board may levy at any time assessments (referred to herein as "Reimbursement Assessments"); (a) on each Lot the Owner or

occupant of which causes any damage to the Common Areas necessitating repairs; or (b) on each Lot as to which the Association shall incur any expense for maintenance or repair work performed, or enforcement action taken, pursuant to a failure to comply with the provisions of this Declaration. The aggregate amount of any such Reimbursement Assessments shall be determined by the cost of such improvements, repairs, maintenance or enforcement action, including all overhead and administrative costs and attorney's fees, and shall be allocated among the affected Lots according to the cause of damage or maintenance or repair work or enforcement action, as the case maybe, and such Reimbursement Assessment may be made in advance of the performance of work.

5.9. **Uniform Rate of Assessment.** Unless provided otherwise herein, assessments shall be fixed at a uniform and equal rate for all Lots.

5.10. **Monthly Assessment Due Dates.** Assessments shall be due on the date set by the Board.

5.11. **Late Fees.** Any assessment, provided for herein, that is not paid within ten (10) days of the due date, shall be deemed late and may be subject to a late fee of \$25.00 or such other amount established in the Rules of the Association. The Association shall give each Owner notice of the amount and due dates of any assessments.

5.12. **Certificate Regarding Payment.** Upon the request of any Owner or prospective purchaser or encumbrancer of a Lot, the Association shall issue a certificate stating whether or not all assessments respecting such Lot are current and, if not, the amount of the delinquency. Such certificate shall be conclusive in favor of all persons who in good faith rely thereon.

5.13. **Effect of Non-Payment; Remedies.** Any assessment not paid when due shall, together with the hereinafter provided for interest and costs of collection, be, constitute and remain a continuing lien on the affected Lot; provided, however, that any such lien will be subordinate to the lien or equivalent security interest of any first mortgage on the Lot recorded prior to the date any such assessments became due. If any assessment is not paid within sixty (60) days after the date on which it becomes delinquent, the amount thereof shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum. The Association may bring an action against anyone who is personally liable or foreclose the lien against the Lot using either a nonjudicial or judicial foreclosure as permitted by the Act. Any judgment obtained or foreclosure proceeding by the Association shall include reasonable attorneys' fees, court costs, and expenses incurred by the Association in enforcing its rights.

5.14. **Property Taxes on Common Area.** It is the intent of the Owners that the Association will own the Common Areas, to the extent Common Areas are not identified on a Lot. It is the intent of the Association that it will not pay property tax assessments on Common Areas owned by the Association. It is the intent of the Association that no property taxes shall be paid on any Common Area that is not included in the Lots, because this would result in a double taxation of Common Area. This is a double taxation because the value of the Lots already reflect and include any value of the Common Areas and the Owner(s) are paying property taxes based on this value. In the event that Salt Lake County takes the position that Common Area is taxable independent of the value of the Lots, Salt Lake County is authorized to

collect such pro rata share of taxes directly from each Owner by inclusion of said share with the tax levied on each Lot and the Association may challenge this position.

VI. DUTIES AND POWERS OF THE ASSOCIATION/BOARD OF TRUSTEES

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

- (a) The Association shall accept all Owners as members of the Association.
- (b) The Association shall maintain, repair, and replace all landscaping and improvements in the Common Areas, except as otherwise provided herein.
- (c) The Association shall provide mowing and trimming of all Common Area lawns within the Subdivision.
- (d) The Association shall maintain and replace, if necessary the wrought iron fence located in any Common Areas on the West side of the property adjacent to Royal Lane. It shall also plant, grow, and maintain a minimum 2-foot wide hedge sufficient to provide a privacy barrier between Royal Lane and any Common Areas adjacent to Royal Lane. The composition and nature of the hedge shall be consistent with first-class, high end residential subdivision standards.
- (e) The Association shall provide snow removal within the Subdivision on all Common Areas intended for vehicular traffic. In addition, the Association shall provide snow removal from any sidewalk running parallel to any road.
- (f) Unless otherwise agreed to in writing by the Association, each Owner's responsibility to care for his or her Lot shall include, but not be limited to, the following items:
 - i. Each Owner shall have the obligation to provide exterior maintenance of his Living Unit including but not limited to painting, repair, replacement and care of roofs, gutters, down spouts, exterior building surfaces, and landscaping installed by an Owner or his predecessor in title. Each Owner shall paint, repair, and otherwise maintain the exterior and interior of his Living Unit and shall maintain all mechanical devices, including but not limited to, appurtenant electrical, plumbing and heating, ventilating and air conditioning systems.
 - ii. In the event that the need for maintenance or repair of Common Areas as specified herein is caused through the willful or negligent acts of an Owner, the Board may cause such repairs to be made by the Association and the cost of such maintenance or repair (and administrative expenses equal to ten (10%) percent of such costs) shall be added to and become part of the Reimbursement Assessment as provided herein.

(h) To the extent not assessed to or paid by the Owners directly, which is intended in this Declaration, the Association shall pay all real property taxes levied upon any portion of the Common Areas or the Association and any fees charged to the Association, provided that the Association shall have the right to contest or compromise any such taxes or assessments as permitted by law.

(i) The Association shall obtain and maintain in force the policies of insurance required by the provisions of this Declaration and the Act.

(j) The Association may employ a responsible corporation, partnership, firm, person or other entity as the Managing Agent to manage and control the Common Areas and to collect and account for assessments, subject at all times to direction by the Board, with such administrative functions and powers as shall be delegated to the Managing Agent by the Board. The compensation of the Managing Agent shall be specified by the Board. Any agreement appointing a Managing Agent shall be terminable by either party, with or without cause and without payment of any termination fee, upon thirty (30) days written notice thereof; and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods. Any Managing Agent may be an independent contractor and not an agent or employee of the Association.

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

(a) The Association shall have the power and authority, but not any obligation, at any time and from time to time and without liability to any Owner for trespass, damage or otherwise, to enter upon any Lot for the purpose of maintaining and/or repairing such Lot or any improvement thereon, if for any reason the Owner fails to maintain and repair such Lot or improvement, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such Lot in violation of the provisions of this Declaration. The Association shall have the right to permit access to the Subdivision through any and all entrances, subject to governmental requirements, and to close all or any portion of a Private Street to such extent as may be legally sufficient to prevent a dedication thereof or the accrual of any right therein to any person or the public. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration, the Rules, the Bylaws, or to enforce by mandatory injunction or otherwise all of the provisions of these documents.

(b) In fulfilling any of its duties under this Declaration, the Association shall have the power and authority (i) to pay and discharge any and all liens placed upon any

Common Areas on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration and (ii) to obtain, contract and pay for, or to otherwise provide for:

i. Construction, maintenance, repair and landscaping of the Common Areas, (including but not limited to Common Area light poles, the entry gate, and the drainage basin) on such terms and conditions as the Board shall deem appropriate.

ii. Such insurance policies or bonds as the Board may deem appropriate for the protection or benefit of the Association, the members of the Board, and the Owners related to their interests in the Common Areas;

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

iv. The services of architects, engineers, reserve study professionals, experts, attorneys and certified public accountants and such other professional or nonprofessional services as the Board may deem necessary;

v. Fire, police and such other protection services as the Board may deem desirable for the benefit of the Owners or any of the Property; and

vi. Such materials, supplies, furniture, equipment, services and labor as the Board may deem necessary.

(c) The Board may delegate by resolution or contract to a Managing Agent any of its powers under this Declaration; provided, however, that the Board cannot delegate to such Managing Agent the power to execute any contract binding on the Association for a sum in excess of an amount to be established from time to time by the Board, nor the power to sell, convey, mortgage, or encumber any Common Areas. Until such time as the Board establishes a limitation on the Managing Agent's authority, the Managing Agent shall not have the power to execute any contract binding on the Association for a sum in excess of \$1,000.

6.3. Association Rules. The Board from time to time and subject to the provisions of this Declaration and the procedural requirements in the Act, may adopt, amend, repeal and enforce rules (referred to herein as "Rules") governing, among other things: (a) the use of the Common Areas; (b) the use of any roads or utility facilities owned by the Association; (c) the collection and disposal of refuse; (d) the maintenance of animals on the Property; and (e) other matters concerning the use and enjoyment of the Property and the conduct of residents. Rules adopted by the Board may be enforced in accordance with the provisions herein or as allowed by law, including by the issuance of fines. The Rules shall be reasonable under the circumstances and shall be consistent with the terms of the Declaration, the Bylaws, and the Act.

6.4. Limitation of Liability. No member of the Board acting in good faith shall be personally liable to any Owner, guest, lessee or any other person for any error or omission of the Association, its representatives and employees, the Board, any committee, or the Managing

Agent. The members of the Board shall be entitled to indemnification and shall be insulated from personal liability in the manner and to the fullest extent provided for in the Utah Revised Nonprofit Corporation Act.

6.5. **Insurance.** The Association shall secure and at all times maintain the following insurance coverage:

(a) A policy or policies of fire and casualty insurance, with extended coverage endorsement, for the full insurable replacement value of all improvements (if any) comprising a part of the Common Areas.

(b) A policy or policies insuring the Owners, the Association, and its trustees, officers, agents, and employees against any liability incident to the ownership, use or operation of the Common Areas. Limits of liability under such insurance shall be not less than \$2,000,000 for any one person injured; \$3,000,000 for all persons injured in any one accident; and \$500,000 for property damage resulting from one occurrence. Such policies shall be issued on a comprehensive liability basis and shall provide a cross-liability endorsement pursuant to which the rights of the named insured as between themselves are not prejudiced.

(c) A policy of Directors and Officers insurance for the protection of members of the Board and the Association.

(d) The following additional provisions shall apply with respect to insurance:

i In addition to the insurance described above, the Association shall secure and all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with developments similar to the Property in construction, nature and use.

ii. All policies shall be written by a company holding rating of "AA" or better from Best's Insurance Reports.

iii. The Association shall have the authority to adjust losses.

iv. Insurance secured and maintained by the Association shall be primary and shall not be brought into contribution with insurance held by the individual Owners or their mortgagees.

v. Each policy of insurance obtained by the Association shall, if reasonably possible, provide: a waiver of the insurer's subrogation rights with respect to the Association, the Owners, and their respective trustees, officers, agents, employees, and invitees; that it cannot be canceled, suspended or invalidated due to the conduct of any particular Owner or Owners; that it cannot be canceled, suspended or invalidated due to the conduct of the Association or of any director, officer, agent or employee of the Association without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by Owners.

6.6. **Board of Trustees.** The affairs of the Association shall be governed by a Board of Trustees ("Board") elected by the Association as provided for in the Bylaws. All acts, responsibilities, duties, and rights of the Association, as identified in this Declaration, the Bylaws, and the Articles of Incorporation, shall be taken and carried out by the Board. Except as specifically provided in this Declaration or as authorized by the Board, no Owner or group of Owners shall have any right to take action for, on behalf of, or in the name of the Association or to exercise or fulfill any right or duty of the Association. The Board shall have the sole power to manage the affairs of the Association in accordance with this Declaration and the Bylaws. The Common Areas of the Subdivision shall be managed, operated, and maintained by the Association through the Board exclusively as agent of, and in the name of, the Association and any act performed by the Board pursuant to this Declaration or the Bylaws shall be deemed to be performed by the Board for and on behalf of the Association as its agent. The Association shall be responsible to keep all Common Areas in good, clean, attractive, safe and sanitary condition, order, and repair. The Association shall be responsible for the maintenance and repair of any improvements within the Common Area.

6.7. **Authority of the Board.** In addition to any other authority or power of the Board enumerated elsewhere in this Declaration or the Bylaws, the Board shall have, and is hereby granted, the following authority and powers to perform their duties:

- (a) The authority, after having obtained approval through the vote of the Owners to grant or create utility and similar non-exclusive easements over, under, across and through the Common Areas.
- (b) The authority to execute and record, on behalf of all the Owners, any amendment to the Declaration or Plat which has been approved by the vote necessary to authorize such amendment.
- (c) The power to sue and be sued.
- (d) The authority to enter into contracts, which in any way concern the Association, so long as any vote or consent of the Owners necessitated by the subject matter of the agreement has been obtained.
- (e) The power and authority to convey or transfer any interest in real property authorized by the Owners having an interest therein.
- (f) The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.
- (g) The power and authority to borrow money, provided that no funds shall be borrowed without the approval of Owners of a majority of the Lots.
- (h) The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Board to perform its functions as agent of the Association.

Any instrument executed by the Board that recites facts which, if true, would establish the Board's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

6.8. **Managing Agent.** The Board may carry out any of its functions which are capable of delegation through a Managing Agent. Any Managing Agent retained for such purposes must be an individual or entity experienced and qualified in the field of community association management. The Managing Agent so engaged shall be responsible for managing the Association for the benefit of the Owners and shall, to the extent permitted by law and the terms of the agreement with the Board, be authorized to perform any of the functions or acts required or permitted to be performed by the Board itself.

6.9. **Composition of Board.** The Board shall be composed of three (3) Members, at least two of whom shall reside in the Subdivision and all of whom shall be at least 18 years of age. At each annual meeting of the Association, the members of the Board shall be elected as provided for in the Bylaws. The term of office of Board members shall be as set forth in the Bylaws. The Board Members shall hold office until their respective successors have been elected and hold their first meeting.

VII. LOT USE RESTRICTIONS

7.1. **Lots and Living Units.** All Lots are intended to be improved with Living Units and are restricted to such use. No gainful occupation, profession, trade or other nonresidential use shall be conducted on any Lot or Living Unit except as provided in this Declaration. Each Living Unit shall be used only as a single-family residence. No Lot or Living Unit shall be used, occupied, or altered in violation of law, so as to jeopardize the support of any other Living Unit, so as to create a nuisance or interfere with the rights of any Owner, or in a way which would result in an increase in the cost of any insurance covering the Common Areas.

7.2. **Permitted Business Activities.** No Unit may be used or converted into a time-share property. No trade or business may be conducted in or from any Unit unless:

- (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell, from outside the residence;
- (b) the business activity conforms to all zoning and legal requirements for the Property and the business activity;
- (c) the business activity does not involve Persons coming onto the Project who do not reside in the Project or door-to-door solicitation of occupants of the Project;
- (d) the business activity is legal, consistent with the residential character of the Project, and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other occupants of the Project;
- (e) the business activity is disclosed to the Board before business is commenced along with a description of the business activity and a description of any impact on the Project;

(f) the business activity will not result in the increase of any insurance of the Association;

(g) the Owner of the Lot resides on the Lot in which the business activity is proposed for the entire time any business activity is conducted; (if a corporation, trust, or other entity is an Owner, all persons with any interest in any such organization or entity must reside on the Lot); and

(h) the Board reasonable requests for relevant information related to the business are responded to fully and completely.

7.3. Recreational Vehicles. No boats, recreational vehicles, trailers, large trucks, and commercial vehicles shall be parked or stored within the Subdivision, except as may be allowed in the Rules. No motor vehicles of any kind shall be repaired in the Subdivision, except in garages. These restrictions shall not apply to emergency repairs to vehicles. The Rules may prohibit or regulate parking on roads and may regulate or prohibit overnight parking in driveways and Roads.

7.4. Animals. Animals generally kept in households such as dogs, cats, birds, fish, hamsters, and ferrets may be kept in the Sub division. Notwithstanding the foregoing, no animal may be kept within a Lot that: (1) is raised, bred, kept, or maintained for any commercial purposes, (2) causes a nuisance, or (3) in the good faith judgment of the Board, causes a threat of injury, or is obnoxious to or unreasonably causes anxiety to other Owners or occupants within the Project. The Board may exercise its judgment for specific animals even though others of the same breed or type are permitted to remain. All fecal matter shall be immediately cleaned up and properly disposed of. The Board may adopt Rules adding further terms and conditions related to animals in the Association not inconsistent with this Declaration, including but not limited to requirements for registration of animals, size limitations on dogs and other animals, the use of leashes, noise and barking limitations, and limitations on the overall number of animals. In an effort to minimize anxiety and fear of the Owners generally, the Association may, in the Rules, ban dogs of certain breeds (pure or partial) believed generally to be aggressive including but not limited to the following breeds, Pit Bull, Presa Canario, Chow Chow, Doberman Pinscher, Alaskan Malamute, and Rottweiler. Without limiting the foregoing, owners may not keep or raise chickens, ducks, horses, goats, cows, or bees on the Property. The exterior structure for the care, housing, or confinement of any animals otherwise allowed in the Property shall be properly maintained by the Owner and, if larger than 4x4x4, shall approval of the ARC prior to construction.

7.5. Common Areas. The Common Areas of the Development shall be used only for the following purposes:

(a) vehicular and pedestrian access to and from and movement within the Development, and where allowed in the Rules, temporary vehicular parking,

(b) reasonable, customary, and appropriate recreational use by Owners and occupants of Living Units and their guests,

(c) beautification of the Development, and

(d) such other uses as shall be determined from time to time by the Board for the benefit of Members.

7.6. **Exterior Fires.** No exterior fires, other than those contained within receptacles manufactured and sold for grilling or barbecuing purposes shall be allowed.

7.7. **Insurance.** No use shall be made of any Lot or Living Unit which shall cause the improvements within the Development or any part thereof to be uninsurable against loss by fire or other perils included in insurance contracts, cause such insurance to be canceled or suspended, cause any company issuing such insurance to refuse renewal thereof, or cause any increase in rates for insurance. Each Owner shall be responsible for insuring his or her own Lot and Living Unit, for all property and liability losses and risks.

7.8. **Machinery and Equipment.** Except during construction of a Living Unit, no industrial or commercial machinery or equipment of any kind shall be placed, used, operated, or maintained in or adjacent to any Lot without prior approval of the Board.

7.9. **Maintenance and Repair.** No Living Unit, building, structure (including interiors thereof), or landscaping upon any Lot with a Living Unit shall be permitted to fall into disrepair and each such building, structure, or landscaping at all times shall be kept in good condition and as appropriate, adequately painted or otherwise finished by its Owner. Such obligation shall extend, but shall not be limited to, the painting, repair, replacement and care of roofs, gutters, down spouts, and exterior building surfaces to keep such items and surfaces in good condition.

7.10. **Nuisances.** No rubbish or debris of any kind shall be placed or permitted by an Owner upon or adjacent to any Lots, so as to render such Lot or portion thereof unsanitary, unsightly, offensive, or detrimental to other Owners. The Board may adopt Rules prohibiting or regulating exterior noises and music on Lots, the placement of exterior speakers on Lots, and the hours of use of any outdoor sport courts, swimming pools, or other recreational structures.

7.11. **Antennas/Satellite Dishes.** No Citizen Band, Ham, or other radio antennas shall be installed or maintained on any Lot or Living Unit. Television Antennas shall only be allowed in the attic area of a Living Unit. No large satellite dishes shall be installed or maintained on any Lot or Living Unit. Installation of any Antenna or Satellite Dish that is visible from the exterior of a Living Unit shall, if possible, be placed to the rear of any Living Unit.

7.12. **Right of Entry.** Having made a reasonable determination that some provision of the Declaration or the Rules might not have been complied with and having otherwise complied with this section, the Board may, during reasonable hours and after at least 10 written day's notice, enter upon and inspect any Lot to ascertain whether or not the provisions of this Declaration and the Rules have been or are being complied with. This provision may not be used to enter into a Living Unit or outbuilding without permission of the Owner or an Order of a Court. Any written notice shall include a detailed explanation of the purpose of entry and shall provide the Owner a right to request a hearing before the Board, which must be requested within five days of receiving notice, and which shall be held prior to the entry. At any hearing, the Association shall provide the information upon which it based its request to enter the Lot and permit the Owner to provide information and argument as to why the Board should not enter the

Lot. Notwithstanding any information provided at the hearing, the Board may enter the Lot not sooner than (ten) 10 days after the hearing.

7.13. **Signs.** To the extent permitted by law and the Act, the Association may regulate and restrict signs in the Rules. "Signs" shall include any type of object (including but not limited to flags, billboards, banners, plaques, a-frames, easel signs, poly-bag signs, corrugated plastic signs, lawn signs, pictures, and window signs) used to convey a message, symbol, idea, identification, or for any other purpose that signs are typically used, that is placed in, on, or outside of a Living Unit, with the apparent purpose, in whole or in part, of making it visible to people outside of the Lot or on a Lot. The following signs shall be permitted on Lots:

- (a) such signs permitted by the Rules,
- (b) signs required by legal proceedings,
- (c) signs required by the Act,
- (d) construction and sales signs placed and maintained on a Lot before and during construction of a Living Unit and until the first sale of each Living Unit on that Lot, not exceeding four feet wide and four feet high.

7.14. **Trash Containers and Collection.** Insofar as possible, and except during the periods of construction of a Living Unit, all refuse containers shall be stored at the side or in the rear of a Living Unit except to make them available for collection and then only for the shortest time necessary to effect such collection. Reasonable Rules may be adopted for Lots with completed Living Units that specify the location for storage of refuse containers, the types of refuse containers, whether refuse containers must be stored indoors, in covered structures, out of site, or in other locations, and the time period in which refuse containers must be removed from the street or other locations after refuse collection.

7.15. **Water and Water Metering.**

(a) Until a conversion under 7.15.(c), water for the Project (including Lots and Common Areas) shall be paid for by the Association pursuant to a master meter for the Project. Each Lot shall have a water meter (sub meter) paid for and installed by the owner of the Lot. Each owner shall pay their proportion of the Association's water bill, based on actual usage determined by the Association after measuring water usage from the sub meters on the Lots. Measurements shall be taken no less than once per year. The Association shall have the right to monitor, test, and take appropriate action to prevent tampering with any sub meter on any Lot. If any water meter is found to have been tampered with and the Board reasonably determines that all water used has not been paid for, it may estimate the amount of water that has not been paid for and impose an assessment for this estimated amount. At least once every five years, the Association shall test and verify the accuracy of all sub meters in the Lots. The cost of testing, verifying, and any necessary adjustments, repairs, or replacements for each sub meter shall be paid for by the owner of that sub meter. If any sub meter is found to be outside of normal tolerances for measurements, the owner of that sub meter shall pay for any repairs and for any necessary retesting to verify its accuracy.

(b) The watering of the Common Areas, including the installation, maintenance, and replacement of watering systems (including plumbing, sprinklers, and all systems related thereto) shall be partially allocated to the Lots as identified on the Map attached as Exhibit C. All of the lines on Exhibit C are intended to follow and be extensions of actual property lines on the plat to which they are associated, notwithstanding any minor deviations resulting from the simplicity of the drawing. Where Common Area has been bisected between lots 10 and 13 and between 14 and 1, it is intended that the dividing line will be an equal distance from each Lot. The line dividing Common Parcel A from common area to be maintained by the owner of Lot 11, on North side of Lot 11, is intended to extend from the Northwesterly endpoint of the arc on the north property line of Lot 11, directly to the center of the circle to the northeast of Lot 11.

(c) The Association may, upon the vote of Owners of a majority of the Lots, convert to a process where each Lot is individually metered and pays a separate water bill directly to the water provider. In any such conversion, the Association shall adjust or install water lines and water meters as are appropriate and necessary for the proper metering of water that is to be paid for by the Association. In any such conversion, the Association shall pay for all physical changes or modifications necessary for the conversion in Common Area and the Owner of a Lot shall pay for any physical changes or modifications necessary for the conversion that occur on that Lot. In any such conversion, the Owners shall remain responsible for the watering and landscaping of Common Areas identified in Exhibit C. No conversion shall be effective until a document has been recorded on the title to all Units and the Common Area indicating that a conversion has occurred pursuant to this section.

7.16. Enforcement of Land Use Restrictions. Any Owner and the Association shall have the right to exercise or seek any remedy at law or in equity to enforce compliance with this Declaration. The prevailing party in an action for the enforcement of any provisions of this Declaration shall be entitled to collect court costs and reasonable attorney's fees.

VIII. ARCHITECTURAL REVIEW

8.1. Architectural Control Committee. The Board of Trustees of the Association may appoint a three-member Committee (referred to herein as the "Architectural Review Committee" or "ARC"). The function of the ARC shall be to insure that all improvements and landscaping within the property comply with the requirements of this Declaration. The ARC shall be composed of three (3) Members, at least two of whom shall reside in the Subdivision. If an ARC is not appointed, the Board itself shall perform the duties of the ARC and have the responsibility of the ARC.

8.2. Submission to Committee. No Living Unit, accessory building or structure, or addition to a Living Unit shall be constructed or maintained, and no alteration, repainting, or refurbishing of the exterior of any Living Unit, except as herein otherwise mentioned, shall be performed, unless complete plans and specifications have first been submitted to and approved by the ARC. All such plans and specifications shall be consistent with architectural guidelines in this Declaration. The members of the ARC and any other Owners to whom plans are provided pursuant to the requirements in this Declaration, shall keep any such plans confidential, shall not

disclose them to any third persons, and shall not copy or otherwise maintain any copy of the plans not otherwise required to perform the duties of the ARC as required herein.

8.3. Standard. In deciding whether to approve or disapprove plans and specifications submitted to it, the ARC shall determine whether the construction described in the plans and specifications complies with the requirements of this Declaration. The ARC shall not have any authority to require any construction specifications other than those required in this Declaration.

8.4. Approval Procedure. Plans and specifications may be submitted to any member of the Board or the ARC. Upon completion of any review, a copy of all documents submitted for review shall be retained by the Association. All plans and specifications shall be approved or disapproved by the ARC in writing within fifteen (15) days after submission. In the event the ARC fails to take any action within such period it shall be deemed to have approved any work described on the plans and specifications.

8.5. Architectural Review Fees. No fees may be charged for any review of plans and documents submitted to the ARC.

8.6. Construction Progress.

(a) Once begun, any improvements, construction, landscaping, or alterations approved by the ARC shall be diligently prosecuted to completion:

i. The exterior construction of all structures on any Lot shall be completed within a period of one (1) year following commencement of construction, or such further time as allowed by the ARC.

ii. If reasonably necessary to enable such improvement, construction, landscaping or alteration, the person or persons carrying out the same shall be entitled to temporary use and occupancy of unimproved portions of the Common Areas in the vicinity of the activity and as identified as associated with the Lot on Exhibit C.

(b) Owners and builders shall clean up all trash and debris on the construction site at the end of each week. Trash and debris shall be removed from each construction site at least once a week either to a dumpster maintained on a Lot or to a dumping location off-site of the Development. Lightweight material, packaging and other items shall be covered or weighted down to prevent wind from blowing such materials of the construction site. Owners and builders are prohibited from dumping, burying or burning trash anywhere on any Lot or on any Common Area.

(c) The Owner and builder shall be responsible for providing adequate sanitary facilities for construction personnel. Portable toilets or similar temporary toilet facilities shall be located only on: (1) the Lot itself, (2) in the area associated with the Lot as identified on Exhibit C, or (3) in areas approved by the ARC.

(d) Construction crews shall not park on, or otherwise use, other Lots or any open spaces without the permission of the Owner of that Lot. All construction vehicles and machinery shall be kept on a Lot or the associated Common Area identified on

Exhibit C, with the approval of the Owner or parked on the road in such a way that traffic in and out is not blocked. No street parking for construction purposes shall be permitted from 11:00 p.m. to 5:00 a.m.

(e) Absent approval of the ARC for extended work time, the hours of construction shall be from 7 a.m. to 7 p.m. Monday through Friday, and 8 a.m. through 6 p.m. on Saturday and Sunday.

8.7. Minimum Living Unit Size. Excluding garage and unfinished interior space, each rambler Living Unit shall be not less than 2800 square feet above ground in size (Excluding any interior space below ground). Two-story Living Units shall have a minimum of 3,000 square feet of finished above ground interior space, excluding garages.

8.8. Landscaping. All landscaping of Lots and assigned Common Area under Exhibit C shall be completed within six months of occupancy of the Living Unit, unless otherwise approved by the ARC. Notwithstanding anything to the contrary herein, no landscaping shall be required on any Lot or assigned Common Area on Exhibit C until a Living Unit is constructed.

8.9. Liability for Damages. The ARC shall not be held liable for damages by reason of any action, inaction, approval, or disapproval by it with respect to any request made pursuant to this Article.

8.10. Building Features and Materials.

Unless otherwise approved of by the ARC, the following requirements shall be met for any construction on any Living Unit or Lot on the Property after the recording of this amended declaration.

(a) **Living Unit Location.** Each Living Unit shall be oriented as approved by the requirements of any applicable public building department or agency. Each Owner accepts the fact that any other Owner of a Lot may change, impair, obstruct or otherwise affect any view that such Owner may have enjoyed at the time of the purchase of his Lot.

(b) **Garages.** Garages must be fully enclosed, accommodate a minimum of three cars, and be equipped with an automatic garage door opener. Carports or any temporary structure are not acceptable substitutes for garages. Homes on Lots 1, 2, 3, 12, and 14 may be front loaded garages if: (1) the garage doors are set back a minimum of five feet from the furthest point toward the front of the home on the basement foundation of the house, and (2) the garages have carriage garage doors. All other Lots shall have at least two of the garage doors aligned in a side-load manner so that the garage doors do not face the road in the front of the house. The ARC may make exceptions to the requirements of this 8.10(b), as it determines in its discretion.

(c) **Exterior Building Wall Materials.** With the exception of dormers, pop-outs, chimneys, or bays, the exterior finish of all Living Units shall be composed of masonry, stucco, fiber cement siding, wood, brick, hard board siding, stone, cultured stone, or other materials approved of by the ARC. At least 50% of the front elevation of the Living Unit shall be brick, stone, or cultured stone, unless otherwise approved by the

ARC. The sides of each Living Unit shall have a minimum three feet of brick, stone, or cultured stone wainscoat.

(d) **Roof, Soffit and Fascia.** Roofing material shall be restricted to slate, tile, thirty year architectural grade fiberglass shingles, or other materials approved by the ARC. Fascia and soffit materials shall be fabricated of aluminum, copper, wood, hard board material, fiber cement siding, or other materials approved by the ARC. Unless otherwise approved by the ARC, the roof of each Living Unit shall have a minimum 6/12 pitch.

(e) **Accessory Structures.** Patio structures, trellises, sunshades, gazebos, sheds, awnings, and any other appurtenant buildings are permitted if allowed under applicable zoning laws and if approved by the ARC, but they shall be constructed of materials consistent with the colors, textures and materials used in the construction of the Living Unit and shall be integrated into the architecture of the house.

(f) **Chimneys.** Exposed metal flues are not acceptable; all chimneys shall be covered with a hood to hide the flue system.

(g) **Fences and Walls.**

(i) Subject to the requirements of subsection (b) of this paragraph, fencing may be installed by each Owner on rear and side yards and shall be constructed of a dark colored wrought iron, dark colored aluminum, precast concrete, masonry, or other materials approved by the ARC. Fences shall not extend past the mid-point of any Living Unit and shall not exceed six (6) feet in height.

(ii) The Owners of Lots 1, 9, 10, 13, and 14 shall install and maintain a minimum 2-foot wide hedge of a height sufficient to provide a privacy barrier between Royal Lane and the side of the lot adjacent to Royal Lane. The hedge shall be on the east side of the existing wrought iron fence along Royal Lane. The composition and nature of the hedge shall be consistent with first-class, high-end residential subdivision standards. The Owners of Lots 1, 9, 10, 13, and 14 shall maintain and replace, as necessary, the existing wrought iron fence along the boundaries of the Lot that are adjacent to Royal Lane. If any Owner fails to install, grow, and maintain the hedge, or maintain or replace the fence, after 30 days written notice, the Association shall install and maintain the hedge and/or fence, as necessary, to satisfy the requirements of this section and shall assess the Owner for the costs as otherwise provided for in this Declaration. Future amendments to this subsection (b) can only be made with the prior written approval of Royal Lane Homeowners Association.

(h) **Window Coverings.** No windows shall be covered by paint, foil, sheets, or similar items. No stucco pop-out windows shall be allowed around windows visible from the street in front of a Living Unit.

(i) **Mechanical Equipment.** Air conditioning units are not permitted on roofs or through windows. No swamp coolers are allowed.

(j) **Gas, Water, and Electric Meters.** Meter locations are to be designed into the architecture of the Living Unit.

(k) **Exterior Lighting.** All exterior lighting shall be of a consistent finish and style.

(l) **Landscape Site Preparation Guidelines.** All demolition, clearing, grubbing, stripping of soil, excavation, compaction, and grading must be performed within the confines of a Lot, unless use of another Lot is approved of by the Owner of the other Lot.

(m) **County and Other Approval.** Approval by the ARC when approval is required, does not waive the requirement for any other required public agency review or permit approval process. By approving plans, the ARC takes no responsibility for plan conformity to any other criteria other than the requirements of this Declaration.

(n) **Clothes Lines.** No clothes lines shall be installed or maintained outside any Living Unit.

(o) **Trees and Landscaping.** Each Owner shall keep and maintain at least 14 living trees, which must be at least 2 inches in caliper or larger. At least seven living trees must be maintained in the front of the home and at least seven on the sides and rear of the home. Each Owner shall be responsible for the cost and expense to maintain and water all trees. All trees, shrubs, and other vegetation on the Owner's Lot, shall be properly maintained and the entire yard (excluding garden areas) shall be landscaped. Each Owner shall also maintain, landscape, and provide sprinkling lines and water for the Common Area identified in Exhibit C for that Owner's Lot.

(p) **Storage.** No portion of the Lot outside the Living Unit or Accessory Structures shall be used for storage of equipment or personal belongings.

IX. RIGHTS OF ELIGIBLE FIRST MORTGAGEE

Notwithstanding anything to the contrary contained herein, the following provisions shall apply:

9.1. **Abandonment, Termination, Etc.** Unless all of the holders of Eligible first mortgages on the individual Lots have given their prior written approval, neither the Association nor the Owners acting as a group shall be entitled by act, omission or otherwise:

(a) To abandon or terminate the Development or to abandon or terminate the arrangement which was established by the Declarant and the Plat;

(b) To partition or subdivide any Lot or the Common Areas;

(c) To abandon, partition, subdivide, encumber, sell, hypothecate, transfer or otherwise encumber all or any part of the Common Areas except for the creating of easements and similar purposes consistent with the intended use of the Common Areas;
or

(d) To use hazard insurance proceeds resulting from damage to any part of the development for any purposes other than the repair, replacement, or reconstruction of such improvements.

9.2. **Notice of Substantial Damage or Destruction.** If requested in writing by any eligible mortgagee or secured party, the Association shall provide notice in writing in the event that there occurs any substantial damage to or destruction of any Living Unit or any part of the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of \$15,000. Said notice shall be given within ten (10) days after the Association learns of such damage or destruction.

9.3. **Condemnation of Eminent Domain Proceedings.** The Association shall give written notice to all holders of any eligible first mortgage lien or equivalent security interest of any condemnation proceedings or proposed acquisition of a Living Unit or of any portion of the Common Areas within ten (10) days after the Association learns of the same.

9.4. **Hazard Policy to Include Standard Mortgagee Clause.** Each hazard policy of the insurance on the Lots or in favor of the Association on the Common Areas shall include the standard mortgagee clause which either shall be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of mortgagees as their interests may appear, or shall be otherwise endorsed to fully protect the interest of mortgagees. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each mortgagee at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy.

9.5. **Rights Upon Foreclosure of Mortgage.** The lien of the assessments provided herein shall be subordinate to the lien of any First Mortgage upon such Lot; and the holder of a first mortgage on a Lot who comes into possession of the Lot by virtue of foreclosure of such first Mortgage, or in lieu of foreclosure obtains possession by deed or assignment, or any purchaser at a foreclosure sale, will take the Lot free of any claims for unpaid assessments and charges against the Lot which accrue prior to the time such holder comes into possession of the Lot, except for claims for an adjustment in the allocation of any assessment due to the inadequacy of past assessment amounts and which adjustment is charged equally to all Lots including the mortgaged Lot and is charged after the holder comes into possession of the mortgaged Lot.

9.6. **Mortgagees' Rights Concerning Amendments.** No amendment to this Declaration, the By-Laws or the Articles of Incorporation, which materially and adversely impacts the security of the mortgagees, shall be accomplished or effective unless at least sixty-seven percent (67%) of the eligible mortgagees (based on one vote for each Lot) of the individual Lots have given their prior written approval to such amendment.

9.7. **Mortgagees' Rights to Inspect Association Records.** The holders of first Mortgages shall have the right upon reasonable notice and during business hours to inspect and copy at their own expense all books and financial records of the Association.

X. DESTRUCTION OF IMPROVEMENTS

10.1. **Damage to Common Area.** Except as otherwise provided in this Declaration, in the event of any destruction of any portion of the Common Area, the repair or replacement of

which is the responsibility of the Association, it shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. In the event of any destruction to Common Area, the repair or replacement of which is the responsibility of a Lot Owner, the Lot Owner shall restore and repair the same to its former condition as promptly as practical. The proceeds of any insurance maintained as required herein, for reconstruction or repair of the Common Area, shall be used for such purpose, unless otherwise provided herein. The Board shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practical. The Common Area shall be reconstructed or rebuilt substantially in accordance with the original construction plans. If the amount available from the proceeds of such insurance policies for such restoration and repair is inadequate to complete the restoration and repair, the Board shall levy a Reimbursement Assessment for the deficiency and proceed with such restoration and repair.

10.2 Damage to Living Units. Except as otherwise provided in this Declaration, in the event of any destruction of any Living Unit or Living Units, it shall be the duty of the Owner(s) of the Living Unit or Living Units to restore and repair the same to its/their former condition, as promptly as practical, under the supervision of the Board. The proceeds of any insurance maintained as required herein, for reconstruction or repair of the Living Unit or Living Units, shall be made available and utilized for such purpose, unless otherwise provided herein. The Living Unit or Living Units shall be reconstructed or rebuilt substantially in accordance with original construction plans unless otherwise approved by the ARC.

10.3. Alternate Plans for Restoration and Repair. Notwithstanding the provisions of Paragraph 10.1 and 10.2, the Association shall have the right, by a vote of sixty-seven percent (67%) of the voting power of the Association, to make alternate arrangements respecting the repair, restoration or demolition of the damaged portion of the Property. The alternate plan may provide for special allocation of insurance proceeds, modification of design, or special allocation of any necessary assessments. Any plan adopted pursuant to this subparagraph shall be adopted within sixty(60) days of the damage or destruction and shall be supported by the vote of any Owner whose Living Unit has been physically damaged, to the extent the proposed plan affects the reconstruction of such Living Unit. Any such alternate arrangements shall be subject to the approval of the ARC.

10.4. Appraisal of Damage. In the event the parties affected by damage or destruction to the Property cannot agree, within twenty (20) days of the date of the damage, on the estimated cost of repair or the allocations referred to in this Article, the Association shall appoint three (3) independent appraisers having at least five (5) years full-time appraisal experience in Salt Lake County, Utah, to appraise the damage and establish allocations among various damaged portions of the Property. Within twenty (20) days after the selection of the appraisers, a majority of the appraisers shall set the estimated damages and allocations. If a majority of the appraisers are unable to agree within the stipulated period of time, the average of the three (3) appraisals shall be utilized. If, however, the low appraisal and/or the high appraisal are/is more than fifteen percent (15%) lower and/or higher than the middle appraisal, the low appraisal and/or the high appraisal shall be disregarded. If both the low appraisal and the high appraisal are disregarded, the middle appraisal shall be utilized. The cost of the appraisals required by this subparagraph shall be paid by the Association and reimbursed by the Owners through a Reimbursement Assessment.

XI. MISCELLANEOUS

11.1. **Notices.** Any notice required or permitted to be given to any Owner or Member under the provisions of this Declaration shall be deemed to have been properly furnished if mailed, postage prepaid, to the person who appears as a member or Owner, at the latest address for such person appearing in the records of the Association at the time of mailing.

11.2. **Amendment.** Subject to the provisions of Article IX of this Declaration, any amendment hereto shall require the affirmative vote of sixty-seven percent (67%) of all Members at a meeting duly called for such purpose. Any amendment authorized pursuant to this section shall be accomplished and shall be effective upon the recordation of an instrument executed by the President or Vice President of the Association. In such instrument the President or Vice President of the Association shall certify that the vote required by this Section for an amendment has occurred.

11.3. **Consent in Lieu of Voting.** In any case in which this Declaration requires for authorization or approval of a transaction the assent or affirmative vote of a stated number of votes at a meeting, such requirement may be fully satisfied by obtaining, consents in writing to such transaction from Members who, if they voted for the issue at the meeting, would approve of the transaction. The Bylaws and the Revised Nonprofit Corporation Act shall provide the procedure and requirements for obtaining this consent.

11.4. **Lease Provision.** Any Owner may lease his Lot and such buildings as are situated thereon; provided, however, that any lease agreement between an Owner and a lessee must be in writing, and must provide that:

(a) the terms of the lease shall in all respects be subject to the provisions of the Declaration, Articles of Incorporation, and the Bylaws; and

(b) any failure by the lessee to comply with the terms of such documents shall constitute a default under the lease.

AAA
11.5. **Dissolution.** Subject to the restrictions set forth in Article IX of this Declaration pertaining to mortgagee protection, the Association may be dissolved by the affirmative assent in writing of sixty-seven percent (67%) of the Owners. Upon dissolution of the Association, all of its assets (including the Common Areas) may be dedicated or transferred to an appropriate public agency or authority to be used for purposes similar to those provided for in the Bylaws, the Articles of Incorporation, or this Declaration. In the event such dedication or transfer is not made or is not accepted, the Association's assets shall be transferred to a nonprofit corporation, trust, or other entity to be used for such similar purposes, and each Owner shall continue to be obligated to make assessment payments for the maintenance and upkeep of the Common Areas, common access roadways, curbs, gutters and sidewalks on a pro rata basis which conforms substantially with the assessment procedure, terms and conditions set forth herein.

11.6. **Severability.** The invalidity or un-enforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

11.7. **Interpretation.** The captions which precede the articles and sections of this Declaration are for convenience only and shall in no way affect the manner in which any

provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any party thereof, and any gender shall include the other gender.

11.8. **Property Part of Development.** The Property shall comprise the Royal Oak Estates, P.U.D.

11.9. **Covenants to Run With Land.** This Declaration and all provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the all parties who hereafter acquire any interest in a Lot or in the Common Areas. Any such interest shall be subject to the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration; and failure to comply with any of the foregoing shall be grounds for an action by the Association or an aggrieved Owner for the recovery of damages, or for injunctive relief, for the issuance of fines, for any remedy or relief allowed by law, and any combination of remedies. By acquiring or keeping any interest in a Lot or in the Common Areas, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

11.10. **Exceptions.** Exceptions to the requirements in this Declaration, the Bylaws, and the Rules may be made: (1) as permitted in Utah Code Annotated § 57-8a-213, (2) as necessary to comply with the requirements of the state or federal Fair Housing Acts, or (3) to comply with otherwise applicable law that supersedes a requirement of the Declaration, Bylaws, or Rules.

11.11. **Effective Date.** This Declaration and any amendment hereto shall take effect when recorded in the office of the County Recorder of Salt Lake County, Utah.

EXECUTED this 9 day of APRIL, 2012.

ROYAL OAKS ESTATES HOMEOWNERS' ASSOCIATION

By: Gilbert A. Salinas 4/4/12

President

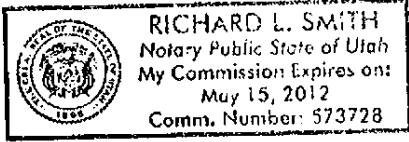
By: [Signature] 4/9/12

Secretary

The President and Secretary hereby certify that the vote required to amend and restate the prior declaration and all amendments thereto has occurred.

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

Subscribed and sworn to before me this 9 day of APRIL, in the year 2012
by ~~NAME OF SIGNER~~
GILBERT A. SALINAS
[Signature] 25



[Signature]
Notary Public

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

Subscribed and sworn to before me this 9 day of APRIL, in the year 2012
by ~~NAME OF SIGNER:~~
JOSHUA D. BELKER

[Signature]
Notary Public

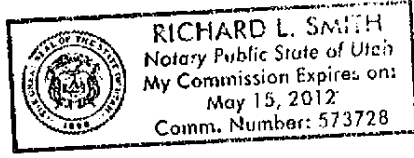


EXHIBIT A: LEGAL DESCRIPTION

BEGINNING AT A POINT ON THE QUARTER SECTION LINE SAID POINT BEING SOUTH 89° 41' 22" EAST 714.70 FEET FROM THE CENTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 1 EAST SALT LAKE MERIDIAN, AND RUNNING THENCE NORTH 00°32'55" WEST 674.00 FEET; THENCE NORTH 61°03'00" EAST 56.00 FEET; THENCE NORTH 00°00'47" WEST 26.79 FEET TO THE SOUTH LINE OF ROYAL LANE SUBDIVISION AS FILED WITH THE OFFICE OF THE SALT LAKE COUNTY RECORDER, AND RUNNING ALONG SAID SUBDIVISION THE FOLLOWING (2) COURSES (1) SOUTH 89°41'00" EAST 38.82 FEET, (2) NORTH 23°45'00" EAST 128.98 FEET TO A POINT OF EXTENSION OF THE SOUTH BOUNDARY LINE OF ROYAL LANE SUBDIVISION #2 AS FILED WITH THE OFFICE OF THE SALT LAKE COUNTY RECORDER AND RUNNING ALONG SAID LINE AND LINE EXTENDED THE FOLLOWING THREE (3) COURSES (1) NORTH 83°24'00" EAST 125.95 FEET, (2) SOUTH 58°36'30" EAST 144.49 FEET, (3) SOUTH 38°43'00" EAST 33.50 FEET; THENCE SOUTH 00°32'52" EAST 761.03 FEET TO SAID QUARTER SECTION LINE THENCE NORTH 89°41'22" WEST 410.00 FEET TO THE POINT OF BEGINNING. CONTAINS 328,175 SQ FT OR 7.534 ACRES AND 15 LOTS

EXHIBIT B: BYLAWS

**BYLAWS
OF
ROYAL OAK ESTATES
HOMEOWNERS' ASSOCIATION
A UTAH NON-PROFIT CORPORATION**

Table of Contents

ARTICLE I DEFINITIONS	1
1.1 Definitions.....	1
1.2 Notice.....	1
ARTICLE II OWNERS	1
2.1 Annual Meetings.....	1
(a) Requirement.....	1
(b) Date and Time.....	1
(c) Purpose.....	1
(d) Election of Board Members	1
2.2 Special Meetings.....	2
(a) Who May Call.....	2
(b) Requirements for Request of Owners	2
2.3 Place of Meetings	2
2.4 Notice of Meetings.....	2
2.5 Owners of Record	2
2.6 Quorum	2
2.7 Proxies.....	2
2.8 Votes	3
2.9 Ballots and Written Consent	3
2.10 Minutes of Meeting.....	3
ARTICLE III BOARD.....	3
3.1 Number, Tenure, Qualifications, and Election	3
(a) Number of Members	3
(b) Member Requirements.....	3
(c) Term.....	4
(d) Nominations.....	4
(e) Disqualification.....	4
(f) Removal for failure to Participate.....	4
3.2 Meetings.....	4
(a) Regular Meeting.....	4
(b) Who is Entitled to Attend	4

(c)	Special Meetings	5
(d)	Quorum and Manner of Acting	5
(e)	Place and Notice of Meetings	5
(f)	Executive Session	5
3.3	Informal Action and Action by Board Members Without Meeting	6
3.4	Compensation	6
3.5	Resignation and Removal	6
3.6	Vacancies	7
ARTICLE IV OFFICERS		7
4.1	Officers	7
4.2	Election, Tenure and Qualifications	7
4.3	Subordinate Officers	7
4.4	Resignation and Removal	7
4.5	Vacancies and Newly Created Offices	7
4.6	The President	7
4.7	The Secretary	8
4.8	The Treasurer	8
4.9	Compensation	8
ARTICLE V SUB-COMMITTEES		7
5.1	Designation of Sub-Committees	8
5.2	Proceedings of Sub-Committees	8
5.3	Quorum and Manner of Acting	9
5.4	Resignation and Removal	9
5.5	Vacancies	9
ARTICLE VI INDEMNIFICATION		9
6.1	Indemnification	9
6.2	Other Indemnification	10
6.3	Settlement by Association	10
ARTICLE VII AMENDMENTS		10
7.1	Amendments	10
7.2	Execution of Amendments	10
ARTICLE VIII WAIVER OF IRREGULARITIES		10
8.1	Waiver of Procedural Irregularities	10
8.2	Requirements for Objections	11
8.3	Irregularities that Cannot Be Waived	11

**BYLAWS
OF
ROYAL OAK ESTATES HOMEOWNERS' ASSOCIATION**

These Bylaws are hereby adopted and established as the initial Bylaws of the Royal Oak Estates Homeowners' Association ("the Association"), and shall replace all prior bylaws (if any) and any amendments thereto up through the date these Bylaws are recorded. These Bylaws and any amendments thereto shall apply to the Association upon their recording and shall bind all present and/or future Owners and occupants.

ARTICLE I DEFINITIONS

1.1 Definitions. Except as otherwise provided herein or as may be required by the context, all terms defined in the Amended and Restated Declaration of Royal Oak Estates (A Planned Lot Development) ("the Declaration"), as amended, shall have such defined meanings when used in these Bylaws.

1.2 Notice. Notice as required in these Bylaws shall be accomplished as provided for in the Declaration or as allowed by the Act.

ARTICLE II OWNERS

2.1 Annual Meetings.

(a) Requirement. An annual meeting of the Owners shall be held no less than once each calendar year.

(b) Date and Time. Unless changed by the Board, the annual meeting of Owners shall be held in October of each year. The Board may from time to time change the date and time for the annual meeting of the Owners.

(c) Purpose. The Annual Meeting shall be held for the following purposes.

- i. electing members of the Board;
- ii. distributing the most recent reserve study, permitting discussion on reserve funding options, and voting on whether and how to fund the reserve account;
- iii. approving the minutes of the prior annual meeting; and
- iv. transacting such other business as may properly come before the meeting.

(d) Election of Board Members. If the election of the Board members cannot be held on the day designated for the annual meeting of the Owners, or at any

adjournment thereof, the Board shall cause the election to be held at a special meeting of the Owners, to be convened as soon thereafter as may be convenient.

2.2 Special Meetings.

(a) Who May Call. Special meetings of the Owners may be called by the Board, the President, or upon the written request of Owners of not less than five (5) Lots.

(b) Requirements for Request of Owners. Any written request for a special meeting by the Owners shall include the signature of each Owner affirmatively supporting such request along with a statement of the purpose of the meeting. The statement of affirmation and purpose must be on every document containing signatures. Such written request is to state the purpose or purposes of the meeting and shall be delivered to the Manager, or the President, who shall then call, provide notice of, and conduct a special meeting within sixty (60) days of receipt of the request that shall address the purpose identified on the request, but no other issues.

2.3 Place of Meetings. The Board may designate the office of the Manager or any place within five miles of the Property as the place of meeting for any annual or special meeting.

2.4 Notice of Meetings. The Board shall cause written notice of the time and place, and in the case of a special meeting, the purpose, for all meetings of the Owners (whether annual or special) to be delivered, not more than thirty (30) nor less than ten (10) days prior to the meeting.

2.5 Owners of Record. For the purpose of determining Owners entitled to notice of or to vote at any meeting of the Owners, or any adjournment thereof, the Board may designate a record date, which shall not be more than thirty (30) nor less than ten (10) days prior to the meeting. If no record date is designated prior to sending notice of the meeting, the first date on which a notice of the meeting is sent shall be deemed to be the record date for determining Owners entitled to notice of or to vote at the meeting. The persons or entities appearing in the records of the Association on such record date as the Owners of record of Lots in the Property shall be deemed to be the Owners of record entitled to notice of and to vote at the meeting of the Owners.

2.6 Quorum. At any meeting of the Owners, the presence of Owners holding, or holders of proxies entitled to cast, more than seven (7) 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 30 days and not less than 15 days at which time the Owners present in person or by proxy shall constitute a Quorum. In the case of any such postponement, notice of the meeting shall again be provided to all Owners at least seven days before the postponed meeting which shall include the statement: "The meeting will occur without any requirement for a minimum number of Owners present."

2.7 Proxies. At each meeting of the Owners, each Owner entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall

exist only where the instrument authorizing such proxy to act shall have been executed by the Owner or by the Owner's attorney when duly authorized in writing. If a Lot is jointly owned, the instrument authorizing a proxy to act may be executed by any one (1) Owner of such Lot or that Owners' attorneys when duly authorized in writing. Such instrument authorizing a proxy to act shall set forth the specific matters or issues upon which the proxy is authorized to act, and may allow the proxy to vote on any issue arising at any particular meeting or meetings. Such instrument shall be delivered either prior to or at the meeting (but no later than any point in the meeting announced as the final time to deliver proxies) to the Secretary of the Association or to such other officer or person who has been authorized by the Association to accept proxies at the meeting.

2.8 Votes. With respect to each matter submitted to a vote of the Owners, each Owner entitled to vote at the meeting shall have the right to cast, in person or by proxy, one vote for each Lot of such Owner. The affirmative vote of a majority of the votes entitled to be cast by the Owners present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the Owners, unless a greater proportion is required by these Bylaws, the Declaration, or the Act. The election of Board members shall be by secret ballot, if requested by any Owner at the meeting prior to the vote. When more than one Owner holds an interest in a Lot, any Owner may exercise the vote for such Lot on behalf of all co-Owners of the Lot. In the event of two conflicting votes by co-Owners of one Lot, no vote shall be counted for that Lot but it shall be counted for the purposes of establishing a quorum. In no event shall fractional votes be exercised in respect to any Lot.

2.9. Ballots and Written Consent. The Association may utilize written consents and ballots consistent with the requirements Revised Nonprofit Corporation Act.

2.10. Minutes of Meetings. The secretary shall take minutes of all meetings of the Owners. The minutes shall include, at a minimum, (1) the identification of the persons present at the meeting in person and by proxy, (2) the date of the meeting, (3) the identification of any issue that is voted on or decided in the meeting, (4) the number of votes cast for and against any issue decided upon, (5) the exact wording of any resolution passed at the meeting. The failure to take appropriate minutes or otherwise comply with this section 2.10 does not invalidate any action taken at a meeting. Draft meeting minutes for each meeting of the Owners shall be sent to all Owners within 30 days of the annual meeting.

ARTICLE III BOARD

3.1 Number, Tenure, Qualifications, and Election.

(a) Number of Members. The Board shall be composed of three (3) persons meeting the qualifications stated in the Declaration.

(b) Member Requirements. At all times, at least two Board Members must have as their primary residence a Residential Unit in the Development. Any candidate whose election or appointment would contravene this requirement shall be ineligible for election or appointment. In determining which of multiple candidates elected shall serve

if only one can serve and maintain the requirements of this provision, the highest vote getter shall prevail. If both have equal votes, then the issue shall be resolved by the toss of a coin.

(c) Term. The term of each Board Member shall be two years. The terms of the Board Members shall overlap so that one Board Members shall be elected one year, two the next, one the following, and so on.

(d) Nominations. At or before the annual meeting or any subsequent meeting at which the election is held, any Owner may submit his/her own name or the name of any other willing and otherwise qualified person to serve on the Board. If the name of a person is submitted who is not in attendance at the meeting, it shall not be added to the final ballot for election of Board Members unless it is submitted with a written statement signed by the person indicating that the person is willing to serve.

(e) Disqualification. If any Board Member is alleged to not meet the qualification requirements in the Declaration and any Board Member is notified of or discovers this alleged lack of qualification, the Board shall promptly investigate and verify whether the Board Member is qualified or not, and during this period shall not make any further decisions. If the Board Member is not qualified, the Board Member's membership on the Board shall terminate automatically retroactive to the date that written notice of an alleged lack of qualification was provided to the Association or, if no notice was provided, to the date that the Board established that the Board Member was not qualified. If a Board Member becomes unqualified or was not qualified under the Declaration or Bylaws, but was nonetheless elected to or permitted to remain on the Board, the decisions and actions of the Board and that Board Member are not subject to challenge on this basis up to the time that the Association is notified in writing as provided for in this section or until the Board Member is disqualified if no such notice is provided.

(f) Removal for failure to Participate. If any Board Member shall fail to appear at four successive regular Board meetings in a row or 50% or more of the regularly held meetings within any calendar year, after having received proper notice of the meetings and after the Board has attempted in good faith to schedule meetings consistent with all of the member's schedules, then the other Board Members may by unanimous vote remove that Member and appoint a new Member.

3.2 Meetings.

(a) Regular Meetings. The Board shall hold regular meetings at least quarterly, and more often at the discretion of the Board.

(b) Who is Entitled to Attend. Owners may attend meetings and may be present for all discussion, deliberation, and decisions except when the Board is in executive session.

(c) Special Meetings. Special meetings of the Board may be called by or at the request of any two Board Members or the President of the Association. Notice of any special meeting shall be given at least 48 hours prior thereto to each Board Member. No notice of special meetings is required to be provided to Owners, although any Owner may attend a special meeting if the Owner appears at the physical location of the meeting in person.

(d) Quorum and Manner of Acting. Two Board Members shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the Board Members present at any meeting at which a quorum is present and for which proper notice was provided to the Board Members shall be the act of the Board. The Board Members shall act only as a Board, and individual members shall have no powers as such except as provided herein.

(e) Place and Notice of Meetings. The Board may designate any place in Salt Lake County as the place of meeting for any regular meeting called by the Board but shall in good faith attempt to hold meetings at the office of the Manager or in as close a proximity to the Property as reasonably possible. All Board Members and Owners shall be given at least ten days' notice of regular meetings.

(f) Executive Session.

i. The Board or a Sub-Committee may, by motion and a vote, continue deliberations and discussions in executive session and, if they enter executive session, shall discontinue any executive session by motion and a vote. A member of the Board who is not a member of a Sub-Committee, shall not be entitled to attend executive sessions of the Sub-Committee or inspect attorney client privileged minutes of the Sub-Committee, without approval of the Board.

ii. The minutes of the meeting at which an executive session is held shall include:

iii. The purpose(s) of the executive session in sufficient detail. For example, the following are sufficient descriptions: "to discuss the terms of a management contract with XYZ Company," "To discuss the pending litigation with XYZ" or "to discuss a complaint of a rule violation:"

(a) any decisions made during executive session. Decisions made in executive session that cannot be properly and fully documented without disclosing attorney client privileged information shall be recorded in the minutes of the meeting as "Decision made regarding attorney client privileged issue that are recorded in Separate and attorney client privileged minutes of the Executive Session" and separate executive session minutes shall be created that shall fully describe the decision as would normally be required in regular minutes. The separate executive session minutes shall state on their face that they contain attorney client privileged information

and shall be disclosed to non-committee members only as required by law for the disclosure of attorney client privileged information.

iv. The discussions in executive session shall be confidential and shall not be disclosed to anyone outside of the meeting except as authorized by the Board or the Sub-Committee. Documents analyzed in executive session may be confidential for other reasons, but they are not confidential merely as a result of having been discussed or presented in executive session:

v. Executive sessions may be held to discuss and make decisions related to the following matters:

(a) pending or prospective legal proceedings and issues related to the Association, its operations, or its governance, including but not limited to meetings with the Association's counsel,

(b) contracts and purchases related to the association, including but not limited to the negotiations, potential breaches, reviews of contracts, and the terms of any purchases,

(c) association employee and personnel issues, including reviews, discipline issues, termination issues, salary issues, and the terms of employment,

(d) rule violations by owners, including but not limited to the discussion of complaints and whether to impose fines or utilize any particular remedy to address particular violations.

vi. The Board or the Sub Committee holding the executive session shall determine who outside of that committee or Board shall be allowed to be present in executive session, and no one else is entitled to be present. All members of the Board shall be entitled to be present at executive session meetings of the Board. All members of a Sub-Committee shall be entitled to be present in executive sessions of the Sub-Committee.

3.3 Informal Action and Action by Board Members without a Meeting. Any action that is required or permitted to be taken at a meeting of the Board may be taken without a meeting if each Board Member consents in writing (i.e.:via letter, fax, email, text message, or through social networking correspondence) to the action so taken.

3.4 Compensation. No Board Member shall receive compensation for any services that he/she may render to the Association as a Board Member; provided, however, that a Board Member may be reimbursed for expenses incurred in the performance of his/her duties as a Board Member to the extent such expenses are unanimously approved by the Board.

3.5 Resignation and Removal. A Board Member may resign at any time by delivering a written resignation to any Board Member or the Manager. Unless otherwise specified therein, such resignation shall take effect upon delivery. An oral resignation attempt is not effective. Any Board Member may be removed at any time, with or without cause, by the

affirmative vote of at least eight (8) Owners at a special meeting of the Owners duly called for that purpose.

3.6 Vacancies. If vacancies shall occur in the Board by reason of the death, resignation, removal, or disqualification of a Board Member, the Board Members then in office shall continue to act, and such vacancies shall be filled by a vote of the Board Members then in office, even though less than a quorum may be available. Any vacancy in the Board occurring by reason of removal of a Board Member by the Owners may be filled by election by the Owners at the meeting at which such Board Member is removed. Any Board Member elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his/her predecessor.

ARTICLE IV OFFICERS

4.1 Officers. The officers of the Association shall be a President, Secretary, and Treasurer.

4.2 Election, Tenure and Qualifications. The officers of the Association shall be chosen by the Board annually at the first meeting of the Board following the annual meeting. Each such officer shall hold such office until a successor has been elected or until such officer's death, resignation, disqualification, or removal, whichever first occurs. No person shall hold more than one office. All officers must be members of the Board during the entire term of their respective offices.

4.3 Subordinate Officers. The Board may from time to time appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board may from time to time determine. Subordinate officers need not be Members of the Board.

4.4 Resignation and Removal. Any officer may resign at any time by delivering a written resignation to any Board Member or to any Manager. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed and replaced by the Board at any time, with or without cause.

4.5 Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board at any regular or special meeting. During the time that any office is vacant and no other officer is available to perform the duties of that office as required below, the Board shall ensure that the duties and responsibilities of the office are performed.

4.6 The President. The President shall preside at meetings of the Board and at meetings of the Owners. At all meetings, the President shall have all authority typically granted to the person presiding over a meeting including but not limited to: (1) the right to control the order of the meeting, (2) the right to arrange for the removal of any disruptive persons who may include but not be limited to any person who (i) refuses to abide by rules or requests of the presiding person related to the order of the meeting and when speaking is permitted, or (ii)

engages in vulgar, threatening, or otherwise inappropriate language or gestures, (3) the right to impose and enforce reasonable rules and procedures related to the meeting such as those found in "Robert's Rules of Order" or "The Modern Rules of Order" and, (4) the right to delegate to the Manager or any other person the right to preside over any meeting at which the President is present. The President shall sign on behalf of the Association all conveyances, documents, and contracts, and shall do and perform all other acts and things as required by the Board. The President shall have the general authority to implement decisions of the Board and shall oversee the operations of the Association. The President shall have authority in case of emergency to take action without Board approval as is necessary and prudent to preserve and protect property. The President shall be responsible for the duties of any other office while that office is vacant.

4.7 The Secretary. The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration, the law, or any resolution of the Board may require such person to keep. The Secretary shall also act in the place and stead of the President in the event of the President's absence or inability or refusal to act. The Secretary shall perform such other duties as required by the Board.

4.8 The Treasurer. The Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board, and when requested by the President, shall report the state of the finances of the Association at each meeting of the Owners and at any meeting of the Board. The Treasurer shall have authority and obligation to generally implement the requirements of governing documents as it relates to the funds of the Association. The Treasurer shall also act in the place and stead of the President in the event of the President and Secretary's absence or inability or refusal to act. The Treasurer shall perform such other duties as required by the Board.

4.9 Compensation. No officer shall receive compensation for any services rendered to the Association as an officer; provided, however, that an officer may be reimbursed for expenses incurred in performance of such duties as an officer to the extent such expenses are approved unanimously by the Board.

ARTICLE V SUB-COMMITTEES

5.1 Designation of Sub-Committees. The Board may from time to time by resolution designate such committees (each a "Sub-Committee") as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers. The membership of each such Sub-Committee designated hereunder shall include at least one (1) Board Member. A Sub-Committee shall not have any powers, duties, or responsibilities beyond those specifically assigned by the Board in a written resolution. The Board may terminate any Sub-Committee at any time.

5.2 Proceedings of Sub-Committees. Each Sub-Committee designated hereunder by the Board may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such Sub-Committee may from time to time determine. Each such Sub-Committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board.

5.3 Quorum and Manner of Acting. At each meeting of any Sub-Committee designated hereunder by the Board, the presence of members constituting at least a majority of the authorized membership of such Sub-Committee (but in no event less than two (2) members) shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such Sub-Committee. The members of any Sub-Committee designated by the Board hereunder shall act only as a Sub-Committee, and the individual members thereof shall have no powers, as such. A Sub-Committee may exercise the authority granted by the Board.

5.4 Resignation and Removal. Any member of any Sub-Committee designated hereunder by the Board may resign at any time by delivering a written resignation to the President, the Board, or the presiding officer of such Sub-Committee. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board may at any time, with or without cause, remove any member of any Sub-Committee designated by it there under.

5.5 Vacancies. If any vacancy shall occur in any Sub-Committee designated by the Board due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy by the Board, constitute the then total authorized membership of the Sub-Committee and, provided that two (2) or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board.

ARTICLE VI INDEMNIFICATION

6.1 Indemnification. No Board Member, officer, or member of a Sub-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 Board Member, officer, or Sub-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 Board Member, officer of the Association, or a member of a duly formed Sub-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 Board Member, officer of the Association, or member of a Sub-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 Board Member, officer, or Sub-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; provided further, 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.

6.2 Other Indemnification. The indemnification herein provided shall not be deemed exclusive of any other right to indemnification to which any person seeking indemnification may be provided under any statute, agreement, vote of disinterested Board Members, or otherwise, both as to action taken in any official capacity and as to action taken in any other capacity while holding such office. The indemnification herein provided shall continue as to any person who has ceased to be a Board Member, officer, Sub-Committee member, or employee, and shall inure to the benefit of the heirs, executors, and administrators of any such person.

6.3 Settlement by Association. The right of any person to be indemnified shall be subject always to the right of the Association by the Board, 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 VII AMENDMENTS

7.1 Amendments. Except as permitted specifically herein or required by the Act, these Bylaws may be amended by the affirmative vote of Owners of at least sixty-seven percent (67%) of Lots at a meeting duly called for that purpose.

7.2 Execution of Amendments. Upon obtaining the required consent, an amendment shall be signed by the President and Secretary of the Association, who shall certify that the amendment has been properly approved as required by these Bylaws. An amendment complying with the requirements of these Bylaws and the Declaration shall be effective when the amendment has been recorded in the office of the County Recorder of Salt Lake County, Utah.

ARTICLE VIII WAIVER OF IRREGULARITIES

8.1 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 ascertaining 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 no objection to the particular procedural issue is made at the meeting,
- (b) if the objecting person was not in attendance at the meeting but has proper notice of the meeting, they are waived if no objection to the particular procedural issue is made within 60 days of the date the meeting is held,
- (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 if no objection to the particular procedural issue is made within ninety (90) days of the date of the meeting,

(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 90 days of receiving actual notice of the occurrence of the meeting or of any decision that was made at the meeting,

(e) for any action, vote, or decision that occurred without a meeting, within 120 days of receiving actual notice of the occurrence of the action, vote, or decision.

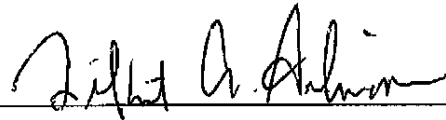
8.2 Requirements for Objections. All objections except those made at a meeting shall be in writing. Whenever made, objections must be specific and shall include identification of the specific provision of the Governing Document or other Law that has been violated and a brief statement of the facts supporting the claimed violation.


8.3 Irregularities that Cannot Be Waived. The following irregularities cannot be waived under the prior subsection and may be challenged at any time by any Owner or by the Association:

- (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, and
- (c) any failure to follow proper procedures to amend the Declaration or the Bylaws.

EXECUTED this 9 day of April, 2012.

ROYAL OAKS ESTATES HOMEOWNERS' ASSOCIATION

By:  4/9/12
President

By: 
Secretary