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**DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS
OF
THE COVE AT KIMBALLS LANE
HOMEOWNER'S ASSOCIATION, INC.**

THIS DECLARATION of Covenants, Conditions and Restrictions is made on the date hereinafter set forth to establish a planned unit development ("PUD") known as The Cove at Kimballs Lane.

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02/22/2016 11:34 AM #64-010
Book - 10404 Pg - 5428-5453
GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
DRAPER CITY
1020 E PIONEER RD
DRAPER UT 84020
BY: CRA. DEPUTY - W1 26 P.

RECITALS

1. Declarant is the owner of real property located at 621 East 11800 South in the City of Draper, County of Salt Lake, State of Utah, as described in Exhibit "A" and on the PUD Plat and referred to collectively as the "Property".
2. Declarant desires to construct Single Family Homes, Townhomes, and other improvements upon said Property. All construction is to be performed in accordance with the plans and drawings contained in the Plat filed for record herewith.
3. Declarant desires, by filing this Declaration and the Plat, to submit said Property and all improvements now or hereafter constructed thereon as a PUD to be known as The Cove at Kimballs Lane.
4. Declarant intends to sell to various purchasers building Lots, Single Family Homes, and Townhomes, subject to the covenants, conditions, restrictions, limitations, and easements set forth herein.

NOW THEREFORE, Declarant hereby declares and certifies as follows:

ARTICLE I

DEFINITIONS

When used in this Declaration and in the Bylaws attached hereto as Exhibit "B", the terms shall have the meaning set forth herein, unless the context requires otherwise.

1. **Common Areas** shall mean all property owned by the Homeowners Association for the common use and enjoyment of the Owners such as all undedicated roads or driveways, guest parking, open spaces, structural Common Areas, and the like, together with all easements appurtenant thereto.
2. **Declarant** shall mean and refer to Castlewood-Kimballs Lane, LLC, a Utah limited liability company, and its successors or assigns.

3. **Declaration** shall mean and refer to the declaration of covenants, conditions and restrictions executed and acknowledged by the Developer and filed for record in the office of the Salt Lake County Recorder.

4. **Developer** shall mean and refer to Castlewood-Kimballs Lane, LLC, a Utah limited liability company, and its successors or assigns.

5. **Homeowners Association** shall mean and refer to The Cove at Kimballs Lane Homeowners Association, a Utah non-profit corporation. Every owner of a Lot, Single Family Home, or Townhome will be a Member of the Homeowners Association.

6. **Limited Common Areas** shall mean and refer to any common areas designated for exclusive use and enjoyment by the Owner of a particular Unit.

7. **Lot** shall mean and refer to any separately numbered and individually described plot of land designated for private ownership and construction of a Single Family Home.

8. **Management Committee** shall mean and refer to the committee (also known as the Board of Trustees) that has the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Property.

9. **Member** shall mean and refer to every person who holds membership in the Homeowners Association.

10. **Mortgage** shall mean and refer to any mortgage, deed of trust, or other security instrument by which a Unit, or any part thereof is encumbered.

11. **Mortgagee** shall mean any person named as a Mortgagee or beneficiary under a Deed of Trust.

12. **Owner** shall mean and refer to any person who is the owner of record (as reflected by the records in the office of the Salt Lake County Recorder) of a Unit. No Mortgagee or trustee of a Mortgage shall be an Owner unless such party acquires fee title pursuant to foreclosure or sale or conveyance in lieu thereof. Developer shall be an Owner with respect to each Unit owned by Developer. Multiple owners of a particular Unit shall be jointly and severally liable as to all responsibilities of an Owner.

13. **Plat** shall mean and refer to the PUD Plat covering the Property, executed and acknowledged by the Developer, accepted by the City of Draper, and filed for record in the office of the Salt Lake County Recorder concurrently with the Declaration.

14. **Project** shall mean and refer to The Cove at Kimballs Lane PUD.

15. **Property** shall mean and refer to the real property located in the City of Draper, Salt Lake County, State of Utah, more particularly described in the Declaration and on the Plat.

16. **Single Family Home** shall mean and refer to a single family dwelling on a Lot and shall include fee title to the real property constituting said lot.

17. **Townhome** shall mean and refer to a single family dwelling that is attached to one or more single family dwellings and all land lying directly beneath said dwelling.

18. **Unit** shall mean and refer to a Lot, Single Family Home, or Townhome.

ARTICLE II

COVENANTS, CONDITIONS, AND RESTRICTIONS

The foregoing submission is made upon the following covenants, conditions, and restrictions.

1. **Description of the Project**. The Project will initially consist of no more than twenty (20) Single Family Homes and thirty-nine (39) Townhomes. The Plat shows the location of the Lots and Townhomes, open areas, and other information about the Project.

2. **Homeowners Association**. All Owners will automatically become Members of the Homeowners Association. The Owners will act as a group in accordance with the Articles of Incorporation, the Declaration, and the Bylaws. The Members will elect a Board of Trustees, pursuant to the Bylaws of the Homeowners Association, to maintain and administer the Common Areas and enforce the covenants, conditions, and restrictions in this Declaration. Voting rights in the entire Project are based on one vote per Unit.

3. **Common Areas**. The Common Areas in the Project are shown on the Plat. Common Areas include the property designated for the common use and enjoyment of the Owners, such as open spaces, etc. Common Areas also include the roofs and exteriors of the Townhomes in the portion of the Project designated for Townhomes. The Homeowners Association will hold title to the Common Areas subject to covenants, conditions, restrictions, easements, encumbrances and liens created by or pursuant to this Declaration, and subject to easements and rights of way of record. The rights to the use and enjoyment of the Common Areas shall be held in common by all of the Owners as Members of the Homeowners Association and no Owner shall bring action for partition thereof. The ownership of an undivided interest in the Common Areas shall not be separated from the Unit to which it appertains and such undivided interest shall automatically accompany the conveyance of the Unit. The Homeowners Association shall maintain the Common Areas in good repair and condition at all times and operate the same at its own expense in accordance with high standards.

4. **Limited Common Areas**. Limited Common Areas include any Common Areas designated for exclusive use and enjoyment by the Owner of a particular Unit. The right of exclusive use of a Limited Common Area shall not be separated from the Unit to which it appertains and such right of exclusive use shall automatically accompany the conveyance of the Unit. Each Owner shall keep the Limited Common Areas designed for use in connection with his Unit in a clean, sanitary, and attractive condition at all times. Certain Limited Common

Areas may be maintained by the Homeowners Association as determined by the Management Committee.

5. **No Separation.** No part of any Unit or of the legal rights comprising ownership of a Unit may be separated from any other part thereof during the period of ownership described herein, so that each Unit, the undivided interest in the Common Areas appurtenant to such Unit, and the exclusive right to use and occupy the Limited Common Areas appurtenant to each Unit, shall always be conveyed, devised, encumbered, and otherwise affected only together and may never be separated from one another. Every gift, devise, bequest, transfer, encumbrance, or other disposition of a Unit or any part thereof, shall constitute a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively of the entire Unit, together with all appurtenant rights created by law or by this Declaration.

6. **Lot Maintenance.** Each Owner shall at his own cost and expense maintain any vacant Lot in a clean, sanitary, and attractive condition at all times.

7. **Single Family Home Maintenance.** Each Owner shall at his own cost and expense maintain and repair the interior and exterior of any Single Family Home, and shall maintain the yard and surroundings in a clean, sanitary, and attractive condition at all times. No Owner may alter the exterior of a Single Family Home without the prior written consent of the Management Committee, which consent shall not be unreasonably withheld. The Management Committee shall have the obligation to answer any written notice of an Owner's intent to alter the exterior of his Single Family Home within forty-five (45) days of delivery of the notice, and failure to do so within the stipulated time shall mean that there is no objection to the proposed alteration.

8. **Townhome Maintenance.** The Homeowners Association shall maintain and repair the exterior of each Townhome. Each Owner shall at his own cost and expense maintain, repair, refinish, paint and decorate the interior surfaces of the walls, ceilings, floors, windows and doors forming the boundaries of his Townhome. In addition to keeping the interior of the Townhome in good repair and in a clean and sanitary condition, each Owner shall be responsible for the maintenance, repair, or replacement of any windows, lighting fixtures, plumbing fixtures, water heater, heating equipment, air conditioning equipment, appliances or fixtures that may be in or connected with his Townhome. An Owner may finish the basement in his Townhome and may make cosmetic changes to the interior of his Townhome without the consent of the Management Committee. No Owner may make any structural modifications to the interior of his Townhome without the prior written consent of the Management Committee, which consent shall not be unreasonably withheld. The Management Committee shall have the obligation to answer any written notice of an Owner's intent to modify the structure or alter the interior of his Townhome within forty-five (45) days of delivery of the notice, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification of alteration. No Owner may alter the exterior of a Townhome.

9. **Access for Maintenance and Repairs.** Some of the Common Areas may be located within certain Units or may be conveniently accessible only through certain Units. The Owners of the other Units shall have the right, to be exercised by the Management Committee, to have access to each Unit and to the Common Areas from time to time during such reasonable hours as

may be necessary for the maintenance, repair, or replacement of any of the Common Areas or for making emergency repairs to prevent damage to the Common Areas or a Unit. Damage to the interior of any part of a Unit resulting from the maintenance, repair, or replacement of any of the Common Areas or as a result of emergency repairs to another Unit, shall be an expense of the Homeowners Association and shall be assessed accordingly; provided, however, that if such damage is the result of negligence of the Owner of the Unit, then such Owner shall be held financially responsible for all such damage.

10. **Right of Ingress, Egress, and Lateral Support.** Each Owner shall have the right to ingress and egress over, upon and across the Common Areas designated for use in connection with his Unit, and each Townhome Owner shall have the right to the horizontal and lateral support of his Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

11. **Easement for Utility Services.** There is hereby created a blanket easement upon, across, over and under the Property for ingress, egress, installation, replacement, repair, and maintenance of all utilities, including, but not limited to, water, sewer, gas, telephone, electricity, and other utility services.

12. **Easement for Encroachments.** If any part of the Common Areas encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same, shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance shall and does exist. Such encroachments shall not be considered to be encumbrances either in the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of a building on the Property, by error in the Plat, by settling, raising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

13. **Easement to Management Committee.** The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which they are permitted or obligated to perform pursuant to this Declaration.

14. **Title to the Units.** Title to any Unit may be held or owned by any person or entity and in any manner in which title to any other real property may be held or owned in the State of Utah. Each conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the number shown on the Plat with appropriate reference to the Plat and to this Declaration, as each shall appear on the Records of the County Recorder of Salt Lake County, State of Utah, and in substantially in the following form:

“Lot or Unit _____ shown in the Plat for The Cove at Kimballs Lane appearing in the records of the County of Salt Lake, State of Utah as Entry Number _____, and as defined and described in the Declaration of Covenants, Conditions, and Restrictions of The Cove at Kimballs Lane, appearing in such Records as Entry Number _____. This conveyance is subject to the provisions of the Declaration.”

Such description will be construed to describe the Unit together with an undivided interest in and to the Common Areas as the same is established and identified in the Declaration and Plat referred to herein, and to incorporate all of the rights and responsibilities of ownership of a Unit as described in this Declaration.

15. **Use of Units**. Each of the Single Family Homes and Townhomes in the Project is intended to be used for residential purposes and any allowable home-based businesses and is restricted to such use. Any home-based businesses must conform to the requirements of Draper City ordinances and must be approved by the Management Committee, which approval shall not be unreasonably withheld.

(a) **Restrictions Concerning Common Areas**. There shall be no obstruction on the Common Areas by the Owners, their tenants, guests, or invitees without the prior written consent of the Management Committee. The Management Committee may by rules and regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners, the Units, and the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Management Committee, except as specifically provided herein. Nothing shall be altered on, constructed on, or removed from the Common Areas, without the prior written consent of the Management Committee.

(b) **Parking Restrictions**. No boats, personal water craft, or RV parking shall be allowed outside of enclosed garages. The Management Committee may establish additional parking restrictions and shall strictly enforce compliance with the applicable parking provisions contained in the municipal ordinances.

(c) **Miscellaneous Restrictions**. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would result in the cancellation of the insurance of the Project, or increase the rate of the insurance on the Project, without the prior written consent of the Management Committee. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirements of any governmental body. No damage to or waste of the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Management Committee and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitee. No noxious, destructive, or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person lawfully residing in the Project.

(d) **Animals**. Whenever pets are taken outside they must be under leash and in the possession and control of the Owner at all times. Barking and other disturbing behavior by pets is not allowed. Pets must not be allowed to defecate or urinate anywhere on the Common Areas. Pets, pet messes, and damages caused by pets are the responsibility of the pet owner or Owner of the Unit.

(e) No Violation of Rules and Regulations. No Owner shall violate the rules and regulations for the use of the Units and the Common Areas as adopted from time to time by the Management Committee.

(f) Restrictions on Alterations. No structural alterations to any Townhome Unit shall be made by any Owner without the prior written consent of the Management Committee.

(g) Declarant's Right to Sell Units. Notwithstanding anything contained herein to the contrary, until the Declarant has completed and sold all of the Units, Owners who have purchased Units from the Declarant shall not interfere with the completion and sale of the remaining Units. The Declarant may make such use of the unsold Lots and the Common Areas as may facilitate such completion and sale, including, but not limited to, the showing of Units, and the display of signs.

16. Management Committee.

(a) Status, Authority and Powers of Board of Trustees. Except as hereinafter provided, the Project, including the Common Areas, some of the Limited Common Areas, and the exteriors of the Townhomes shall be governed by the Management Committee (also known as the Board of Trustees) as agent for the Homeowners Association and Owners. The Management Committee shall have, and is hereby granted, the following authority and powers:

(1) The authority, with the consent of the Owners, to grant or create on such terms as it deems advisable, utility and similar easements over, under, across, and through the Common Areas.

(2) The authority to execute and record, on behalf of all Owners, any amendments to the Declaration or the Plat which have been approved by the vote or consent necessary to authorize such amendment.

(3) The power to sue and be sued.

(4) The authority to enter into contracts relating to the Common Areas and Limited Common Areas, including but not limited to the employment of a property management company, and other matters over which it has jurisdiction so long as any vote or consent of the Owners necessitated by the subject matter of the agreement has been obtained.

(5) The power and authority to convey or transfer any interest in real property, so long as the vote or consent necessary under the circumstances has been obtained.

(6) The power and authority to purchase, or 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.

(7) The power and authority to add any interest in real property to the Project, so

long as such action has been authorized by the necessary vote and consent.

(8) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Management Committee in carrying out its function or to insure that the Project is maintained and used in a manner consistent with the interests of the Owners.

(9) The power and authority to perform any other acts and to enter into any other transactions, subject to the rights of the Homeowners Association, which may be reasonable or necessary for the Management Committee to perform its functions as agent for the Owners.

(b) Composition, Election, Vacancy. After the first annual meeting of the Homeowners Association, the Management Committee shall be composed of three (3) members. At each annual meeting each Owner has one vote for as many candidates as there are seats on the Management Committee to be filled. In case of vacancy, the remaining Management Committee members shall elect a replacement to sit on the Management Committee until the expiration of the term for which the member being replaced was elected.

(c) Rights and Duties. The Management Committee, subject to the rights and duties of the Homeowners Association, this Declaration, and the Bylaws shall be responsible for the general management of the Project, including maintenance of the Common Areas.

(d) Manager. The Management Committee may carry out any of its functions which are capable of delegation through a property manager. The property manager so engaged shall be responsible for managing the Common Areas and shall, to the extent permitted by law and the terms of the agreement with the Management Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

(e) Payment of Services. The Management Committee may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Management Committee shall determine to be necessary or desirable.

(f) Personal Property. The Management Committee may acquire and hold personal property for the use and the benefit of all the Owners and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Areas. Such interest shall not be transferable except with the transfer of a Unit. Each Owner may use such property in accordance with the purpose for which it is intended without hindering or encroaching upon the lawful rights of other Owners.

(g) Rules and Regulations. The Management Committee may make reasonable rules and regulations governing the operation and use of the Common Areas and of other matters over which it has jurisdiction, which rules and regulations shall be consistent with the rights and duties established in this Declaration and the Bylaws. The Management Committee may

suspend any Owner's voting rights at meetings of the Homeowners Association during any period in which such Owner fails to comply with such rules and regulations or any other obligation under this Declaration. The Management Committee may also take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations, or to obtain damages for noncompliance.

(h) Capital Improvements. There shall be no alterations, additions, or improvements of the Common Areas requiring capital expenditures in excess of Fifteen Thousand Dollars (\$15,000.00) without the prior approval of Owners representing at least fifty-one percent (51%) of the Units.

(i) Other Rights and Privileges. The Management Committee may exercise any other right or privilege given to it expressly by this Declaration or by law.

17. Assessments.

(a) Assessments. Each Owner of a Unit, by the acceptance of a deed or contract therefore, shall be deemed to covenant and agree to pay annual assessments for the purposes provided herein, and special assessments for capital improvements and other matters as provided herein. Such assessments shall be fixed, established and collected from time to time in the manner provided herein.

(b) Annual Assessments for Lot Owners and Single Family Home Owners. The total annual assessments against all Lot Owners and Single Family Home Owners shall be based upon advance estimates of cash requirements by the Management Committee to provide for the payment of all estimated expenses, including but not limited to, expenses for the maintenance, operation, and repair of the Common Areas, lawn care, snow removal, lighting, water, sewer, waste management, insurance, taxes, legal and accounting fees, management fees, deficits from a previous period, creation of a reasonable contingency reserve, and any other expenses and liabilities which may be incurred by the Committee for the benefit of Lot Owners and Single Family Home Owners.

(c) Annual Assessments for Townhome Owners. The total annual assessments against all Townhome Owners shall be based upon advance estimates of cash requirements by the Management Committee to provide for the payment of all estimated expenses, including but not limited to, expenses for the maintenance, operation, and repair of the Common Areas, Townhome exteriors, Townhome roofs, Limited Common Areas specifically related to Townhomes, lawn care, snow removal, lighting, water, sewer, waste management, insurance, taxes, legal and accounting fees, management fees, deficits from a previous period, creation of a reasonable contingency reserve, and any other expenses and liabilities which may be incurred by the Committee for the benefit of Townhome Owners.

(d) Payment of Assessments. Annual assessments shall be made on a calendar year basis. The Management Committee shall give written notice to each Owner as to the amount of the annual assessment with respect to his Unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year, provided, however, that the first

annual assessment shall be for the balance of the calendar year remaining after the day fixed by the Management Committee as the date of commencement of the assessment. Each annual assessment shall be due and payable in monthly installments. Each monthly assessment shall bear interest at the rate of twelve percent (12%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Monthly assessments become payable upon the date an Owner purchases his Unit and thereafter each monthly payment shall be due and payable on the first day of each and every month in advance.

(e) Special Assessments. The Management Committee may levy special assessments, payable over such period as the Management Committee may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Areas of the Project or any other part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. Any amount pursuant thereto shall be assessed to Unit Owners as set forth herein. Notice in writing of the amount of such special assessment and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of twelve percent (12%) per annum from the date after it becomes due and payable if not paid within thirty (30) days.

(f) Reserve for Utilities. The Management Committee shall arrange for an adequate reserve for the payment of utilities including water, sewer, and garbage disposal for the Project. If the reserve is depleted and not replenished, or if any utilities are not paid when due, the utilities may be turned off. All Owners are hereby informed and notified that nonpayment of utility bills by the Homeowners Association or the Management Committee may result in the loss of utility service.

(g) Liens for Unpaid Assessments. All sums assessed to any Unit, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Homeowners Association or Management Committee. Any such lien shall be superior to all other liens and encumbrances on such Unit, except for governmental liens and other encumbrances recorded prior to such lien for unpaid assessments which by law would have priority over subsequently recorded encumbrances.

(1) To evidence a lien for unpaid assessments, the Management Committee may prepare a written notice of the lien setting forth the amount of the assessment, the due date, the amount remaining unpaid, the name of the Owner of the Unit, and a description of the Unit. Such notice shall be signed by the Management Committee and recorded in the Office of the County Recorder of Salt Lake County, State of Utah. Such lien may be enforced by foreclosure by the Management Committee in the same manner in which mortgages or trust deeds on real property may be foreclosed in Utah. In any such foreclosure, the Owner shall be required to pay the cost and expenses of such proceeding, the cost and expenses of filing the notice of lien, and all reasonable attorney's fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The lien shall also secure, and the Owner shall also be required to pay to the Management Committee, any assessments against the Unit which become due during the period of foreclosure. The Management Committee shall have the right and the power to bid an amount equal to

its then existing lien at the foreclosure sale or other legal sale to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

(2) A release of lien shall be executed by the Management Committee and recorded in the Office of the County Recorder of Salt Lake County, State of Utah, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

(3) Any encumbrancer holding a lien on a Unit may pay any amounts secured by the lien, and upon such payment such encumbrancer shall be subrogated to all rights of the Management Committee with respect to such lien, including priority.

(4) The Management Committee shall report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for longer than ninety (90) days after the same shall become due; provided however, that such encumbrancer first shall have furnished to the Management Committee written notice of such encumbrance.

(h) Personal Obligation Assessments. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner thereof to the Management Committee. Suit to recover a money judgment for such personal obligation may be maintained by the Management Committee without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or Limited Common Areas or by abandonment of his Unit.

(i) Information Concerning Unpaid Assessments. Upon written request of any interested person and the payment of a reasonable fee not to exceed Twenty-five Dollars (\$25.00), the Management Committee shall issue a written statement setting forth the amount of unpaid assessments, if any, and any credit for advance payments of prepaid items related to any Unit. Unless such statement of account shall be provided within twenty (20) days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the twenty (20) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Lot or Townhome.

(j) Purchaser's Obligation. Subject to the provisions set forth herein, a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

(k) Collection by the Committee. It is recognized that the Management Committee will levy assessments for the purposes of performing its authorized functions, collect such assessments, and enforce liability for the payment of such assessments.

18. **Insurance.** The Management Committee shall secure or cause to be secured and maintained at all times insurance and bond coverage as set forth below:

(a) A policy of fire and casualty insurance with extended coverage endorsement payable to the Homeowners Association or the Management Committee, for the full insurable replacement value of the entire Project, with the exception of the Lots and Single Family Homes.

(b) The securing of appropriate fidelity bond coverage is recommended for any person or entity handling funds of the Homeowners Association, including, but not limited to, employees of professional managers. Such fidelity bonds should name the Homeowners Association as an obligee, and be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Project, including reserves.

(c) A policy insuring the Homeowners Association, the Management Committee, the Manager, and the Owners against any liability incident to the ownership, use or operation of the Project or of any Unit which may arise among themselves, to the public, or to any invitees or tenants of the Project or of the Owners. Limits of liability under such insurance shall not be less than Three Hundred Thousand Dollars (\$300,000) for any person injured, One Million Dollars (\$1,000,000) for all persons injured in any one accident, and One Million Dollars (\$1,000,000) for property damage resulting from one occurrence.

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

(1) In addition to the insurance described above, the Management Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with Projects similar to the Project in construction, nature and use.

(2) The Management Committee shall have the authority to adjust losses.

(3) Insurance secured and maintained by the Management Committee shall not conflict with insurance held by the individual Owners or their Mortgagees.

(4) Each policy of insurance obtained by the Management Committee shall, if possible, provide a waiver of the insurer's subrogation rights with respect to the Homeowners Association, the Management Committee, the Manager, the Owners, and their respective agents and guests; that it cannot be canceled, suspended, or invalidated due to the conduct of any member, officer, or employee of the Committee or of the Manager without prior written notice that the defect be cured; and that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Owners.

(5) Each Single Family Home Owner will be responsible to insure his home to cover any loss or damage. Each individual Owner will be responsible to insure his or her personal property to cover any loss or damage. Any Owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the

effect of decreasing the amount which may be realized under any policy maintained by the Management Committee.

19. **Damage to Project.** In the event of damage to or destruction of part or all of the improvements in the Project, the following procedures shall apply:

(a) If proceeds of the insurance maintained by the Management Committee are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out.

(b) If less than seventy-five percent (75%) of the Project's improvements are destroyed or substantially damaged, or if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out upon approval of at least fifty-one percent (51%) of the affected Owners. All affected Owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the Common Areas.

(c) If seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Management Committee are insufficient to accomplish restoration, and if the Owners do not, within one hundred (100) days after the destruction or damage and by a vote of at least fifty-one percent (51%) of the Owners, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Salt Lake County Recorder such notice. Any reconstruction or repair which is required to be carried out by this Section shall be accomplished at the direction of the Management Committee. Any determination which is required to be made regarding the extent of the damage to or destruction of Project improvements shall be made by a qualified appraiser selected by the Management Committee.

20. **Amendments.** Declarant shall have the right to amend this Declaration or the Plat as necessary to expand the project at any time. Declarant shall have and is hereby vested with the right to amend this Declaration or the Plat. Such right shall exist without regard to the subject matter of the amendment, so long as the amendment involved is consistent with law. Any amendment shall be accomplished through the recordation of any instrument executed by the Management Committee.

21. **Consent Equivalent to Vote.** In those cases in which this Declaration requires the vote of a stated percentage of the Project's Owners or their undivided ownership interest for the authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Owners who collectively hold at least the necessary percentage of undivided ownership interest.

22. **Service of Process.** Service of Process shall be received by the Homeowners Association's registered agent. The Management Committee shall have the right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the office of the County Recorder of Salt Lake County, State of Utah.

23. **Mortgage Protection.** Notwithstanding anything to the contrary herein:

(a) An adequate reserve fund for replacement of the Common Areas must be established and shall be funded by regular monthly payments rather than by special assessments.

(b) There shall be established a working capital fund for the initial months of operation of the Project equal to a minimum amount of two (2) month's estimated Common Areas charges.

(c) Any mortgage holder which comes into possession of a Unit pursuant to the remedies provided in a mortgage, or foreclosure of a mortgage or deed of trust, or deed or assignment in lieu of foreclosure, shall be exempt from any provisions relating to the sale or lease of the Units in the Project.

(d) Any management agreement for the Project shall be terminable by the Management Committee for cause upon thirty (30) days written notice thereof, and the term of any such agreement shall not exceed one year, but may be renewable by agreement of the parties for successive one year periods.

(e) In the event of substantial damage to or destruction of any Unit or any part of the Common Areas, the holder of any first mortgage on a Unit shall be entitled to timely written notice of any such damage or destruction. No Owner or other party shall be entitled to priority over such holder with respect to the distribution of any insurance proceeds.

(f) If any Unit or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation proceeding by a condemning authority, the holder of any first mortgage on a Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition, and no Owner or other party shall have priority over such holder with respect to the distribution of the proceeds of any award or settlement.

(g) There shall be no prohibition or restriction on an Owner's right to lease his or her Unit. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and Bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

(h) Each holder of a first mortgage on a Unit who comes into possession of the Unit by virtue of foreclosure of a mortgage or trust deed, or by deed or assignment in lieu of foreclosure, or any purchase at a foreclosure sale, shall take the Unit free of any unpaid claims or assessments against the Unit which accrue prior to the time such holder comes into possession of the Unit.

(i) Any holder of a mortgage is entitled to written notification from the Management Committee of any default by the mortgagor of such Unit in the performance of such mortgagor's obligation under the Declaration which is not cured within sixty (60) days of notice of default.

(j) Any lien which the Management Committee may have on any Unit for the payment of

common expense assessments attributable to such Unit will be subordinate to the lien or equivalent security interest of any first mortgage on a Unit recorded prior to the date any such common expense assessments become due.

(k) Unless at least fifty-one percent (51%) of the first Mortgagees (based on one vote for each mortgage owned) of the Units have given their prior written approval, neither the Management Committee nor the Owners shall:

(1) By act or omission, seek to abandon or terminate the Project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

(2) Partition or subdivide any Single Family Home or Townhome.

(3) Use hazard insurance proceeds for losses to any property, whether to Units or to the Common Areas, for other than repair, replacement, or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Project.

(l) Mortgage Protection, notwithstanding all other provisions hereto:

(1) The liens created hereunder upon any Unit shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage or trust deed with first priority over other encumbrances) upon such interest made in good faith and for value.

(2) No amendment to this Paragraph shall affect the rights of the holder of any such mortgage recorded prior to the recordation of such amendment that is not joined in the execution thereof.

(3) By subordination agreement executed by the Management Committee the benefits of (1) and (2) above may be extended to mortgages not otherwise entitled thereto.

24. **Duty of Owner to Pay Taxes.** Each Unit is subject to separate taxes and assessments and each Owner will pay all taxes and assessments which may be assessed against him or his Unit.

25. **Enforcement.** Each Owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto. Failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee on behalf of the Owners, or in a proper case, by an aggrieved Owner.

26. **Indemnification of Management Committee.** Each member of the Management Committee shall be indemnified and held harmless by the Owners against all costs, expenses,

and liabilities whatsoever (excluding fraudulent and/or criminal actions) including, without limitation, attorney's fees reasonably incurred by him in connection with his being or having been a member of the Management Committee.

(a) Suits, Proceedings, and Other Actions. Notwithstanding any provision of this Declaration to the contrary, any suit, proceeding, or other action as may be deemed necessary to recover a money judgment respecting any assessments levied or fixed by the Management Committee shall be maintained on behalf of the Homeowners Association at the instance and suit of the Management Committee.

(b) Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land and shall be binding upon and inure to the benefit of Declarant, all parties who acquire any interest in a Unit, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of Unit shall comply with, and all interests shall be subject to, the terms of this Declaration, the Bylaws, and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee on behalf of the Owners, or, in a proper case, by an aggrieved Owner. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to and agrees to be bound by each and every provision of this Declaration.

(c) Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of failure to enforce the same, regardless of the number of violations or breaches which may occur.

27. Number and Gender. Whenever used herein, unless the context provides otherwise, the singular number shall include the plural, the plural, the singular, and the use of any gender shall include all genders.

28. Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstance shall not be affected thereby.

29. Topical Headings. The headings appearing at the beginning of the paragraphs of this Declaration are only for convenience of reference and are not intended to describe, interpret, define or otherwise affect the content, meaning or intent of this Declaration or any provision hereof.

30. Effective Date. This Declaration shall take effect upon recording in the office of the County Recorder of Salt Lake County, State of Utah.

31. All Amenities. All amenities are a part of the Project and are covered by any mortgage at least to the same extent as are the Common Areas and Facilities.

ARTICLE III

EXPANDABLE PROJECT

1. **Expandable Project.** Declarant shall have the right to expand the Project, provided that any requirements by the City of Draper and the County of Salt Lake are met for an expansion. An expansion will require the purchase of adjoining property or the incorporation of an existing development into the Project. Details regarding an expansion will be set forth in an approved Plat and/or other instrument recorded in the Salt Lake County Recorder's office. If the Project is expanded, all of the new Unit Owners shall be members of the Homeowners Association.

[Signatures on Following Page]

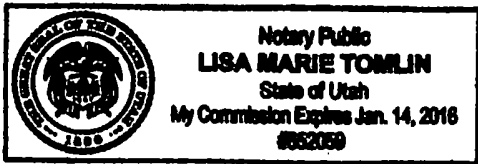
IN WITNESS WHEREOF, the undersigned Declarants have executed this instrument on the 19th day of November, 2015.

CASTLEWOOD-Kimballs Lane, LLC,
a Utah limited liability company


By JEFFREY A. DUKE, Manager

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

On this 19th day of November, 2015, personally appeared before me Jeffrey A. Duke, Manager of Castlewood-Kimball Lane, LLC, and on his oath acknowledged that he is a Manager of Castlewood-Kimball Lane, LLC and that he signed this instrument with the authority and on behalf of said limited liability company.




NOTARY PUBLIC

EXHIBIT "A"

PROPERTY DESCRIPTION

PLAT:

EXHIBIT "A"

THE COVE AT KIMBALLS LANE

LOCATED IN THE SOUTHWEST QUARTER OF SECTION 16,
TOWNSHIP 3 SOUTH, RANGE 1 EAST, 94th 1st LAND BASE & REDWOOD
DUNSMUIR CITY, 94th 1st LAND COUNTY, UTAH

THE COVE AT KIMBALLS LANE

LOCATED IN THE SOUTHWEST QUARTER OF SECTION 16,
TOWNSHIP 3 SOUTH, RANGE 1 EAST, 94th 1st LAND BASE & REDWOOD
DUNSMUIR CITY, 94th 1st LAND COUNTY, UTAH

OWNER'S CERTIFICATE

BOUNDARY DESCRIPTION

CONVEYANCE DESCRIPTION

COMPLETION AGREEMENT

LIMITED LIABILITY COMPANY AGREEMENT

EMENDMENT APPROVAL

PLANNING COMMISSION APPROVAL

CITY ENGINEER APPROVAL

CITY HEALTH DEPARTMENT APPROVAL

CITY WATER DEPARTMENT APPROVAL

CITY UTILITIES APPROVAL

CITY FIRE DEPARTMENT APPROVAL

CITY POLICE DEPARTMENT APPROVAL

CITY PUBLIC WORKS DEPARTMENT APPROVAL

CITY COMMUNITY DEVELOPMENT APPROVAL

CITY ECONOMIC DEVELOPMENT APPROVAL

CITY HISTORIC PRESERVATION APPROVAL

CITY PARKS AND RECREATION APPROVAL

CITY TRAFFIC ENGINEERING APPROVAL

CITY ZONING APPROVAL

CITY PLANNING DEPARTMENT APPROVAL

CITY ENGINEER APPROVAL

CITY HEALTH DEPARTMENT APPROVAL

CITY WATER DEPARTMENT APPROVAL

CITY UTILITIES APPROVAL

CITY FIRE DEPARTMENT APPROVAL

CITY POLICE DEPARTMENT APPROVAL

CITY PUBLIC WORKS DEPARTMENT APPROVAL

CITY COMMUNITY DEVELOPMENT APPROVAL

CITY ECONOMIC DEVELOPMENT APPROVAL

CITY HISTORIC PRESERVATION APPROVAL

CITY PARKS AND RECREATION APPROVAL

CITY TRAFFIC ENGINEERING APPROVAL

CITY ZONING APPROVAL

BK 10404 PG 5447

EXHIBIT "B"

VTDI 28-19-476-037-0000 DIST 51 TOTAL ACRES 1.69
KIMBALLS LANE HOLDINGS, LLC TAX CLASS UPDATE
LEGAL BUILDINGS
PRINT TOTAL VALUE

299 S MAIN ST # 2400 NO:
SALT LAKE CITY UT 84111227899 EDIT 1 FACTOR BYPASS
LOC: 561 E KIMBALLS LN EDIT 0 BOOK 10329 PAGE 7075 DATE 06/02/2015
SUB: SEC 19 TOWNSHIP 3S RANG 1E TYPE SECT PLAT

02/22/2016 PROPERTY DESCRIPTION FOR TAXATION PURPOSES ONLY
BEG S 89-47'37" W 1018.11 FT & N 0-06'23" W 33 FT FR SE COR
SEC 19, T 3S, R 1E, SLM; N 0-06'23" W 435.6 FT; N 89-47'37"
E 168.48 FT M OR L; S 0-12'23" E 435.6 FT M OR L; S
89-47'37" W 169.24 FT TO BEG. 1.69 AC M OR L. 6705-1271
6920-0010 8253-1004

PFKEYS: 1=RXPH 4=VTAU 6=NEXT 7=RTRN VTAS 8=RXMU 10=RXBK 11=RXPN 12=PREV

VTDI 28-19-476-010-0000 DIST 51 TOTAL ACRES 1.69
KIMBALLS LANE HOLDINGS, LLC TAX CLASS UPDATE
LEGAL BUILDINGS
PRINT TOTAL VALUE

299 S MAIN ST # 2400 NO:
SALT LAKE CITY UT 84111227899 EDIT 1 FACTOR BYPASS
LOC: 561 E KIMBALLS LN EDIT 0 BOOK 10329 PAGE 7075 DATE 06/02/2015
SUB: SEC 19 TOWNSHIP 3S RANG 1E TYPE SECT PLAT

02/22/2016 PROPERTY DESCRIPTION FOR TAXATION PURPOSES ONLY
BEG S 89-47'37" W 1018.11 FT & N 0-06'23" W 33 FT FR SE COR
SEC 19, T 3S, R 1E, SLM; N 0-06'23" W 435.6 FT; N 89-47'37"
E 168.48 FT M OR L; S 0-12'23" E 435.6 FT M OR L; S
89-47'37" W 169.24 FT TO BEG. 1.69 AC M OR L. 6705-1271
6920-0010 8253-1004

PFKEYS: 1=RXPH 4=VTAU 6=NEXT 7=RTRN VTAS 8=RXMU 10=RXBK 11=RXPN 12=PREV

VTDI 28-19-476-009-0000 DIST 51 TOTAL ACRES 1.31
KIMBALLS LANE HOLDINGS, LLC TAX CLASS UPDATE
LEGAL BUILDINGS
PRINT TOTAL VALUE

299 S MAIN ST # 2400 NO:
SALT LAKE CITY UT 84111227899 EDIT 1 FACTOR BYPASS
LOC: 675 E KIMBALLS LN EDIT 0 BOOK 10330 PAGE 5948 DATE 06/04/2015
SUB: SEC 19 TOWNSHIP 3S RANG 1E TYPE SECT PLAT

02/22/2016 PROPERTY DESCRIPTION FOR TAXATION PURPOSES ONLY
BEG S 89-47'37" W 548.875 FT & N 0-12'23" W 33 FT FR SE COR
SEC 19, T 3S, R 1E, SLM; N 0-12'23" W 408.69 FT M OR L TO
W'LY R OF W LINE OF UNION PACIFIC RR; S 34-38'23" E 495.5 FT
M OR L; S 89-47'37" W 280 FT M OR L TO BEG. 1.31 AC M OR L.
4903-72 5029-46 6193-1233 6436-643 6603-955 6705-1271

PFKEYS: 1=RXPH 4=VTAU 6=NEXT 7=RTRN VTAS 8=RXMU 10=RXBK 11=RXPN 12=PREV

VTDI 28-19-476-004-0000 DIST 51 TOTAL ACRES 1.10
KIMBALLS LANE HOLDINGS, LLC TAX CLASS UPDATE
LEGAL BUILDINGS
PRINT TOTAL VALUE

299 S MAIN ST # 2400 NO:
SALT LAKE CITY UT 84111227899 EDIT 1 FACTOR BYPASS
LOC: 633 E KIMBALLS LN EDIT 0 BOOK 10330 PAGE 5947 DATE 06/04/2015
SUB: SEC 19 TOWNSHIP 3S RANG 1E TYPE SECT PLAT

02/22/2016 PROPERTY DESCRIPTION FOR TAXATION PURPOSES ONLY
COM S 89-47'37" W 648.875 FT & N 00-12'23" W 33 FT FR SE COR
SEC 19, T 3S, R 1E, SL MER, N 00-12'23" W 540 FT; S
89-47'37" E 9.97 FT; S 34-38'23" E 159.22 FT; S 00-12'23" E
408.68 FT; S 89-47'37" W 100 FT TO BEG. 1.1 AC. 8540-1609

PFKEYS: 1=RXPH 4=VTAU 6=NEXT 7=RTRN VTAS 8=RXMU 10=RXBK 11=RXPN 12=PREV

VTDI 28-19-476-003-0000 DIST 51 TOTAL ACRES 1.24
KIMBALLS LANE HOLDINGS, LLC TAX CLASS UPDATE
LEGAL BUILDINGS
PRINT TOTAL VALUE

% RYAN PETERSON

299 S MAIN ST # 2400

NO:

SALT LAKE CITY UT

84111227899 EDIT 1

FACTOR BYPASS

LOC: 621 E KIMBALLS LN

EDIT 0

BOOK 10330

PAGE 5946

DATE 06/04/2015

SUB: SEC 19 TOWNSHIP 3S RANG 1E

TYPE SECT PLAT

02/22/2016 PROPERTY DESCRIPTION FOR TAXATION PURPOSES ONLY

COM S 89-47'37" W 648.875 FT & N 00-12'23" W 33 FT FR SE COR
SEC 19, T 3S R 1E, SL MER, S 89-47'37" W 100 FT; N 00-12'23"
W 540 FT; N 89-47'37" E 100 FT; S 00-12'23" E 540 FT TO BEG.
1.24 AC.

PFKEYS: 1=RXPH 4=VTAU 6=NEXT 7=RTRN VTAS 8=RXMU 10=RXBK 11=RXPN 12=PREV