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Richards, Kimble & Winn, P.C.
2040 E. Murray-Holladay Rd., Suite 102
SLC, UT 84117
(801) 274-6800



**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
OF
DIXIE DOWNS RESORT OWNERS ASSOCIATION**

Dixie Downs Resort, R.V.

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This Amended and Restated Declaration of Covenants, Conditions and Restrictions is made and executed on the date evidenced below by the Dixie Downs R.V. Resort Inc., also known as the Dixie Downs Resort Owners Association. Dixie Downs R.V. Resort is referred to herein as the "Association."

NOTICE OF AGE RESTRICTED COMMUNITY: DIXIE DOWNS R.V. RESORT IS INTENDED TO, AND SHALL BE MANAGED, TO PROVIDE HOUSING FOR PERSONS 55 YEARS OF AGE OR OLDER, AND SHALL PROHIBIT OCCUPANCY BY PERSONS UNDER THE AGE OF 18 YEARS, AS WELL AS ALL OTHERS FALLING WITHIN THE DEFINED TERM OF FAMILIAL STATUS UNDER FEDERAL LAW; EXCEPT THAT PERSONS UNDER AGE 18 MAY VISIT ANY DWELLING UNIT FOR LESS THAN FOURTEEN (14) CONSECUTIVE DAYS WITHOUT VIOLATING THIS DECLARATION, BUT UNDER NO CIRCUMSTANCES SHALL AN UNDERAGE PERSON'S VISITS EXCEED A TOTAL OF THIRTY (30) DAYS IN ANY CALENDAR YEAR. FURTHER EXCEPT AS PROVIDED IN THE POLICIES AND PROCEDURES CONCERNING HOUSING FOR PERSONS 55 YEARS OF AGE OR OLDER, EACH AND EVERY LIVING UNIT WITHIN THE PROPERTY, IF OCCUPIED, SHALL BE OCCUPIED BY AT LEAST ONE PERSON 55 YEARS OF AGE OR OLDER. WITHOUT LIMITING THE FOREGOING, AT NO TIME SHALL LESS THAN 80% OF THE OCCUPIED LIVING UNITS SUBJECT TO THIS DECLARATION BE OCCUPIED BY AT LEAST ONE PERSON 55 YEARS OF AGE OR OLDER.

RECITALS

- A. Exhibit "A" of this Declaration defines the property subject to this Declaration. All Lots therein are part of the Association and each Owner of Lot is a member thereof. The Association was created as a planned development for recreational vehicles and contains certain Common Areas for the benefit of the Owners of Lots therein.
- B. The Association desires to continue to provide for the preservation and enhancement of the property values and amenities of the Property and for maintenance of the Common Areas.
- C. The Association deems it necessary, desirable and in the best interests of all Owners to amend this Declaration in its entirety to update the provision herein to more fully comply with current laws and trends in community association management and operation.
- D. The Association deems it desirable to better define and clarify the managing entity that possesses the power to maintain and administer the Common Areas, to collect and disburse the assessments and charges hereinafter provided for, and otherwise to administer and enforce the provisions of this Declaration. The Association shall be incorporated under the laws of the State of Utah as a nonprofit corporation, known as **Dixie Downs Resort Owners Association** (the "Association").
- E. All additional land has been annexed into the Association and such annexed land is subject in all respects to this amended Declaration.
- F. The Association is intended for occupancy of residents 55 years of age and older as defined in the Fair Housing Act, 42, U.S.C. §§ 3601 et seq.

NOW, THEREFORE, for the foregoing purposes, the Association declares that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions restrictions, easements, charges and liens hereinafter set forth, and as set forth in the plat recorded concurrently herewith.

ARTICLE I
DEFINITIONS

1.1 “**Act**” shall mean and refer to the provisions of Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§3601, et seq.

1.2 “**Architectural Review Committee**” or “**ARC**” means that committee constituted and acting pursuant to Article IX below.

1.3 “**Articles and By-Laws**” shall mean and refer to the Articles of Incorporation and the Bylaws of the Association. The Bylaws are attached hereto as **Exhibit “B.”**

1.4 “**Assessment**” means any charge imposed or levied by the Association on or against an Owner or Lot pursuant to the terms of this Declaration, the Bylaws or applicable law.

1.5 “**Association**” shall mean and refer to Dixie Downs R. V. Resort Owners Association, a Utah nonprofit corporation.

1.6 “**Board of Directors**” or “**Board**” shall mean and refer to the Board of Directors of the Dixie, Downs R. V. Resort Owners Association.

1.7 “**Common Areas**” shall mean and refer to that portion of the property which is not included within the Lots, including all improvements other than utility lines now or hereafter constructed or located thereon.

1.8 “**Community**” means all of the land described in Article II hereof and any other property that has been annexed to this Declaration.

1.9 “**Community Wide Standard**” means the standard of conduct, maintenance, or other activity generally prevailing in the community, as defined by the Board of Directors from time to time.

1.10 “**Declaration**” shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions, as the same may hereafter be further modified, amended, supplemented, or expanded from time to time.

1.11 “**Development**” shall mean and refer to the Dixie Downs R. V. Resort Development created by this Declaration as it exists at any given time, including future addition as allowed by this Declaration.

1.12 “**Familial Status**” means and refers to:

(a) One or more individuals who have not attained the age of 18 years being domiciled with:

(i) a parent or another person having legal custody of the individual or individuals; and

(ii) the designee of the parent or other person having custody, with the permission of the parent or other person;

(b) a parent or other person in the process of acquiring legal custody of one or more individuals who have not attained the age of 18 years; or

(c) a person who is pregnant.

1.13 "**Improvements**" means every structure or improvement of any kind, including but not limited to landscaping required under Section 7.3 below and any Living Unit, deck, porch, awning, fence, garage, carport, driveway, storage shelter or other product of construction efforts on or in respect to the Property (but does not include any exterior antenna or satellite dish, authorized in accordance with the Declaration).

1.14 "**Living Unit**" or "**Unit**" means a structure situated upon a single Lot that is designated and intended for use and occupancy as a residency by a single family.

1.15 "**Lot**" shall mean and refer to any of the separately numbered and individually described plots of land shown as Phase I of the Plat. Upon recordation of the Supplementary Declarations for the additional lands, Lot shall include the separately numbered and individually described plots of land shown in the respective plans of the additional lands.

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

1.17 "**Mortgagee**" shall mean any person named as a first mortgagee or beneficiary under or holder of a first deed of trust. First Mortgagee shall refer to the mortgagee who holds first lien priority.

1.18 "**Owner**" shall mean and refer to the person who is the owner of record (in the office of the County Recorder of Washington County, Utah) of a fee or an undivided fee interest in the Lot. Notwithstanding any applicable theory relating to a mortgage, deed or 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.

1.19 "**Person**" shall mean and refer to one or more individuals, corporations, limited liability companies, partnerships, associations, labor organizations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, and trustees in cases under the United States Bankruptcy Code, receiver and fiduciaries.

1.20 "**Plat**" means the plat entitled, "Dixie Downs RV Resort Phase I" recorded among the Recorder's Office of Washington County, State of Utah, and any plats recorded among the Recorder's Office in substitution therefor or amendment thereof.

1.21 "**Property**" shall mean and refer to all of the real property which is covered by this Declaration and is described in Exhibit "A" of this Declaration, and such portions of additional land which have been annexed into the Association.

ARTICLE II **DESCRIPTION OF PROPERTY**

The Property which is and shall be held, transferred, sold, conveyed and occupied subject to the provisions of this Amended Declaration, consists of the real property situated in

Washington County, State of Utah, and more particularly described in Exhibit "A" attached hereto and incorporated by this reference.

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real property, including specifically that certain Right of Way Easement described on the Plat.

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; any mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described land or any portion thereof, including, without limitation, any mortgage or deed of trusts; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the above-described land at such time as construction of all Project improvements is complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities. The Association shall also have all necessary easements to repair, improve, maintain the Property and enforce the provisions of this Declaration.

ARTICLE III HOUSING FOR OLDER PERSONS

The policies and procedures governing the project as stated herein demonstrate (i) the intent to provide housing for persons 55 years of age or older per living unit and (ii) that at least 80% of the Living units shall be occupied by at least one person 55 years of age or older. The policies and procedures of the Project are intended to make the project housing for older persons and exempt the Project from regulation under the Act as provided by Section 3607 thereof. Thus, to this end, all owners shall be bound by, and the Association shall manage the project in compliance with, this Amendment to the Declaration of Covenants, Conditions and Restrictions of Dixie Downs R. V. Resort Owners Association, a Planned Unit Development.

3.1 Advertising, Marketing and Sales. All advertising, marketing and sales materials or displays of any kind shall reflect that the Project is intended for "housing for older persons." All print ads shall contain the following language:

"The Dixie Downs R. V. Resort Project is intended and operated for residents 55 years of age or older as defined in the Fair Housing Act. As such it is the policy of the Dixie Downs R.V. Resort Owners Association to prohibit permanent residence of persons under 18 years of age as is permitted under an exemption of the Act."

3.2 Approved Occupancy. The project is intended to be managed for occupancy by persons 55 years of age or older, as set forth in the Act and regulations relating thereto. See 24 C.F.R. §§100.304 (as may be amended from time to time). The Act (providing housing for older persons) exempts the project from the prohibition against discrimination on the basis of familial status and thus permits the following restriction:

"NO LIVING UNIT MAY BE OCCUPIED BY ANY PERSON UNDER EIGHTEEN YEARS OF AGE, EXCEPT THAT SUCH PERSONS UNDER EIGHTEEN MAY BE PERMITTED TO VISIT FOR REASONABLE PERIODS NOT TO EXCEED TWO CONSECUTIVE WEEKS ON ANY ONE OCCASION OR THIRTY DAYS IN ANY

CALENDAR YEAR."

In order to assure that the project meets the age requirements for occupants set forth in the Act, the Association shall execute the Verification form on file with the Association and shall be responsible for enforcing and carrying out the terms of this provision of the Declaration of Covenants, Conditions and Restrictions of Dixie Downs R. V. Resort Owners Association, a Planned Unit Development, specifically including the following:

(a) Approved Occupant Status. No person shall be permitted to occupy a living unit in the project unless such person is an "Approved Occupant" in accordance with the terms and provisions hereinafter set forth. If it is determined that an occupant has not obtained "Approved Occupant" status, the Association may pursue any remedies available to them under the Amended Declaration, including imposition of fines against a violator, said fines to be set by the Board. However, the Board's remedies are not limited to fines and may include any and all legal remedies to ensure compliance with this Declaration.

(b) Visitors. Persons who are not "Approved Occupants" shall not be permitted to occupy any living unit within the project; however, visitors do not have to be approved as occupants and shall be permitted to visit for such reasonable periods of time, and upon such reasonable conditions, as provided for from time to time by the majority of the Board, subject to the specific limitations regarding visits by persons under eighteen years of age as hereinabove set forth.

(c) Procedure For Approving Occupants. Persons may become "Approved Occupants" based on the following terms and conditions:

(i) A person desiring to become an "Approved Occupant" shall submit to the Trustees a written "Association Membership Application and Age Verification" form, which form is available from the Association.

(ii) Within fifteen (15) days of receipt of such written application for an "Approved Occupant", the Board, shall determine whether such occupancy is consistent with the intent to manage the project as housing for older persons, and, if such occupancy were permitted, whether the project would continue to meet the requirements of the exemption under Section 3607(b)(2)(C) of the Act, and regulations relating thereto. See 24 C.F.R. §§100.304; see also Preamble, 54 Fed. Reg. at pp. 3254.56. If such exemption requirements would continue to be met, the occupancy shall be approved, if not, the occupancy shall be denied.

(iii) Within said fifteen (15) day period, the Board shall issue written notification to the Applicant, and to the potential seller or lessor of the living unit the Applicant desires to purchase or lease, as to the outcome of the Board's determination as set forth in Paragraph (ii) above.

(iv) Within ninety (90) days of the issuance of an approval by the Board of an Application for an "Approved Occupant", the Approved Applicant submit written proof of said Applicant's legal right to occupy the living unit, either by virtue of a recorded Deed conveying fee simple title, an executed lease, or other document indicative of said Applicant's right of occupancy, which may be due to gift, devise, inheritance or other transfer document recognized under the laws of the State of Utah for transferring occupancy

rights.

(v) If an Approved Applicant fails to timely submit appropriate documentation, then such person shall not be permitted occupancy of the living unit. Said person must again apply to become an "Approved Occupant" in accordance with Provisions as set forth in Subsections (i) through (iv) above. An extension of the ninety (90) day period may be granted by the Board under such circumstances as reasonably determined by the Board.

(vi) Within fifteen (15) days after written request by an Owner, Mortgagee or an other person who has been approved for occupancy, the Board shall, without charge, provide a statement that such person is listed on the Association records as an "Approved Occupant" for such Living unit as set forth in the Association's records.

(vii) The Association shall retain all documents and records relating to its consideration of an application for "Approved Occupant" status.

3.3 Resale or Rental

(a) Obligation of Owner: Contents of Agreements. Should a current resident wish to sell or rent his or her living unit, the same procedures described above in Section 3.2 will be followed. The prospective buyer or renter will be required to complete a Membership Application and Age Verification form. Review of this form will be done pursuant to Section 3.2. Owners shall inform all prospective purchasers or renters of this procedure and shall provide the Board with the information required in this Article.

Any sale and rental agreement shall be in writing and shall (1) provide that occupancy of the property shall be subject to the provisions of this Amended Declaration, the Articles of Incorporation, Bylaws and Rules and Regulations of the Association and (2) state the following: **"The Dixie Downs R. V. Resort project is intended and operated for residents 55 years of age or older as defined in the Fair Housing Act. As such it is the policy of the Dixie Downs R. V. Resort Owners Association to prohibit permanent residence of persons under 18 years of age as is permitted under an exemption of the Act."**

In addition, rental agreements and deeds of trust shall provide that failure by the lessee or trustor to comply with the terms of this Amended Declaration, the Articles of Incorporation, Bylaws and Rules and Regulations of the Association shall be default under the agreement. Sale and Rental Agreements shall be approved by the Association as to form and content prior to execution. An approved form of rental agreement shall be maintained by the Board and is attached hereto as an Exhibit.

(b) Records. The Association shall maintain the following:

(i) A log or other accounting of all persons making inquiry with respect to the sale or rental of a living unit. This record shall reflect, for each inquiry, the name(s) of such person(s), current address, the age of each prospective occupant, and the date of inquiry. Members of the Association offering living units for sale or for permissible rental shall supply this information to the board of Trustees.

(ii) For all persons who execute a purchase or lease agreement with an owner, the name of each such person(s), their current address and prospective address in the project, the age of each proposed occupant of the dwelling together with a copy of the documents provided to verify their ages, and the date of the agreement. Such information may be included in the "Association Membership Application and Age Verification" form.

(iii) A log or other record of all persons; occupying a living unit. Such record to be updated quarterly and shall include names, address, and ages.

(iv) For each subsequent transfer of a living unit, a log or other record identifying the transferor, the transferee, the address of the dwelling, the names and ages of the new occupants, the documentation provided to verify those ages, the method of transfer (sale, lease, devise, etc.), and the date the transfer was approved and by whom.

(v) For the sale, lease, or other transfer of a living unit rejected by the Association, a log identifying the persons involved in the proposed transfer and their current addresses, the ages of the prospective occupants, the reasons for their rejection, and the date of the rejection.

3.4 **Occupancy by at Least One Person 55 years of Age or Older per Living Unit.** The Association will not approve any applicant if the granting of "Approved Occupant" status will defeat the primary purpose of the project which is to provide housing for older persons within the meaning of the Act.

To maintain the exemption under the Act for housing of older persons, at least 80% of the living units must be occupied by at least one person 55 years of age or older. The primary purpose for permitting 20% of the units to be occupied by persons younger than 55 is to prevent the disruption of the lives of surviving spouses and cohabitants under age 55 when the over age 55 member of the household dies or otherwise leaves the living unit.

The Department of Housing of Urban Development (HUD), has indicated in the preamble to its regulations that so long as the 80% rule is not violated, occupancy of a living unit can be approved, in the following situations, where there is no occupant over age 55: (1) the individual has relatives in the project who would benefit from their residence nearby; (2) the individual inherited the property from a former occupant; (3) the individual is the surviving spouse or cohabitant of a former occupant; (4) the individual is a nurse or other medical professional whose presence would be beneficial to a resident. It is expressly provided that the Association shall not set aside a certain number of living units for persons under 55 years of age.

3.5 **Applicability.** The provisions of this Article shall not apply to prohibit the occupancy of any person presently occupying a living unit in the project before the date of this amendment or prohibit the occupancy by any child born to such occupant while that occupant is a resident of the project, so long as the 80% rule is not violated. Any sale or rental of the living unit by such occupant, however, must be in accordance with the provisions of this Amendment to the Declaration of Covenants, Conditions and Restrictions of Dixie Downs R. V. Resort Owners Association, a Planned Unit Development, specifically including this Article.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

4.1 **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. Persons or entities holding such an interest merely as security for the performance of an obligation shall not be a member.

4.2. **Voting Rights.** There shall be one (1) vote for each Lot. Members shall be entitled to one vote for each Lot in which, the interest required for membership in the Association is held.

4.3 **Multiple Ownership Interests.** 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 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 immediately made by another Owner of the same Lot. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

ARTICLE V
PROPERTY RIGHTS IN COMMON AREAS

5.1 **Easement of Enjoyment.** Each Member shall have a right and easement of use and enjoyment including, but not limited to, the right of ingress and egress to and from his Lot and 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 designate, in accordance with the policies of the Association, their right of enjoyment to the common area and facilities to the members of their family, their tenants or contract purchasers who reside on the Property. Any and all use of the Lots, the common areas and facilities by family members, guests, tenants, invitees and contract purchasers shall be subject to all of the terms, conditions, covenants, conditions and restrictions of this Declaration, the Bylaws and the Rules and Regulations of the Association.

5.2 **Easement for Recreational Areas.** All owners are hereby granted a permanent easement for the right of use of all facilities for the laundry/recreational use of the owners. This use of this easement may be limited by reasonable rules and regulations and regular hours of operation. The easement itself shall be deemed common area and subject to reasonable use assessments to pay the cost of maintenance and repair of the laundry/recreational facilities, together with a reserve for future replacements.

5.3 **Form of 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. _____ of the Dixie Downs R. V. Resort, as the same is identified in the Plat recorded in the office of the Washington County Recorder, and in the Amended and Restated Declaration of Covenants, Conditions and Restrictions of the Dixie Downs R. V. Resort (the Declaration) recorded as Entry No. _____ of the official records of Washington County, Utah, TOGETHER WITH a right and easement of use and enjoyment in and to the Common Areas,

described and as provided for in the Declaration and Plat. SUBJECT TO all of the provisions of the Declaration and subject, also, to liens for current taxes.

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.

5.4 **Ownership of Common Areas.** The Association shall hold title to all Common Areas of the Development.

5.5 **Limitation on Easement.** A Member's right and easement of use and enjoyment concerning the Common Areas 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 the County of Washington 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 spaces contained within the Property for purposes of providing police and fire protection 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 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 two-thirds (2/3) of the vote of each class of membership which Members present in person or by proxy are entitled to cast at a meeting duly called for the purpose. Written or printed notice setting forth the purpose of the meeting and the action proposed shall be sent to all Members at least ten (10) days but not more than thirty (30) days prior to the meeting date.

5.6 **Encroachments.** If any portion of an improvement on a Lot encroaches upon the, Common Areas or other Lots, as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the development, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists. However, nothing in this section shall prohibit or limit an owner, who's Lot is being encroached upon, from requiring that the encroachment cease and taking further action if compliance is not voluntarily made.

5.7 **Alienation of Common Areas.** The Common properties may not be alienated, encumbered or transferred without the approval of at least eighty percent (80%) of the votes of the Association.

ARTICLE VI ASSESSMENTS

6.1 **Tax Collection From Lot Owners by Washington County Authorized.** It is recognized that under the Declaration the Association will own the Common Areas and that it will be obligated to pay property taxes to Washington County. It is further recognized that each Owner of a Lot as a Member of the Association and as part of his monthly common assessment will be required to pay to the Association his pro rata share of such taxes. Notwithstanding anything to the contrary contained in the Declaration, or otherwise,

Washington County shall be, and is, authorized to collect such pro rata share (on equal basis) of taxes directly from each Owner by inclusion of said share with the tax levied on each Lot. To the extent allowable, Washington County is hereby directed so to do. In the event that the assessor shall separately assess Common Areas to the Association, the Board of Trustees may require the unit owners to pay a special assessment, on a pro rata basis, for property taxes.

6.2 Covenant for Assessment.

(a) Each Owner, by acceptance of a deed, conveying any Lot to the Owner within the Association, whether or not so expressed in the deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association the following types of assessments:

(1) Annual assessments ("Annual Assessment") as provided in Section 6.3 below;

(2) Special assessments ("Special Assessments") as provided in Section 6.8 below;

(3) Individual assessments ("Individual Assessments") as provided in Section 6.11 below.

(b) Assessments shall be established and collected as provided in this Article.

(c) No member may exempt itself from liability for Assessments by abandonment of any Lot owned by such member.

6.3 Annual Budget and Assessment.

(a) Adoption of Budget.

(1) The Board of Directors shall prepare, or cause the preparation of, an annual budget for the Association, which shall provide, without limitation, for the maintenance of the landscaping and exteriors of Units and for the administration, management and operation of the Association. If Board fails to adopt an annual budget, the last adopted budget shall continue in effect.

(b) Determination of Annual Assessment.

(1) The Board of Directors of the Association shall fix the amount of the annual assessment ("Annual Assessment") against each Lot for each assessment period at least thirty (30) days in advance of the beginning of the period. Written notice of the Annual Assessments shall be sent to all members of the Association at least thirty (30) days in advance of the beginning any assessment period.

(2) The omission by the Board of Directors, before the expiration of any assessment period, to fix the amount of the Annual Assessment for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this article or a release of any member from the obligation to pay the Annual Assessment, or any installment thereof, for that or any subsequent assessment period. In the event of such omission, the Annual Assessment fixed for the preceding period shall continue until a new assessment is fixed.

6.4 **Apportionment of Assessments.** Assessments shall be apportioned as follows:

(a) **Annual and Special Assessments.** All Lots, as originally platted, shall pay a pro rata share of the Annual Assessment and Special Assessments commencing upon the date the Lots are made subject to this Declaration. The pro rata share shall be based upon the total amount of each such assessment divided by the total number of Lots. In the event that two Lots have been combined into one (1) Lot, then two distinct assessments shall be paid, one for each Lot so platted.

(b) **Individual Assessments.** Individual Assessments shall be apportioned exclusively against the Lots benefited or to which the expenses are attributable as provided in Section 6.12 below.

(c) **Payment of Assessments.** Upon resolution of the Board of Directors, installments of Annual Assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis. Any member may prepay one or more installments of any Assessment levied by the Association, without premium or penalty.

6.5 **Lien.** The Annual Assessment and all other Assessments imposed shall be a charge and continuing lien upon each of the Lots against which the assessment is made in accordance with the terms and provisions of this Article V and shall be construed as a real covenant running with the land.

6.6 **Personal Obligation and Costs of Collection.**

(a) Assessments imposed under this Declaration, together with a reasonable late fee and interest at a rate to be established by resolution of the Board of Directors, not to exceed the maximum permitted by law, and costs and reasonable attorneys' fees incurred or expended by the Association in the collection thereof, shall also be the personal obligation of the Owner holding title to any Lot at the time when the assessment became due.

(b) The personal obligation for any delinquent Assessment, together with interest, costs and reasonable attorneys' fees, however, shall not pass to the Owner's successor or successors in title unless expressly assumed by such successor or successors.

6.7 **Purpose of Assessments.** The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Community, and including, but not limited to:

(a) The improvement and maintenance, operation, care, and services related to the maintenance of the landscaping;

(b) The improvement and maintenance, operation, care, and services related to the maintenance of the Common Areas;

(c) The payment of insurance premiums;

(d) The costs of utilities and other services which may be provided by the Association for the Community as may be approved from time to time by a majority of the members of the Association;

(e) The cost of labor, equipment, insurance, materials, management, legal and

administrative fees incurred or expended in performing the duties under this Declaration or the Bylaws;

(f) The cost of funding all reserves established by the Association, including a general operating excess and a reserve for replacements in accordance with Section 6.17 below; and

(g) Any other items properly chargeable as an expense of the Association.

6.8 **Special Assessments.** In addition to the Annual Assessments authorized in this Article, the Association may levy in any assessment year, a special assessment ("Special Assessment"), for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the of the Common Areas or the landscaping; provided that such assessment shall first be approved by two-thirds (2/3) of the votes of members of the Association, voting in person or by proxy at a meeting duly called for such purpose. Notwithstanding anything to the contrary herein contained, the Association may, by Board Action alone, levy special assessments up to \$500 per year. Any special assessments beyond \$500 per year must be approved by the members as outlined in Section 6.9.

6.9 **Notice and Quorum for any Action Authorized Under Section 6.8 & 6.11.**

(a) Written notice of any meetings of members of the Association called for the purpose of taking any action authorized under Sections 6.8 and 6.11 of this article shall be sent to all members not less than thirty (30) days, nor more than sixty (60) days, in advance of the meeting. At the first such meeting called, the presence at the meeting of members or of proxies, entitled to cast sixty percent (60%) of all of the votes of members entitled to be cast at such a meeting shall be necessary and sufficient to constitute a quorum.

(b) If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at any subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

6.10 **Commencement and Due Date of Assessments.** All Lots subject to this Declaration shall be subject to assessment as provided in Section 6.1 above. The Annual Assessments shall be due and payable on a monthly basis on the first (1st) calendar day of each month, unless otherwise provided by resolution of the Board of Directors, and shall be delinquent if not paid within thirty (30) days after the due date. The due date of any Special Assessment or other Assessment shall be fixed in the resolution authorizing the Assessment.

6.11 **Individual Assessments.**

(a) Any expenses benefiting or attributable to fewer than all of the Lots may be assessed exclusively against the Lots affected or benefited ("Individual Assessment"). Individual Assessments shall include, but are not limited to:

(1) Assessments levied against any Lot to reimburse the Association for costs incurred in bringing the Lot or its Owner into compliance with the provisions of this Declaration or rules and regulations of the Association and for fines or other charges imposed pursuant to this Declaration for violation of this Declaration, the Bylaws or any rules and regulations of the Association.

(2) Any reasonable services provided to an abandoned Lot by the Association due to an Owner's failure to maintain the same in order to protect the health, safety and welfare of adjoining Lot owners and the Association in general.

6.12 **Nonpayment of Assessments.** Any assessment or portion thereof not paid within thirty (30) days after the due date (which shall be established by resolution of the Board of Directors):

(a) Shall be delinquent and shall bear interest from the date of delinquency at the rate, established by resolution of the Board of Directors, not to exceed the maximum rate permitted by law, and

(b) Shall be subject to a late charge of Twenty Dollars (\$25.00) per month until paid, and:

(c) If paid by installments, may, in the discretion of the Board, be accelerated (including interest as provided for above) and the entire balance declared due and payable upon not less than ten (10) days' written notice to the Owner.

(d) Liens may be filed, recorded and foreclosed as provided for below.

6.13 **Subordination of Lien to Mortgages.**

(a) The lien of the Assessments provided for in this article shall be subordinate to the lien of any first mortgagees or deeds of trust now or hereafter placed upon the Lot subject to assessment, except as provided in subsection (b) of this section.

(b) The sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Such sale or transfer shall not relieve the Lot from liability for any Assessments thereafter becoming due, nor from the lien of any future assessment.

6.14 **Enforcement of Lien.** The Association may establish and enforce the lien for any Assessment, including Annual, Special, Individual or otherwise, pursuant to the provisions of this Declaration. The lien is imposed upon the Lot against which the Assessment is made. The lien may be established and enforced for damages, interest, costs of collection, late charges permitted by law, and attorneys' fees provided for in this Declaration or by law or awarded by a court for breach of any provisions of this Declaration, the Bylaws or any rules and regulations of the Association. Liens may be foreclosed in the same manner of mortgages or in the same non-judicial manner of deeds of trusts. In such instances, the Association's attorney shall be, and is hereby appointed by each Owner who accepts a deed to a Lot, the Trustee for purposes of all such foreclosure proceedings.

6.15 **Exempt Property.** All Lots owned by the Association or dedicated to and accepted by a public authority and all property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Utah shall be exempt from the assessments created under this Declaration.

6.16 **Reserves Funds.**

(a) The Association shall establish and maintain a reserve fund for repairs and

replacement of the Common Areas and landscaping by the allocation and payment monthly to such reserve fund in an amount to be designated from time to time by the Board of Directors. The fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America

(b) The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate.

(c) The proportional interest of any member of the Association in any reserve fund established under this section shall be considered an appurtenance of such Owner's Lot and shall not be separated from the Lot to which it appertains and shall be deemed to be transferred with the Lot.

6.17 **Initial Capital Contribution/Transfer Fee.** At settlement for each Lot, an amount equal to two (2) months of the current monthly Assessment amount for that type of Lot shall be paid from each prospective member of the Association for the purpose of contributing towards expenses and operating contingencies, including reserve fund contributions. Such amount shall be in addition to any pro rata share of Assessments due and adjusted at settlement.

ARTICLE VII **OPERATION AND MAINTENANCE**

7.1 **Maintenance of Lots and Living Units.** Each Lot, Living Unit and its utility systems located upon a Lot, shall be maintained by the Owner thereof so as not to detract from the appearance of the Property and so as not to affect adversely the value or use of any other Lot. In the event an Owner does not maintain their Lot and/or Living Unit, the Board, after notice and an opportunity for the Owner to cure the violation, may enter the Lot and maintain the premises to the generally prevailing community standard. All costs of such maintenance and repairs shall be charged back to the Owner as an assessment.

7.2 **Operation and Maintenance by Association.** The Association, by its duly delegated representative, shall provide for such maintenance and operation of the Common Areas as may be necessary or desirable to make them appropriately usable in conjunction with the Lots and to keep them clean, functional, attractive and generally in good condition and repair. In addition to Section 7.1, in the event that special need for maintenance or repair of Lot should be necessitated through willful or negligent act of the Member, his family or guests, or invitees, the cost of such maintenance shall be added to and become a part of assessment to which such Lot is subject.

7.3 **Water and Garbage Removal.** The Association shall pay for all water and garbage removal services furnished to each Lot. Each Lot Owner shall pay for all utility services which are separately billed or metered to individual Lots by the utility or other party furnishing such service.

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

(a) **Fire and Casualty.** The Association shall obtain and maintain a policy or

policies of fire and casualty insurance with an extended coverage endorsement for the full insurable replacement value of the improvements in the Common Area. The amount of coverage shall be determined by the Board, but at no time shall the amount be less than the full replacement value of the improvements that are a part of the Common Area. This insurance shall be maintained for the benefit of the Association, the Owner, and their Mortgagees, as their interests may appear as named insured, subject, however, to any loss payment requirements set forth in this Declaration. The name of the insured under each such policy shall be in form and substance similar to: "**Dixie Downs R.V. Resort Owners Association for the use and benefit of the individual Lot Owners and Mortgagees, as their interests may appear.**" All Owners shall obtain and maintain adequate insurance to cover the cost of their respective Lot and all improvements and contents thereon.

(b) Liability. A comprehensive policy or policies insuring the Owners, the Association, and its directors, officers, agents, and employees against any liability incident to the ownership, use or operation of the Common Areas which may arise among themselves, to the public, and to any invitees or tenants of the Property or of the Owners. Limits of liability under such insurance shall not be less than \$1,000,000.00 for all claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage, liability for non-owned or hired automobile, liability for property of others, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use. Such policies shall be issued on a comprehensive liability basis, shall provide a cross-liability endorsement pursuant to which the rights of the named insureds as between themselves are not prejudiced, and shall contain "a severability of interest" clause or endorsement to preclude the insurer from denying the claim of an Owner in the Development because of negligent acts of the Association or other Owners.

(c) Fidelity Insurance. A fidelity policy insuring against dishonest acts on the part of manager (and employees or volunteers) responsible for handling funds belonging to or administered by the Association of Unit Owners. The fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one hundred percent (100%) of the Project's estimated annual operating expenses, including reserves. Such fidelity bond or insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

7.5 Additional Insurance Provisions

The following additional provisions shall apply with respect to insurance;

(a) In addition to the insurance described above, the Association shall secure and at 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.

(b) All policies shall be written, by a company holding a rating of Class IV or better from Best's Insurance Reports or other similar standard yielding this minimum quality of insurer. Each insurer must be specifically licensed in the State of Utah.

(c) The Association shall have the authority to adjust losses.

(d) Insurance secured and maintained by the Association shall not be brought into contribution with insurance held by the individual Owners or their Mortgagees.

(e) 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 directors, officers, agents, employees, invitees, and tenants; that it cannot be cancelled, suspended, or invalidated due to the conduct of any particular Owner or Owners; that it cannot be cancelled, 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 the Owners.

(f) Notwithstanding any provisions to the contrary herein, so long as the Mortgagee or its designee holds a mortgage or beneficial interest in a trust deed on a Lot in the Development or owns a Lot, insurance policies shall meet all requirements and contain such other coverage and endorsements as may be required from time to time by the Mortgagee or its designee.

7.6 **Mortgagee Insurance Clause.** All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the mortgaged premises are located. The mortgagee clause must provide that the insurance carrier shall notify the first Mortgagee (or trustee) named at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy

7.7 **Review of Insurance Policy.** The Board shall periodically, and whenever requested by twenty percent (20%) or more of the Owners, review the adequacy of the Association's insurance program and shall provide in writing the conclusions and action taken on such review to the Owners of each Lot and to the holder of any mortgage on any Lot who shall have requested a copy of such report. Copies of every policy of insurance procured by the Board shall be available for inspection by the Owner.

7.8 **Lots Not Insured by Association.** The Association shall have no duty or responsibility to procure or maintain any fire, liability, extended coverage or other insurance covering any Lot any Recreational Vehicle and acts and events thereon.

7.9 **Situation When Owner's Insurance is Primary.** In the event that any loss to the common area, a Lot or Living Unit is attributable to the negligence or intentional misconduct of an Owner, their guests, tenants or invitees, then the "at fault" Owner's insurance policy shall be considered primary and claimed against prior to claiming and utilizing any of the Association's insurance described herein.

7.10 **Manager.** The Association may carry out through a Manager any of its functions which are properly the subject of delegation. Any Manager so engaged may be an independent contractor or an agent or employee of the Association, shall be responsible for managing the Property for the benefit of the Association and the Owners, and shall, to the extent permitted by law and the terms of the agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Association itself.

7.11 **Terms of Management Agreement.** Any agreement for professional management of the Development may not exceed one (1) year but may be reviewed towards the end of each year to determine whether a new agreement should be entered into. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on sixty (60) days or less written notice.

ARTICLE VIII
USE RESTRICTIONS

8.1 **Use of Common Areas.** The Common Areas shall be used only in a manner consistent with their community nature, consistent with any community wide standards adopted by the Board and consistent with the use restrictions applicable to Lots.

8.2 **Use of Lots.**

(a) All Lots shall be used only for commercially built Recreational Vehicle (R.V.'s) (including Park Model R.V.'s) no more than 10 years old at the time of their first use on the Lot. Exceptions to this may be granted by the Architectural Control Committee upon a showing that the R.V. is in a good and sightly condition, which determination shall be made in the sole discretion of said committee. Such Recreational Vehicles shall at no time exceed seven-hundred (700) square feet in size.

(b) All R.V.'s shall be parked on the designated parking pad and the total length of the R.V. and its towing vehicle shall not exceed the length of the Lot, unless otherwise approved by the Architectural Control Committee.

(c) All lots are or will be improved with a concrete pad for Recreational Vehicle parking and a patio. Electrical and sewer and cable television hookups are also provided. Cable television and other bulk services may be contracted for by the Board. In such cases, all assessments shall reflect the cost of any such bulk service contract and all Owners are responsible for the payment of said assessment, whether such service is presently used or not.

(d) No Lot shall be used, occupied or altered in violation of law so as to create a nuisance or interfere with the rights of any owner or in a way that would result in an increase in the cost of insurance covering the Common Areas.

(e) No more than one (1) Recreational Vehicle plus two (2) other parked vehicles will be permitted or maintained upon any Lot in said subdivision. Any inoperable and/or unlicensed vehicles shall be prohibited within the Property.

(f) No Lot or Lots shall be re-subdivided except for the purpose of combining two or more lots into one. In the event, however, that any lots are combined into one lot, the assessments shall be apportioned as if the Lots were never consolidated and shall be paid by the consolidated Lot Owner.

(g) No outdoor burning of trash or other debris shall be permitted. This shall not prohibit the use of a normal residential barbecue or other similar outside grill.

(h) No Owner shall construct or build a canopy that shelters any Recreational Vehicle on their Lot.

8.3 **Vehicle Requirements.** All vehicles shall be Recreational Vehicles. No mobile homes, tents or outdoor overnight camping will be allowed, except that "Park Model" homes shall expressly be allowed and skirting and awnings for such "Park Model Recreational Vehicles" are required.

8.4 **Fences.** No fences will be allowed on the Lot. Hedges and landscaping will

not be permitted except as expressly authorized by the Board.

8.5 **Non-residential Use.** No part of the Property shall be used for any commercial, manufacturing mercantile, storing, vending, or other such non-residential purposes.

8.6 **Signs.** No unauthorized signs or billboards of any kind shall be displayed to the public view on any portion of the Property unless permitted in the Bylaws and Rules of the Association.

8.7 **Quiet Enjoyment.** No noxious or offensive trade or activity shall be carried on upon any Lot or any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the owners or which shall in any way increase the rate of insurance. Specifically no generators or engines shall be run while parked on a lot, except as is needed to move the vehicles.

8.8 **Temporary Structures Equipment, Motor Vehicles, Etc.** No structure of a temporary character, tent, shack, garage, barn, or other out building shall be used on any Lot at any time as a residence, either temporarily or permanently. No motor vehicle whatsoever may be parked on any common street or driveway. Storage sheds may be constructed on the lot upon approval of the Architectural Control Committee. Any changes or additions to the existing improvements may be done only with the written approval of the Architectural Control Committee.

8.9 **Animals.** No animals, livestock, or poultry of any kind may be raised, bred, kept or permitted on any Lot, except no more than two (2) dogs, cats, or other household pets may be permitted provided that they are not kept, bred, or maintained for any commercial purpose. Notwithstanding the foregoing, no animals or fowl may be kept on the Property which result in an annoyance or a nuisance, by noise or otherwise, to Lot Owners. All pets must be kept in the Recreational Vehicle or on a leash attended by an owner in the Common Areas. All owners of pets shall be responsible for the clean up of pet's waste.

8.10 **Garbage Removal.** All rubbish, trash and garbage shall be regularly removed from the Property and placed in the dumpster provided, and shall not be allowed to accumulate thereon. All clotheslines, refuse containers woodpiles, and machinery and equipment shall be prohibited upon any Lot.

8.11 **Easement for Utilities.** An easement for utilities including sewer lines, water lines, telephone, power and cable television is reserved over all private roads and rights of ingress and egress for construction and/or maintenance are reserved over all lots. Specifically a 15-foot easement for all utilities is reserved, along the back lot line of each lot and a 10-foot easement, the center line of which is the common lot line of the following lots: 3 and 4, .7 and 8, 12 and 13, 15 and 16, 18 and 19, 21 and 22, 24 and 25, 27 and 28, 30 and 31, 33 and 34, 36 and 37, 39 and 40, 42 and 43, 45 and 46, 48 and 49, 50 and 51, 57 and 58, 63 and 64, 66 and 67, 69 and 70, 72 and 73, 75 and 76, 78 and 79, 31 and 82, 84 and 85, 87 and 88, 89 and 90, 90 and 91, 93 and 94, 96 and 97, 99 and 100, 102 and 103, 105 and 106, 108 and 109, 111 and 112, 114 and 115, 117 and 118, 120 and 121, 123 and 124, 126 and 127, 129 and 130, 132 and 133, 135 and 136, 138 and 139, 141 and 142, 144 and 145, 146 and common area boundary, 148 and 149, 151 and 152, 154 and 155, 157 and 158, 160 and 161, 163 and 164, 167 and common area boundary, 169 and 170, 172 and 173, 175 and 176, 178 and 179, 181 and 182, in reserved for utilities to serve the named lots and neighboring lots; also 53

shall have 7 1/2 foot wide easement along its north boundary; also such other utility and drainage easements as are actually shown on, the Plat.

ARTICLE IX
ARCHITECTURAL CONTROL

9.1 **General Architectural Objectives and Requirements.** All improvement of the Common Areas, Lots and Living Units shall be architecturally compatible with respect to one another and consistent with the Community Wide Standard. The Board shall have the authority to establish Architectural Guidelines that further clarify the architectural requirements and the Community Wide Standard of the community.

9.2 **Architectural Control Committee.** The Board may appoint a three (3) person Architectural Control Committee comprised of Owners, each person to serve for a one (1) year term. There is no limit on the number of subsequent terms that may be served by such appointed Owners. The Board shall fill, by majority Board vote, any vacancies that may occur on the Committee. In the event that no Owner desires to serve on the Committee, the Board shall act as the Architectural Review Committee.

ARTICLE X
CONDEMNATION

If at any time or times the Common Areas or any part thereof shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be payable to the Association and shall be used promptly by Association to the extent necessary for restoring or replacing any improvements on the remainder of the Common Areas. Upon completion of such work and payment in full therefor, any proceeds of condemnation then or thereafter in the hands of the Association which are proceeds for the taking of any portion of the Common Areas shall be disposed of in such manner as the Association shall reasonably determined provided, however, that in the event of a taking in which any Lot is eliminated, the Association shall disburse the portion of the proceeds of the condemnation award allocable to the interest of the Owner of such Lot to such Owner and any first Mortgagee of such Lot, as their interests shall appear, after deducting the proportionate share of said Lot in the cost of debris removal.

ARTICLE XI
RIGHTS OF FIRST MORTGAGEES

Notwithstanding any other provisions of this Declaration, the following provisions concerning the rights of first Mortgagee shall be in effect:

11.1 **Preservation of Regulatory Structure and Insurance.** Unless the holders of 100% of all first Mortgagees and 75% of the Lot Owners shall have given their prior written approval, the Association shall not be entitled:

(a) by act or omission to change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the upkeep of the Common Areas of the Property;

(b) to fail to maintain fire and extended coverage on insurable portions of the Common Areas on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs); or

(c) to use hazard insurance proceeds for losses to the Common Areas for other than the repair, replacement or reconstruction of improvements on the Common Areas.

11.2 **Preservation of Common Area; Change in Method of Assessment.** Unless the Association shall receive the prior written approval of (1) at least 100% of all first mortgagees (based on one vote for each Mortgagee) of the Lots and (2) the Owners of at least seventy-five percent (75%) of the Lots the Association shall not be entitled:

(a) by act or omission to seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas, except to grant easements for utilities and similar or related purposes, as herein elsewhere reserved; or

(b) to change the ratio or method of determining the obligations, assessments, dues or other charges which may be levied against a Lot or the Owner thereof.

Neither this Article XI nor the mortgagee insurance provisions may be amended without the prior approval of all first Mortgagees.

11.3 **Notice of Matters Affecting Security.** The Association shall give written notice to any first Mortgagee of a Lot requesting such notice wherever:

(a) there is any default by the Owner of the Lot subject to the first mortgage in performance of any obligation under this Declaration or the Articles or Bylaws of the Association which, is not cured within thirty (30) days after default occurs; or

(b) there occurs any substantial damage to or destruction of any Lot or any part of the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of \$5,000.00. Said notice shall be given within ten (10) days after the Association learns of such damage or destruction; or

(c) there is any condemnation proceedings or proposed acquisition, of a Lot or of any portion of the Common Areas within ten (10) days after the Association learns of the same; or

(d) any of the following matters come up for consideration or effectuation by the Association:

(i) abandonment or termination of the Planned Unit Development established by this Declaration;

(ii) material amendment of the Declaration or the Articles or -Bylaws of the Association.

11.4 **Notice of Meetings.** The Association shall give to any first Mortgagee of a Lot requesting the same, notice of all meetings of the Association; and such first Mortgagee shall have the right to designate in writing a representative to attend all such meetings.

11.5 **Right to Examine Association Records.** Any first Mortgagee shall have the right to examine the books, records and audits financial statements of the Association.

11.6 **Right to Pay Taxes and Charges.** First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Areas and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the

Common Areas; and First Mortgagees making such payments shall be owed immediate reimbursement therefore from the profits of the Association and shall be subrogated to the rights of the Association in this event.

11.7 **Exemption from any First Right of Refusal.** Any first Mortgagee and any purchaser therefrom who obtains title to the Lot pursuant to the remedies provided in the first Mortgage, or by foreclosure of the first Mortgage, or by deed or assignment in lieu of foreclosure, or by sale pursuant to any power of sale or otherwise shall be exempt from any "right of first refusal" which would otherwise affect the Lot.

11.8 **Rights Upon Foreclosure of Mortgage.** Each holder of a first Mortgage (or deed or trust) on a Lot and any purchaser from it who comes into possession of the Lot by virtue of foreclosures of the Mortgage, or by deed or assignment in lieu of foreclosure, or pursuant to power of sale or otherwise will take the Lot free of, and shall not be liable for, any claims for unpaid assessments and charges against the Lot which accrue prior to the time such holder comes into possession of the Lot.

11.9 **Restrictions Without Approval of Mortgagees.** Except as to the Association's right to grant easements for utilities and similar or related purposes, the Development's Common Areas may not be alienated, released, transferred, hypothecated, or otherwise encumbered without the approval of all holders of first Mortgage liens on the Lots.

11.10 **Mortgagees Rights Concerning Amendments.** No material amendment to the Declaration, By-Laws or the Articles of Incorporation of the Association shall be accomplished or effective unless at least thirty percent (30%) of the Mortgagees who have requested in advance, and in writing, that they be notified and approve of any such amendment.

ARTICLE XII **MISCELLANEOUS**

12.1 **Notices.** Any notice required or permitted to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly furnished if delivered or mailed, postage prepaid, to the person named as the Owner, at the latest address for such person as reflected in the records of the Association at the time of delivery or mailing. Any notice required or permitted to be given to the Association may be given by delivering or mailing the same to the Managing Agent or the President of the Association. Any notice required or permitted to be given to the Architectural Control Committee may be given by delivering or mailing the same to the Chairman or any member of such Committee.

12.2 **Rules and Regulations.** The Association shall have authority to promulgate and enforce such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Association in carrying out any of its functions or to insure, that the Property is maintained and used in a manner consistent with the interests of the Owners.

12.3 **Amendment.** Any amendment to this Declaration shall require: (a) the affirmative vote of at least fifty-one percent (51%) of all membership votes which Members present in person or represented by proxy are entitled to cast at a meeting duly called for such purpose.

Written notice setting forth the purpose of the meeting and the substance of the amendment proposed shall be sent to all Members at least ten (10) but not more than thirty

(30) days prior to the meeting date.

The quorum required for any such meeting shall be as follows: At the first meeting called the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of the Class A membership shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirement set forth in the foregoing portion of this Article 3) at which a quorum shall be one-half of the quorum which was required at the immediately preceding meeting.

No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting. Any amendment authorized pursuant to this Article shall be accomplished through the recordation of an instrument executed by the Association. In such instrument an officer or director of the Association shall certify that the vote required by this Article for amendment has occurred.

12.4 **Lease Provisions.** Any Owner may lease his Lot provided, however, that any lease agreement between a Lot Owner and a Lessee must be in writing and must expressly state that:

(a) The terms of the Lease shall in all respects be subject to the provisions of the Declaration, Articles of Incorporation of the Association, Rules and Regulations and the Bylaws of the Association;

(b) Any failure by the Lessee to comply with the terms of such documents shall constitute a default under the lease;

(c) Nightly rentals are not permitted;

(d) Whether expressly stated in the lease agreement or not, the Association shall be an intended third-party beneficiary to enforce the provisions of this Declaration, the Bylaws, the Rules and Regulations of the Association and the lease agreement itself. The Association may initiate eviction proceeding in its own name against a tenant in violation of the lease agreement and/or the Association's governing documents provided that the Owner has been given prior notice of the proceedings;

(e) A copy of all lease agreements shall be left in the office of the Association by the homeowner.

12.5 **Interpretation.** The captions which precede the Articles and Articles 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 part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

12.6 **Covenants to Run With Land.** This Declaration and all the 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 Association and all parties who hereafter acquire any interest in a Lot or in the Common Areas 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 ground for an action by the Association or any aggrieved Owner for the

recovery of damages, or for injunctive relief, or both. By acquiring 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.

12.7 **Effective Date.** This Declaration and any amendment thereof shall take effect upon its being filed for record in the office of the County Recorder of Washington County, Utah.

IN WITNESS WHEREOF, The President and Secretary of Dixie Downs Resort Owners Association have executed this instrument the day and year first hereinabove written.

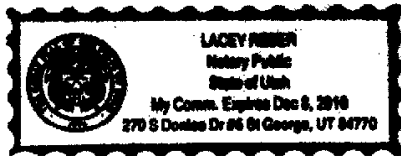
DIXIE DOWNS RESORT OWNERS ASSOCIATION

Larry McGeehan
By: Larry J. McGeehan
Its President

Joanne Pickett
By: Joanne Pickett
Its Secretary

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

On the 19th day of FEB, 2008, personally appeared before me Lawrence J. McGeehan and Joanne P. Pickett, who being by me duly sworn did that say that they are the President and Secretary of the Association and that the seal affixed to the foregoing instrument is the seal of said Association and that said instrument was signed and sealed in behalf of said Association by authority of its Board of Directors; and each of them acknowledged said instrument to be their voluntary act and deed.



Lacey Ribben
Notary Public

EXHIBIT "A"
Legal Descriptions

Phase I

Parcel 1:

ALL OF THE NORTH ONE HALF OF THE SOUTH ONE HALF OF THE NORTHEAST
ONE QUARTER OF THE SOUTHEAST ONE QUARTER OF SECTION 15, TOWNSHIP
42 SOUTH, RANGE 16 WEST/ SALT LAKE BASE AND MERIDIAN, EXCEPT THE
EAST 40.0 FEET THEREOF FOR A ROADWAY.

CONTAINING 9.976 ACRES OF LAND.

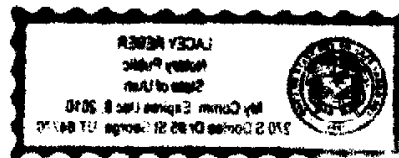


EXHIBIT "B"

**AMENDED BYLAWS
OF
DIXIE DOWNS RESORT OWNERS ASSOCIATION**

ARTICLE I
GENERAL

1.1 Purpose of Amended Bylaws. These Amended Bylaws are adopted for the regulation and management of the affairs of Dixie Downs Resort Owners Association, a Utah nonprofit corporation (the "Association"), organized to be the association to which reference is made in the Declaration of Covenants, Conditions, and Restrictions of Dixie Downs R.V. Resort, as amended or supplemented from time to time (the "Declaration"), to perform the functions as provided in the Declaration and to further the interests of Owners of Lots within the Development.

1.2 Terms Defined in Declaration. Unless otherwise specifically provided herein, capitalized terms in these Amended Bylaws shall have the same meaning as given to them below or as such terms in the Declaration.

ARTICLE II
OFFICES

2.1 Principal Office. The principal office of the Corporation shall be at 1225 N. Dixie Downs, #184, St. George, Utah 84770. The Board of Directors, in its discretion, may change from time to time the location of the principal office.

2.2 Registered Office and Agent. The Act requires that the Association have and continuously maintain in the State of Utah a registered office and a registered agent. The registered agent must be an individual who resides in the State of Utah and whose business office is identical with the registered office. The initial registered office and the initial registered agent are specified in the Articles of Incorporation and may be changed by the Association at any time, without amendment to the Articles of Incorporation, by filing a statement as specified by law with the Division.

ARTICLE III
MEMBERS

3.1 Members. A "Member," as provided in the Declaration, is the person or, if more than one, all persons collectively, who constitute the Owner of a Lot within the Development.

3.2 Memberships Appurtenant to Lots. Each Membership shall be appurtenant to the fee simple title to a Lot. The person or persons who constitute the owner of fee simple title to a Lot shall automatically be the holder of the Membership appurtenant to that Lot and the Membership shall automatically pass with fee simple title to the Lot.

3.3 Members' Voting Rights. Subject to the provisions in the Declaration and the Articles of Incorporation, each Member shall be entitled to one (1) vote for each Lot which he or it owns within the Development.

3.4 Voting by Joint Owners. In the event there is more than one (1) 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 such Owners, whether in person or by proxy or through ballot, shall be conclusively presumed to be the vote attributable to the Lot concerned, unless an objection is immediately made by another Owner of the same Lot. In the event such an objection is made, the vote involved shall not be

counted for any purpose whatsoever, other than to determine whether a quorum exists.

3.5 Resolution of Voting Disputes. In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of Members at a meeting, the Board of Directors of the Association shall act as arbitrators and the decision of a disinterested majority of the Board of Directors shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with Utah law.

3.6 Suspension of Voting Rights. The Board of Directors may suspend the voting rights of a Member for any period during which an assessment remains unpaid. The Board of Directors may also, after Notice and Hearing, suspend the voting rights of a Member and the right of the Member to use the Common Area and Facilities during and for up to sixty (60) days following any breach by such Member or Occupant of any provision of the Declaration or of any Rule or Regulation adopted by the Association unless such breach is a continuing breach, in which case such suspension shall continue for so long as such breach continues and up to sixty (60) days thereafter.

3.7 Transfer of Memberships on Association Books. Transfer of Membership shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Lot to which the Membership is appurtenant. Prior to presentation of such evidence, the Association may treat the previous owner of the Membership as the owner of the Membership entitled to all rights in connection therewith, including the right to vote and to receive notice.

3.8 Assignment of Voting Rights to Tenants and Mortgagees. A Member may assign his right to vote to a tenant occupying his Unit or to a mortgagee of his Unit for the term of the lease or the mortgage and any sale, transfer or conveyance of the Unit and the Lot upon which it is situated shall, unless otherwise provided in the document of sale, transfer or conveyance, be subject to any such assignment of voting rights to any tenant or mortgagee. Any such assignment of voting rights and any revocation or termination of any assignment of voting rights shall be in writing and shall be filed with the Secretary of the Association.

ARTICLE IV **MEETING OF MEMBERS**

4.1 Place of Members' Meetings. Meetings of Members shall be held at the principal office of the Association or at such other place, within or convenient to the Development, as may be fixed by the Board of Directors and specified in the notice of the meeting.

4.2 Annual Meetings of Members. Annual Meetings of the Members shall be held at such time of day as is fixed by the Board of Directors and specified in the notice of meeting. The Annual Meetings shall be held to elect Directors of the Association and to transact such other business as may properly come before the meeting.

4.3 Special Meetings of Members. Special Meetings of the Members may be called by the President or the Board of Directors or by Members holding not less than twenty-five percent (25%) of the total votes of all Members. No business shall be transacted at a Special Meeting of Members except as indicated in the notice thereof.

4.4 Record Date/Members List.

4.4.1. The record date for the purpose of determining Members entitled to notice of,

or to vote at, any meeting of Members or in order to make a determination of such Members for any other proper purpose for the taking of any other lawful action shall be as set forth in Subsection 4.4.2 below, unless the Board of Directors, in advance of sending notice, set a date by resolution as the record date for any such determination of Members. Such record date shall not be more than sixty (60) days prior to the meeting of Members or the event requiring a determination of Members.

4.4.2. Members entitled to notice of a meeting of the Members are the Members of the Association at the close of business on the business day preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day preceding the day on which the meeting is held. Members entitled to vote at a meeting of the Members are the Members of the Association on the date of the meeting, and who are otherwise eligible to vote. The record date for the purpose of determining the Members entitled to exercise any rights in respect of any other lawful action are Members of the Association at the later of (i) the close of business on the day on which the Board of Directors adopts the resolution relating to the exercise of the right; or (ii) the close of business on the sixtieth (60th) day before the date of the exercise of the right. A record date fixed under this Section may not be more than seventy (70) days before the meeting or action requiring a determination of Members occurs. A determination of members entitled to notice of or to vote at a meeting of Members is effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to notice or the right to vote.

4.4.3. The Association shall only be required to prepare a list of the names of the Members as provided for in Section 9.3.3.

4.5 Notice of Members' Meetings. Written notice stating the place, day and hour of any meeting shall be delivered not less than ten (10) nor more than thirty (30) days before the date of the meeting, either personally or by first class or registered mail, by or at the direction of any of the Officers of the Association, or the Officers or persons calling the meeting, to each Member entitled to vote at such meeting. Notwithstanding the foregoing, notice given by other means shall be deemed fair and reasonable if given in accordance with the Act. The notice of an Annual, Regular or Special Meeting shall include (a) the names of any known candidate for Director and shall identify any other matter which it is known may come before the meeting; (b) potential conflicting interest transactions of a Director, party related to a Director, or an entity in which the Director is a director or has a financial interest, if any; (c) notice of any indemnification or advance of expenses to a director in connection with a legal "proceeding" as defined in the Act; (d) notice of any amendment to these Amended Bylaws proposed by the Members and a copy, summary or general statement of the proposed amendment; (e) notice of a proposed plan of merger; (f) notice of a proposed sale of the properties by the Association other than in the regular course of activities; (g) notice of a proposed dissolution of the Association; and (h) any matter a Member intends to raise at the meeting if requested in writing to do so by a person entitled to call a Special Meeting and the request is received by the Secretary or President at least ten (10) days before the Association gives notice of the meeting. The notice of a Special Meeting shall state the purpose or purposes for which the meeting is called. If mailed, such notice shall be deemed to be delivered three (3) business days after a copy of the same has been deposited in the United States mail addressed to the Member at the street address given by the Member to the Association, or to the residence of such Member if no address has been given to the Association.

4.6 Proxies and Ballots Used at Meetings. A Member entitled to vote at a meeting may

vote in person or ballot, or by proxy executed in writing by the Member or his duly authorized attorney-in-fact and filed with the Secretary of the meeting prior to the time the proxy is exercised. Any proxy or ballot may be revoked, prior to the time the proxy is exercised or the ballot counted, by (a) the Member attending the meeting and voting in person, or (b) the Member signing and delivering to the Secretary or other person authorized to tabulate proxy or ballot votes (i) a writing stating that the appointment of proxy or ballot is revoked, or (ii) a subsequent proxy form or ballot. A proxy or ballot shall automatically cease upon the conveyance by a Member of the Lot of the Member and the transfer of the Membership on the books of the Association. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. The death or incapacity of the Member appointing a proxy or issuing a ballot does not affect the right of the Association to accept the proxy's authority or count the ballot unless notice of the death or incapacity is received by the Secretary or other Officer or agent authorized to tabulate votes before the proxy exercises the proxy's authority or the ballot is counted.

In addition to utilizing a ballot in connection with a meeting, the Association may utilize ballots without a meeting to take any action that may be taken at any annual, regular or special meeting of the Members provided the Association delivers a written ballot to every member entitled to vote. Any ballot utilized without a meeting shall be valid only when (1) the time by which all ballots must be received has passed so that a quorum can be determined and (2) the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

All solicitations for votes by written ballot shall: (a) set forth each proposed action, (b) provide for an opportunity to vote for or against each proposed action, (c) indicate the number of responses needed to meet the quorum requirements; (d) state the percentage of approvals necessary to approve each matter other than election of Directors; (e) specify the time by which a ballot must be received by the Association in order to be counted; and (f) be accompanied by written information sufficient to permit each person casting the ballot to reach an informed decision on the matter.

Any written ballot shall comply with the requirements in this Section and shall be counted equally with the votes of Members in attendance (by person or proxy) at any meeting for every purpose, including satisfaction of a quorum requirement.

4.7 Telecommunications. Any or all of the Members may participate in an Annual, Regular, or Special Meeting of the Members by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting. A member participating in a meeting by a means permitted under this Section is considered to be present in person at the meeting.

4.8 Quorum at Members' Meetings. Except as may be otherwise provided in the Declaration, the Articles of Incorporation, or these Amended Bylaws, and except as hereinafter provided with respect to the calling of another meeting, the representation, in person, by proxy or by ballot, of Members entitled to cast at least twenty-five percent (25%) of the votes of all Members shall constitute a quorum at any meeting of such Members. Members present in person or by proxy or represented by ballot at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of Members so as to leave less than a quorum. If a quorum is not present at any meeting, another meeting may be called by the Board of Directors issuing a Notice of Members Meeting at

which meeting the members that are present in person or by proxy or represented by ballot shall constitute a quorum, except as otherwise provided in the Declaration, the Articles of Incorporation, or these Amended Bylaws. No such subsequent meeting shall be held more than forty-five (45) days following such preceding meeting at which a quorum was not present.

4.9 Adjournment of Members' Meetings. Members present in person or by proxy at any meeting at which a quorum or reduced quorum, as the case may be, was present may adjourn the meeting from time to time, without notice other than announcement at the meeting, for a total period or periods not to exceed forty-five (45) days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall be the same as the quorum requirement of the meeting so adjourned, and any business may be transacted which might have been transacted at the adjourned meeting.

4.10 Vote Required at Members' Meetings. At any meeting where a quorum is present, a majority of the votes present in person, ballot or by proxy and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation, or these Amended Bylaws, except that, in the case of elections in which there are more than two (2) candidates, the persons receiving the highest number of votes shall be elected.

4.11 Cumulative Voting. At each election for Board of Directors the vote attributable to a Lot may be accumulated by the Member or Members and entitled to half of the same by giving one candidate as many votes as the number of the Directors to be elected multiplied by the number of votes concerned shall equal, or by distributing the total votes so determined among any number of candidates. A plurality shall be sufficient for the election of a candidate.

4.12 Order of Business. The order of business at any meeting of Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) election of Directors, if applicable; (d) report of finances; and (e) any other Association business.

4.13 Expenses of Meetings. The Association shall bear the expenses of all Regular and Annual Meetings of Members and of Special Meetings of Members.

4.14 Waiver of Notice. A Member may waive any notice required by the Act or by these Amended Bylaws, whether before or after the date or time stated in the notice as the date or time when any action will occur or has occurred. A waiver shall be in writing, signed by the Member entitled to the notice, and delivered to the Association for inclusion in the minutes; or filing with the corporate records. The delivery and filing required above may not be conditions of the effectiveness of the waiver. A Member's attendance at a meeting (a) waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

4.15 Action of Members Without a Meeting. Any action required to be taken or which may

be taken at a meeting of Members may be taken without a meeting and without prior notice if a consent, in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Directors may not be elected by written consent except by unanimous written consent of all Members entitled to vote for the election of Directors. Any action taken under this Section is not effective unless all written consents are received within a sixty (60) day period and have not been revoked. A written consent may be given by electronically transmitted facsimile or other form of communication providing the Association with a complete copy of the written consent, including a copy of the signature to the written consent.

4.16 Signature of Members. Except as otherwise provided in the Act, all votes, consents, written ballots, waivers, proxy appointments, and proxy or ballot revocations shall be in the name of the Member and signed by the Member with a designation of the Member's capacity; *i.e.*, owner, partner, president, director, member, trustee, conservator, guardian, etc.

ARTICLE V
BOARD OF DIRECTORS

5.1 Powers and Duties of the Board of Directors.

5.1.1. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas, and personal conduct of the Members and their guests thereon, and establish penalties for the infractions thereof;

(b) suspend the voting rights and the rights to use recreational facilities which may be provided of a Member during a period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association of powers duties, authority vested in or delegated to the Association and not reserved to the membership by other provisions of these By-Laws, the Articles, or the Declaration;

(d) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from four consecutive regular meetings of the Board of Directors without cause; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

5.1.2. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth of the Class A Members who are entitled to vote;

(b) supervise all officers, agents, and employees of the Association, and to see that

their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the monthly assessment against each Lot and to send written notice of such assessment to every Owner subject thereto as provided in the Declaration.

(2) foreclose the lien against any Lot for which assessments are not paid within thirty days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability, hazard and other insurance on property owned by the Association as required by the insurance provisions of the Declaration;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Areas to be maintained, and, also, if an Owner of any Lot shall fail to maintain his Lot and the Living Unit located thereon in a manner satisfactory to the Architectural Control Committee and/or the Board of Directors, the Association, after approval by 2/3 vote of the Board, shall have the right, through its agents or employees, or through an independent contractor, to enter upon his Lot and to repair, maintain and restore the Lot and the exterior of the Living Unit and any other improvements erected thereon.

5.2 Qualifications of Directors. A Director must be a natural person 18 years of age or over and an Owner of a Lot within the Development or, if the Owner of any such Lot is a partnership, corporation, or limited liability company, must be a designated representative of such partnership, corporation, or limited liability company. If a Director conveys or transfers title to his Lot, or if a Director who is a designated representative of a partnership, corporation, or limited liability company ceases to be such designated representative, or if the partnership, corporation, or limited liability company of which a Director is a designated representative transfers title to its Lot, such Director's term as Director shall immediately terminate and a new Director shall be selected as promptly as possible to take such Director's place. Notwithstanding anything in this Section to the contrary, none of the initial Directors, as designated in the Articles of Incorporation, shall be required to have any ownership interest in any Lot in order to qualify to serve as a Director until the first election of Directors by the Members. Any Director no longer qualified to serve under the standards provided for in this Section 5.2 may be removed by a majority vote of the Directors then in office.

5.3 Number of Directors. The affairs of the Association shall be managed by a Board of Directors composed of three (3) to five (5) individuals. Directors must be Members of the Association or spouses or agents of Members.

5.4 Tenure of Directors. The Directors shall be classified with respect to the time for which they shall severally hold office, by dividing them into three classes, to be known as classes "A", "B", and "C". Of the Directors first chosen, Class A shall consist of one Director to hold office for one (1) year; Class B shall consist of two Directors, each to hold office for two (2) years; and Class C shall consist of two Directors, each to hold office for three (3) years. At each annual election, the successor(s) to the class of Directors whose terms shall expire in that year shall be elected to hold office for the term of three (3) years. Any change in the number of Directors may be made only by amendment of the Articles. Each Director shall hold office until his term expires and until his successor has been duly elected and qualifies.

5.5 Nominating Committee. Nominations for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the Annual Meeting. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such Annual Meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

5.6 Removal of Directors By the Members. At any meeting of the Members, the notice of which indicates such purpose, any or all of the Directors may be removed, with or without cause, by the affirmative vote of Members holding a majority of the voting interests of all Members; and a successor may be then and there elected to fill the vacancy thus created.

5.7 Resignation of Directors. Any Director may resign at any time by giving written notice to the President, to the Secretary, or to the Board of Directors stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective. A Director who resigns may deliver to the Utah Department of Commerce, Division of Corporations and Commercial Code a statement setting forth (a) that person's name; (b) the name of this Association; (c) information sufficient to identify the report or other document in which the person is named as a Director or Officer; and (d) the date on which the person ceased to be a Director or Officer or a statement that the person did not hold the position for which the person was named in the corporate report or other document.

5.8 Vacancies in the Board of Directors. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. A directorship to be filled by reason of an increase in the number of Directors shall be filled only by vote of the Members. A Director elected by the Board of Directors to fill the vacancy of a Director elected by the voting Members may be removed without cause by the voting Members, but not the Board of Directors. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. Should any vacancy of the Board of Directors remain unfilled for a period of two (2) months, the Members may, at a Special Meeting of the Members called for that purpose, elect a Director to fill such vacancy by a majority of the votes which Members present at such meeting, or represented by proxy or ballot, are entitled

to cast.

5.9 Appointment of Committees. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees which shall consist of two or more Directors and which, unless otherwise provided in such resolution, shall have and may exercise the authority to make recommendations (but not final decisions) to the Board of Directors in the management of the Association, except authority with respect to those matters specified in the Act as matters which such committee may not have and exercise the authority of the Board of Directors.

5.10 General Provisions Applicable to Committees. The designation and appointment of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him by law. The provision of these Amended Bylaws with respect to notice of meeting, waiver of notice, quorums, adjournments, vote required and action by consent applicable to meetings of the Board of Directors shall be applicable to meetings of committees of the Board of Directors.

ARTICLE VI **MEETING OF DIRECTORS**

6.1 Place of Directors' Meetings. Meetings of the Board of Directors shall be held at the principal office of the Association or at such other place, as may be fixed by the Board of Directors and specified in the notice of the meeting.

6.2 Annual Meeting of Directors. The Annual Meeting of the Board of Directors shall be held on the same date as, or within ten (10) days following, the Annual Meeting of Members and also on the date that newly elected Directors take office. The Business to be conducted at the Annual Meeting of the Board of Directors shall consist of the appointment of Officers of the Association and the transaction of such other business as may properly come before the meeting. No prior notice of the Annual Meeting of the Board of Directors shall be necessary if the meeting is held on the same day and at the same place as the Annual Meeting of Members at which the Board of Directors is elected or if the time and place of the Annual Meeting of the Board of Directors is announced at the Annual Meeting of Members.

6.3 Other Regular Meetings of Directors. The Board of Directors may hold other regular meetings and may, by resolution, establish in advance the times and places for such regular meetings. No prior notice of any regular meeting need be given after establishment of the time and place thereof by such resolution.

6.4 Special Meetings of Directors. Special Meetings of the Board of Directors may be called by the President or any two (2) members of the Board of Directors other than the President.

6.5 Notice of Directors' Meetings. In the case of all meetings of the Board of Directors for which notice is required by these Amended Bylaws, notice stating the place, day and hour of the meeting shall be delivered not less than three (3) nor more than thirty (30) days before the date of the meeting, by mail, fax, telephone or personally, by or at the direction of the persons calling the meeting, to each member of the Board of Directors. If mailed, such notice shall be deemed to be delivered three (3) business days after a copy of the same has been deposited in the United States mail addressed to the Director at his home or business address as either appears on the records of the Association, with postage thereon prepaid. If faxed, such notice

shall be deemed delivered when the transmission is complete. If by telephone such notice shall be deemed to be delivered when given by telephone to the Director. If given personally, such notice shall be deemed to be delivered upon delivery of a copy of a written notice to, or upon verbally advising, the Director or some person who appears competent and mature at his home or business address as either appears on the records of the Association.

Neither the business to be transacted at, nor the purpose of, any Regular or Special Meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

6.6 Proxies. For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director may be considered to be present at a meeting and to vote if the Director has granted a signed written proxy: (i) to another Director who is present at the meeting; and (ii) authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this Section 6.6 and as permitted by Section 6.13, Directors may not vote or otherwise act by proxy.

6.7 Telecommunications. The Board of Directors may permit any Director to participate in a Regular or Special Meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may hear each other during the meeting. A Director so participating in such a meeting is considered to be present in person at the meeting.

6.8 Quorum of Directors. A majority of the number of Directors fixed in these Amended Bylaws shall constitute a quorum for the transaction of business. For the purpose of determining the presence of a quorum, Directors will be counted if represented in person or by proxy, if applicable.

6.9 Adjournment of Directors' Meeting. Directors present at any meeting of the Board of Directors may adjourn the meeting from time to time, whether or not a quorum shall be present, without notice other than announcement at the meeting, for a total period or periods of not to exceed thirty (30) days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present, any business maybe transacted which might have been transacted at the meeting as originally called.

6.10 Vote Required at Directors' Meeting. At any meeting of the Board of Directors, if a quorum is present, a majority of the votes present in person or by proxy, if applicable, and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation, or these Amended Bylaws.

6.11 Officers at Meetings. The President shall act as chairman and the Board of Directors shall appoint a secretary to act at all meetings of the Board of Directors.

6.12 Waiver of Notice. A waiver of notice of any meeting of the Board of Directors, signed by a Director, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Director, Attendance of a Director at a meeting in person shall constitute waiver of notice of such meeting unless (a) at the beginning of the meeting or promptly upon the Director's later arrival the Director objects to holding the meeting or

transacting business at the meeting because of lack of notice or defective notice and, after objecting, the Director does not vote for or assent to action taken at the meeting, or (b) the Director contemporaneously requests that the Director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or (c) the Director causes written notice of the Director's dissent or abstention as to any specific action to be received by (i) the presiding officer of the meeting before adjournment of the meeting; or (ii) the Association promptly after adjournment of the meeting.

6.12.1 Dissent or Abstention. The right of dissent or abstention pursuant to Section 6.12 is not available to a Director who votes in favor of the action taken.

6.13 Action of Directors Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Board of Directors may be taken without a meeting and without prior notice if consent is provided in writing, setting forth the action so taken, shall be signed by all of the Directors. Any action taken under this Section 6.13 is not effective unless all written consents are received within a sixty (60) day period and have not been revoked.

ARTICLE VII OFFICERS

7.1 Officers, Employees and Agents. The Officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer. Any two (2) or more officers, other than the office of President and Secretary, may be held by the same person. Officers need not be Members of the Board or Association.

7.2 Tenure. The Officers of the Association shall be elected by the Board of Directors annually at the first meeting of the Board held after the annual meeting of the Members. If election of Officers does not occur at such meeting it shall be held as soon thereafter as is convenient. Each Officer shall hold office until his successor has been duly elected and qualifies or until he is removed. Any officer may be removed by the Board whenever in its judgment the best interests of the Association would be served thereby.

7.3 Resignation and Removal of Officers. An Officer may resign at any time by giving written notice of resignation to the Association. A resignation of an Officer is effective when the notice is received by the Association unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may: (a) (i) permit the Officer to remain in office until the effective date; and (ii) fill the pending vacancy before the effective date if the successor does not take office until the effective date; or (b) (i) remove the Officer at any time before the effective date; and (ii) fill the vacancy created by the removal. The Board of Directors may remove any Officer at any time with or without cause. An Officer who resigns, is removed, or whose appointment has expired may file a statement in the same form as provided in Section 5.7.

7.4 Vacancies in Officers. Any vacancy occurring in any position as an Officer may be filled by the Board of Directors. An Officer appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

7.5 President. The President shall be a Member of the Board of Directors and shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall direct, supervise, coordinate and have general control over the affairs of the Association, and shall have the powers generally attributable to the chief executive officer of

a corporation. The President shall preside at all meetings of the Board of Directors and of the Members of the Association.

7.6 Vice President. The Vice President, if any, may act in place of the President in case of his death, absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board of Directors or by the President.

7.7 Secretary. The Secretary shall be the custodian of the records and the seal, if any, of the Association and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of these Amended Bylaws and as required by law and that the books, reports and other documents and records of the Association set forth in Section 9.3 are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of Members, of the Board of Directors, and of committees of the Board of Directors; shall keep at the principal office of the Association a record of the names and addresses of the Members; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him by the Board of Directors or by the President. The Board of Directors may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his death, absence or inability to act. The duties of the Secretary may be delegated to a property management company.

7.8 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; shall deposit all such funds in the name of the Association in such depositories as shall be designated by the Board of Directors; shall keep correct and complete financial records and books of account and records of financial transactions and condition of the Association and shall submit such reports thereof as the Board of Directors may, from time to time, require; shall arrange for the annual report required under Section 9.6 of these Amended Bylaws; and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him by the Board of Directors or by the President. The Board of Directors may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his death, absence or inability to act. The duties of the Treasurer may be delegated to a property management company.

7.9 Bonds. The Association shall require and pay for fidelity bonds covering Officers or other persons handling funds of the Association as required in the Declaration. The Association shall pay the premiums for such bonds.

ARTICLE VIII INDEMNIFICATION OF OFFICIALS AND AGENTS

8.1 Right of Indemnification. The Association shall indemnify any Director, Officer, employee, fiduciary and agent (including without limitation the property manager) to the fullest extent allowed under Sections 16-6a-901 through 16-6a-910 of the Act, or any replacement Sections thereof.

8.2 Authority to Insure. The Association may purchase and maintain liability insurance on behalf of any Director, Officer, employee, fiduciary and agent against any liability asserted against him and incurred by him in such capacity or arising out of his status as such, including liabilities for which he might not be entitled to indemnification hereunder.

ARTICLE IX
MISCELLANEOUS

9.1 Amendment/Conflict. These Amended Bylaws may be amended, at any Regular, Annual, or Special Meeting of the Board of Directors, by a vote of the majority of the Board of Directors, except if it would result in a change of the rights, privileges, preferences, restrictions, or conditions of a Membership class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of another class. The Members may amend the Bylaws even though the Bylaws may also be amended by the Board of Directors. Amendments to the Bylaws by Members shall be made in accordance with the Act. In the case of any conflict between the Articles and these Amended Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Amended Bylaws, the Declaration will control.

9.2 Compensation. The Board may provide by resolution that the Directors, Officers, or Committee Members shall be paid their expenses, if any, by attendance at meetings. Directors, Officers, and Committee Members shall not be paid any salary or other compensation for their services as Directors, Officers, and Committee Members and shall not receive directly or indirectly any other profit or pecuniary advantage by virtue of their status as Directors.

9.3 Books and Records.

9.3.1 The Association shall keep as permanent records: (a) minutes of all meetings of its Members and Board of Directors; (b) a record of all actions taken by the Members or Board of Directors without a meeting; (c) a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Association; (d) a record of all waivers of notices of meetings of Members and of the Board of Directors or any committee of the Board of Directors; and (e) a copy of the Declaration, as the same may be amended.

9.3.2 The Association shall maintain appropriate accounting records.

9.3.3 The Association or its agent shall maintain a record of its Members in a form that permits preparation of a list of the name and address of all Members: (a) in alphabetical order, by class, and (b) showing the number of votes each Member is entitled to vote.

9.3.4 The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

9.3.5 The Association shall keep a copy of each of the following records at its principal office: (a) its Articles of Incorporation; (b) its Bylaws; (c) resolutions adopted by its Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of Members or any class or category of Members; (d) the minutes of all Members' meetings; (e) records of all actions taken by Members without a meeting; (f) all written communications to Members generally as Members for a period of three years; (g) a list of the names and business or home addresses of its current Directors and Officers; (h) a copy of its most recent annual report; and (i) all financial statements prepared for periods ending during the last three (3) years.

9.4 Inspection of Records.

9.4.1 A Director or Member is entitled to inspect and copy any of the records of the nonprofit corporation described in Subsection 9.3.5: (a) during regular business hours; (b) at the Association's principal office; and (c) if the Director or Member gives the Association written demand, at least five (5) business days before the date on which the Member wishes to inspect and copy the records.

9.4.2 In addition to the rights set forth in Subsection 9.4.1, a Director or Member is entitled to inspect and copy any of the other records of the Association; (a) during regular business hours; (b) at a reasonable location specified by the Association; and (c) at least five (5) business days before the date on which the Member wishes to inspect and copy the records, if the Director or Member: (i) meets the requirements of Subsection 9.4.3; and (ii) gives the Association written demand.

9.4.3 A Director or Member may inspect and copy the records described in Subsection 9.4.2 only if: (a) the demand is made: (i) in good faith; and (ii) for a proper purpose; (b) the Director or Member describes with reasonable particularity the purpose and the records the Director or Member desires to inspect; and (c) the records are directly connected with the described purpose.

9.4.4 Notwithstanding any other provision in these Amended Bylaws, for purposes of this Section: (a) "Member" includes: (i) a beneficial owner whose membership interest is held in a voting trust; and (ii) any other beneficial owner of a membership interest who establishes beneficial ownership; and (b) "proper purpose" means a purpose reasonably related to the demanding Member's or Director's interest as a Member or Director.

9.4.5 The right of inspection granted by this Section may not be abolished or limited by the Articles of Incorporation or these Amended Bylaws.

9.4.6 This Section does not affect: (a) the right of a Director or Member to inspect records relating to ballots; (b) the right of a Member to inspect records to the same extent as any other litigant if the Member is in litigation with the Association; or (c) the power of a court, independent of this Article, to compel the production of corporate records for examination.

9.4.7 A Director or Member may not use any information obtained through the inspection or copying of records permitted by 9.4.2 for any purposes other than those set forth in the demand made under 9.4.3.

9.5 Scope of Inspection Right. A Director or Member's agent or attorney has the same inspection and copying rights as the Director or Member. The right to copy records under Section 9.4 includes, if reasonable, the right to receive copies made by photographic, xerographic, electronic, or other means. *Except for requests for financial statements, the Association may impose a reasonable charge covering the costs of labor and material for copies of any documents provided to the Director or Member.* The charge may not exceed the estimated cost of production and reproduction of the records. The nonprofit corporation may comply with a Director's or Member's demand to inspect the record of Members under Subsection 9.3.3 by furnishing to the Director or Member a list of Directors or Members that: (a) complies with Subsection 9.3.3; and (b) is compiled no earlier than the date of the Director's or Member's demand. Concerning financial statements, by no later than fifteen (15)

days after the day on which the Association receives a written request of any Member, the Association shall mail to the Member the following that show in reasonable detail the assets and liabilities and results of the operations of the Association: (a) the Association's most recent annual financial statements, if any; and (b) the Association's most recently published financial statements, if any. Without consent of the Board of Directors, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a Member's interest as a Member.

9.6 Annual Report. The Board of Directors shall cause to be prepared and distributed to each Member and any First Mortgagee of a Member who has filed a written request therefor, not later than ninety (90) days after the close of each fiscal year of the Association, an annual report containing (a) an income statement reflecting income and expenditures of the Association for such fiscal year; (b) a balance sheet as of the end of such fiscal year, (c) a statement of changes in financial position for such fiscal year, and (d) a statement of the place of the principal office of the Association where the books and records of the Association, including a list of names and addresses of current Members, may be found.

9.7 Statement of Account. Upon payment of a reasonable fee to be determined by the Association and upon written request of an Owner of a Lot or any person with any right, title or interest in a Lot or intending to acquire any right, title or interest in a Lot, the Association shall furnish, within ten (10) days after the receipt of such request, a written statement of account setting forth the amount of unpaid assessments, or other amounts, if any, due or accrued and then unpaid with respect to the Lot and the Unit thereon, and the amount of the assessments for the current fiscal period of the Association payable with respect to the Lot and the Unit thereon. Such statement shall, with respect to the party to whom it is issued, be conclusive against the Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid and that no other assessments have been levied.

9.8 Annual Corporation Reports. The Association shall file with the Division of Corporations and Commercial Code for the Utah Department of Commerce, within the time prescribed by law, annual corporate reports in such form and containing the information required by law and shall pay the fee for such filing as prescribed by law.

9.9 Fiscal Year. The fiscal year of the Association shall be the calendar year, and shall begin on January 1 and end the succeeding December 31. The fiscal year may be changed by the Board of Directors without amending these Amended Bylaws.

9.10 Seal. The Board of Directors may adopt a seal which shall have inscribed thereon the name of the Association and the words "SEAL" and "UTAH".

9.11 Shares of Stock and Dividends Prohibited. The Association shall not have or issue shares of stock and no dividends shall be paid and no part of the income or profit of the Association shall be distributed to its Members, Directors or Officers. Notwithstanding the foregoing paragraph, the Association may issue certificates evidencing Membership therein, may confer benefits upon its Members in conformity with its purposes and, upon dissolution or final liquidation, may make distributions as permitted by law, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income or profit.

9.12 Loans to Directors, Officers and Members Prohibited. No loan shall be made by the Association to its Members, Directors or Officers, and any Director, Officer or Member who

assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof

9.13 Limited Liability. The Association, the Board of Directors, the Architectural Control Committee, and any agent or employee of any of the same shall not be liable to any person for any actions or for any failure to act in connection with the affairs of the Association if the action taken or failure to act was in good faith and without malice.

9.14 Minutes and Presumptions Thereunder. Minutes or any similar record of the meetings of Members or of the Board of Directors, when signed by the Secretary or acting Secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

9.15 Checks, Drafts and Documents. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

9.16 Execution of Documents. The Board of Directors, except as these Amended Bylaws otherwise provide, may authorize any officer or Officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no Officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

9.17 Right to Inspect. Notwithstanding the other provisions of this Article, unless otherwise provided in these Amended Bylaws, a right of a Member to inspect or receive information from the Association applies only to a voting Member of the Association.

ARTICLE X **NOTICE AND HEARING PROCEDURE**

10.1 Association's Enforcement Rights. In the event of an alleged violation by a Member or Occupant ("Respondent") of the Declaration, these Bylaws, or the Rules and Regulations of the Association, the Board of Directors shall have the right, upon an affirmative vote of a majority of all Directors on the Board of Directors, to take any one or more of the actions and to pursue one or more of the remedies permitted under the provisions of the Declaration, these Bylaws, or the Rules and Regulations of the Association. If, under the provisions of the Declaration, these Bylaws, or the Rules and Regulations, a Notice of Noncompliance and Right to Hearing is required prior to taking action or pursuing remedies, the Board shall give the Member notice and an opportunity to be heard. The remedies set forth and provided in the Declaration, the Rules and Regulations of the Association or these Bylaws shall be cumulative and none shall be exclusive. However, any individual Member must exhaust all available internal remedies of the Association prescribed by the Declaration, these Bylaws, and the Architectural Control Committee Rules and Regulations, and other Rules and Regulations of the Association before that Member may resort to a court of law for relief with respect to any alleged violation by another Member of the Declaration, these Bylaws, or the Rules and Regulations of the Association, provided that the foregoing limitation pertaining to exhausting administrative remedies shall not apply (i) to the Board of Directors or to any

Member where the complaint alleges nonpayment of assessments, special assessments or other assessments, or (ii) to matters the Board of Directors determines in its discretion will (a) affect the safety of the Common Area or Facilities or the Owners or their property or (b) will result in irreparable harm to the Association if not quickly remedied, in such cases, the Board of Directors may immediately file suit.

ARTICLE XI
ASSESSMENTS

11.1 Monthly and Special Assessments. As more fully provided in the Declaration, each Member is obligated to pay to the Association monthly and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made, provided, however, that such lien shall be subordinate to the lien of any first mortgage. Any assessment that is not paid when due shall be delinquent. If the assessment is not paid within thirty days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 18% per annum together with a late payment service charge equal to five percent (5%) of each delinquency, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, late payment service fee, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

IN WITNESS WHEREOF, the President and Secretary of Dixie Downs Resort Owners Association have executed this instrument the day and year first hereinabove written.

DIXIE DOWNS RESORT OWNERS ASSOCIATION

Lenny McGehee
By: Larry McGehee
Its President

Joanna Puckett
By: Joanna Puckett
Its Secretary

CERTIFICATION

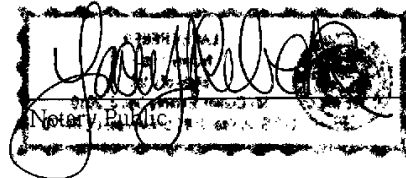
I, THE UNDERSIGNED, do hereby certify that I am the duly elected and acting Secretary of DIXIE DOWNS RESORT OWNERS ASSOCIATION and that the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted by written consent of the Board of Directors.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Corporation this 19th day of FEB., 2008

Joanne Peckoff
By: Joanne Peckoff
Its Secretary

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

On the 19th day of FEB, 2008, personally appeared before me Lawrence J. McGeohan and Joanne P. Peckoff, who being by me duly sworn did that say that they are the President and Secretary of the Association and that the seal affixed to the foregoing instrument is the seal of said Association and that said instrument was signed and sealed in behalf of said Association by authority of its Board of Trustees; and each of them acknowledged said instrument to be their voluntary act and deed.



**EXHIBIT "C"
VERIFICATION**

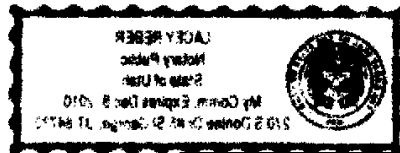
State of Utah)
) ss
County of Washington)

Larry McGeehan
Larry McGeehan, under oath aver as follows:

1. I am the president of the DIXIE DOWNS R.V. OWNERS ASSOCIATION.
2. I have conducted a survey of the occupants of the DIXIE DOWNS R.V. OWNERS ASSOCIATION project and verify that at least 80% of the living units in the Project are occupied by at least one person 55 years of age or older.
3. Inasmuch as I have surveyed the occupants of the DIXIE DOWNS R.V. OWNERS ASSOCIATION and have verified that at least 80% of the living units in the Project are occupied by at least one person 55 years of age or older, such present occupants will not be required to complete an Association Membership Application and Age Verification form, but all occupants hereafter shall be required to complete such form. This provision does not exempt any occupant, present or future, from complying with the terms and conditions of the Amended Declaration of Covenants, Conditions and Restrictions of Dixie Downs R.V. Resort Owners Association.

IN WITNESS WHEREOF, I have set my hand to this document this 19th of FEB., 2008.

Subscribed and sworn to before me on this 19th day of FEB., 2008



Notary Public

Jay Miller

EXHIBIT "D"

RESIDENTIAL RENTAL AGREEMENT (FORM)

THIS AGREEMENT made this ___ day of _____, 20___, by and between _____ (herein called "Landlord,") and _____ (herein called "Tenant"). Landlord hereby agrees to rent to Tenant the real property located in the City of St. George, County of Washington, State of Utah, described as follows:

Landlord rents the demised premises to Tenant on the following terms and conditions:

1. RENT: Tenant agrees to pay Landlord as rent the sum of _____ (\$_____) per month, due and payable monthly in advance on the _____ day: of each month during the term of this agreement.
2. PAYMENT OF RENT: Each rental payment shall be made in cash or by check, payable to the Landlord. However, payment in check is subject to the provision of paragraph 4 herein.
3. RENTAL COLLECTION CHARGE: Tenant hereby acknowledges that late payment will cause Landlord to incur costs not contemplated by this Residential Rental Agreement, the exact amount of which will be extremely difficult to ascertain. In the event rent is not received prior to 12 NOON on the _____ of the month, regardless of cause, including dishonored checks. Tenant further agrees to pay a late charge to Landlord equal to five percent (5%) of such overdue amount. Neither ill health, loss of job, financial emergency or other excuse will be accepted for late payment.
4. BAD CHECK SERVICING CHARGE: In the event Tenant's check is dishonored and returned unpaid for any reason to Landlord, Tenant agrees to pay as additional rental the sum of Ten Dollars (\$10.00). If for any reason a check is returned or dishonored, all future rent payments will be cash or money order.
5. USE: The Tenants agree to use the premises only as residence for themselves.
6. PETS: There shall be no pets allowed on the rented premises except as may be granted by Landlord, in writing. Tenant hereby agrees that if found in violation, the rents due hereunder may be raised at the Landlord's discretion. If pets are allowed by Landlord, Tenant agrees to render an additional security deposit of Two Hundred Dollars (\$200.00).

If Landlord consents to Tenant keeping a pet the further restrictions set forth in this paragraph shall govern. The Tenant is to be fully responsible for any damage to property of Owner or of others which may result from the maintenance of the pet. Tenants agree to pay for pest infestation services after termination of occupancy. Said moneys shall be the responsibility of the Tenant and shall be deducted from the security deposit Landlord reserves the right to revoke this consent on three (3) days' notice to Tenant, if in the opinion of the Landlord's employees, the pet has been a nuisance to other residents or has not been maintained according to these rules. In the event consent is revoked, Tenant agrees to forthwith discontinue maintenance of the pet and failure to so discontinue shall be a breach of the Residential Rental Agreement. Any animals on the property not registered under this Residential Rental Agreement will be presumed to be strays and will be disposed of according to law, at the option of Landlord.

7. NON-ASSIGNMENT OF RESIDENTIAL RENTAL AGREEMENT: Tenant agrees not to

assign this agreement, nor to sublet any part of the property, nor to allow any other person to live therein other than as named in paragraph 5 above without first requesting permission from the Owner and paying the appropriate surcharge. Further, that covenants contained in this Residential Rental Agreement, once breached, cannot afterward be performed; and that unlawful detainer proceedings may be commenced.

8. LEGAL OBLIGATIONS: Tenants hereby acknowledge that they have a legal obligation to pay their rent on time each and every month regardless of any other debts or responsibilities they may have. They agree that they will be fully liable for any back rent owed. They also acknowledge that defaulting on this Residential Rental Agreement could result in a judgment being filed against them and a lien being filed against their current and future assets and/or earnings.

9. ATTORNEY'S COST: Tenant agrees to pay and discharge all costs, attorney's fees, and expenses that shall arise from enforcing the covenants of this Residential Rental Agreement by the Landlord.

10. REPAIR POLICY: The Tenants hereby acknowledge that they have been informed that the Landlord may not always be available to provide support services to Tenants. If a problem comes up that should cost Twenty-five Dollars (\$25.00) or less to repair, then the Tenants are expected to deal with it themselves. If a problem comes up that will cost more than Twenty-five Dollars (\$25.00) to repair, then the Tenants must get in touch with Landlord as soon as possible, between 9 a.m. and 5 p.m. on Monday through Friday. After normal business hours, Tenants may leave a message and someone will get back to them as soon as possible. Under no circumstances will Landlord be responsible for any improvements or repairs costing more than Twenty-five Dollars (\$25.00) unless the Tenants were given written authorization to make repairs to improvements in advance.

11. SECURITY DEPOSIT: Tenants hereby agree to pay a security deposit of _____ (\$ _____), to be refunded upon vacating, return of the keys, and termination of this contract according to the terms herein agreed. This deposit will be held to cover any possible damage to the property. No interest will be paid on this money and in no case will it be applied to back or future rent. It will be held intact by Landlord until at least fourteen (14) working days after Tenants have vacated the property. At that time, Landlord will inspect the premises thoroughly and assess any damages and/or needed repairs. This deposit money minus any necessary charges for repairs, cleaning, etc. will then be returned to Tenant with a written explanation of deductions, within fourteen (14) working days after they have vacated the property.

12. CLEANING FEE: Tenant hereby agrees to accept the property in its present state of cleanliness. They agree to return the property in the same condition or pay a cleaning fee if Landlord has the property professionally cleaned.

13. NOTICE OF INTENT TO MOVE: Tenant agrees to give Landlord written notice of intent to terminate his occupancy at least thirty (30) days prior to the end of any monthly period. All parties agree that termination of this agreement without prior notice will constitute a breach of the tenancy as agreed on page 1, and all security deposits shall be forfeited in favor of the Owner as full liquidated damages at Owner's option following termination without notice.

14. TENANCY AND LEASE PROVISIONS: The term of this lease shall be for a period of _____ years and _____ months, beginning on _____, and ending on _____. This

lease will be automatically renewed on a, month-to-month tenancy basis at a monthly rental equal to _____% of the rent paid for the last month of the term of this lease unless written notice of termination is given by either party at least thirty (30) days before the end of the above lease term or any renewal or extension period, or unless another lease is signed by both parties.

15. TENANT COOPERATION: Tenant agrees to cooperate with Owner/agent in showing property to prospective tenants, prior to termination of occupancy.

16. REMOVAL OF LANDLORD'S PROPERTY: If anyone removes any property belonging to Landlord without the express written consent of Landlord, this will constitute abandonment and surrender of the premises by Tenant and termination by them of this Residential Rental Agreement Landlord may also take further legal action.

17. TENANT INSURANCE: No rights of storage are given by this agreement. Landlord will not be liable for any loss of tenant's property. Tenant hereby acknowledges this and agrees to make no such claims for any losses or damages against Landlord, his agents, or employees.

Tenants agree to provide insurance for their contents at Tenants expense, sufficient to protect themselves and their property from fire, theft, burglary, breakage, electrical connections. They acknowledge that if they fail to procure such insurance, it is their responsibility, and they alone shall bear the consequences.

18. ABANDONMENT: If Tenant leaves the premises unoccupied for fifteen (15) days, without paying rent in advance for that month, or while owing any back rent from previous months, which has remained unpaid, then Landlord and/or his representatives have the right to take immediate possession of the property and to bar the resident from returning. Landlord will also have the right to remove any property that the residents have left behind and store it at Tenant's expense.

19. LOCK POLICY: No additional locks will be installed on any door without the written permission of Landlord. Landlord will be given duplicate keys for all locks so installed at me Tenant's expense, before they are installed.

20. CONDITION OF PREMISES: The Tenants hereby acknowledge that the said property is in good condition. If there is anything about the condition of the property that is not good, they agree to report it to the Landlord within three (3) days of taking possession of the property. They agree that failure to file any written notice of defects will be legally binding proof that the property is in good condition at the time of occupancy.

21. REPAIRS AND SERVICES: Landlord warrants that all major systems will be functional and in good repair at time of possession. Light switches, wall plugs, doors, windows, faucets, drains, locks, toilets, sinks, heaters, etc., will either be in working order or will be repaired, once the Tenants give proper notice to Landlord. Tenants are encouraged to report any necessary repairs no matter how slight, in writing, but they are hereby advised that Landlord does not normally repair or replace nonfunctional items such as paint, carpets, etc., every time a property changes possession.

22. UTILITIES: Tenants will be responsible for payment of electrical and sewer charges and shall put such charges in their own name. Water and garbage charges will be the responsibility of the landlord. Tenants specifically authorize the Landlord to deduct amounts of unpaid electrical and sewer bills from their deposits in the event they remain unpaid after termination of this Agreement.

23. ROOF AND TERMITE ALERT: Tenant agrees to notify Landlord immediately if roof leaks, water spots appear on ceiling, or at the first sign of termite activity.

24. NON-LIABILITY: The Tenants hereby state that any work or repairs that need to be done will be farmed out to competent professionals, unless Tenants are qualified and capable of doing the work themselves and doing it properly, in a safe manner which meets all federal, state, and local regulations. Tenants further state that they will be legally responsible for any mishap, either they do themselves or hire others to do. Landlord will be held free from harm and liability, along with his agents and representatives. In the event that needed repairs are beyond the Tenants' capacity, they are urged to arrange for professional help.

25. PHONE: The Tenants agree to get a phone installed in the premises as soon as possible. Landlord will be given the phone number within two (2) working days of installation and will be notified within two (2) working days of any future changes in the phone number.

26. ACCESS TO PREMISES: The Owner reserves the right to enter the residence at reasonable times to inspect, make necessary repairs, supply services, or show it to prospective residents, purchasers, mortgagees, workmen, or contractors. Whenever practicable, a 2-day notice of the Owner's intent to enter shall be given to the resident. The Owner may also display "for rent" and "for sale" signs on the building on which the rented residence is a part

27. PEST CONTROL POLICY: Resident is responsible for any ongoing pest control service, if the resident desires such service. Owner is not responsible for any damage done to the resident's person, or property by such pests, or to the person or property of resident's family or any other person on their premises.

28. WAIVER: All rights given to Landlord by this Residential Rental Agreement shall be cumulative in addition to any laws which exist or might come into being. Any exercise of any rights by Landlord or failure to exercise any rights shall not act as a waiver of those or any other rights. No statement or promise by Landlord, its agents or employees, as to tenancy, repairs, amount of rent to be paid, or other terms and conditions shall be binding unless it is put in writing and made a specific part of this Residential Rental Agreement

29. BINDING: Tenant hereby states that they have the legal right to sign for any and all other residents and to commit them to abide by this contract.

30. TERMS: In this Residential Rental Agreement, the singular number, where used, will include the plural, the masculine gender will include the feminine, the term Owner will include Landlord, and the term Resident will include Tenant

31. FULL DISCLOSURE: The Tenants signing this rental contract hereby state that all their questions about this Residential Rental Agreement have been answered, that they fully understand all the provisions of the agreement and the obligations and responsibilities of each party, as spelled out herein. They further state that they agree to fulfill their obligations in every respect or suffer the full legal and financial consequences of their actions or lack of action in violation of this agreement. Signature by the Tenant on this Residential Rental Agreement is acknowledgement that he/she has received a signed copy of the Residential Rental Agreement.

32. ADDITIONAL COVENANTS: Tenant shall be bound by and comply with the provisions contained in the Amended Declaration of Covenants, Conditions and Restrictions of Dixie Downs R.V. Resort, Bylaws of Dixie Downs Resort Owners Association, Articles of Incorporation of Dixie Downs R.V. Owners Association, and rules and regulations promulgated by the Board of Trustees of the Association, including but not limited to, all regulations relating to Dixie Downs R.V. Resort status as an Adult Community. Tenant acknowledges that: THE DIXIE DOWNS RESORT PROJECT IS INTENDED AND OPERATED FOR RESIDENTS 55 YEARS OF AGE OR OLDER AS DEFINED IN THE FAIR HOUSING ACT. AS SUCH IT IS THE POLICY OF THE DIXIE DOWNS R.V. RESORT OWNERS ASSOCIATION TO PROHIBIT RESIDENCE OF PERSONS LESS THAN 18 YEARS OF AGE AS IS PERMITTED UNDER AN EXEMPTION OF THE ACT. Tenant must complete the Membership Application and Age Verification form, attached hereto as Exhibit 1, and turn the same into the Association for review and approval. Said Application shall be rejected by the Board of Trustees of the Association and this lease not approved if approval of the same would jeopardize the Projects Adult Community status.

Failure of Tenant to comply with the terms of this paragraph shall constitute default under the terms of this Agreement.

33. COPY FOR ASSOCIATION: A copy of this Agreement shall, be placed with the secretary of the Dixie Downs R.V. Resort Owners Association to be kept in the records of said Association.

ACCEPTED THIS ____ day of _____ 20__.

Landlord

Tenant