

AMENDED AND RESTATED

BYLAWS

OF

DIAMOND HILLS HOMEOWNERS

ASSOCIATION

MAY 15, 2012

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ARTICLE 1.

COMPOSITION OF THE ASSOCIATION

Section 1.1 Name and Location:

These are the Bylaws of the DIAMOND HILLS HOMEOWNERS ASSOCIATION (herein after referred to as "the association"). The Association governs of all the lots, as set forth in the official plats of record in the office of the County Recorder, located within the Diamond Bar X Subdivision No. 3, the Diamond Bar X Subdivision No. 6 and the Little South Fork Subdivision (collectively, the "subdivisions"), all being part of Sections 21 and 22 T. 3 S., R. 7 E., SLB&M, Wasatch County, State of Utah.

Section 1.2 Members and Composition of Association:

The Association shall be composed of the legal owners of record of all building lots within the subdivisions, which have not been restricted from construction of residential dwellings by a municipality, County or the State of Utah. The owners of a lot described herein shall be Members ("Members") of the Association. An executor, administrator, guardian, or trustee may vote in person or by proxy, at any meeting of the Association with respect to any Lot owned or held in such capacity, whether or not the same shall have been transferred to his or her name; provided, that the person shall satisfy the Secretary by written documentation that he or she is the executor, administrator, guardian, or trustee holding the Lot in such capacity.

Whenever any Lot is owned by two or more persons jointly, according to the records of the Association, the vote of the Lot may be exercised by any one of the Owners then present, in the absence of protest by a co-Owner. In the event of a protest, no one co-Owner shall be entitled to vote without the approval of all co-Owners. In the event of disagreement among the co-Owners, the vote of the Lot shall be disregarded completely in determining the proportion of votes given with respect to the matter.

Section 1.3 Principal Office and Agent:

The principal office of the Association and agent shall be as set forth in the records of the State of Utah's Division of Corporations and Commercial Code. All notices to the Association or the Board of Directors shall be sent to the principal office. The principal office and agent can be changed without amendment as long as such change is documented by the State of Utah's Division of Corporations.

Section 1.4 Purposes:

The Association is formed under the provisions of Utah Code Ann. §§16-6a-101, *et. seq.*, the Utah Revised Nonprofit Corporation Act, Utah's Community Association Act, §§57-8a-101 *et seq.* (the Acts) and these Bylaws, to serve as the means through which the Members may take action with regard to the administration, management, and operation of the subdivisions. The Acts sets forth additional authority, duties, obligations and rights as to the administration of the Association in addition to these Bylaws.

Section 1.5 Applications of Bylaws:

The Association, all Members, guests, and all persons accessing and/or using any of the lots or property described in Section 1.1, including the Association itself, shall be subject to these Bylaws.

Section 1.6 Incorporation:

The Association has been incorporated in the State of Utah under U.C.A. §§16-6a-101, *et. seq.*, as Entity No. 5184055-0140. These Bylaws constitute the Bylaws of this incorporated Association. In the event the Association's corporate status shall lapse, for any reason, then the Board shall have the authority to reincorporate the Association on its own motion pursuant to the same terms as set forth in the original Articles of Incorporation.

ARTICLE 2.

MEETINGS OF THE ASSOCIATION

Section 2.1 Place of Meetings:

The Association shall hold meetings at such suitable place convenient as possible to the Members, as determined by the Board of Directors.

Section 2.2 Annual Meetings:

The Association shall have an annual meeting during the months of March, April or May for the purpose of electing directors and officers, and for the transaction of other business related to the Association. The date, time and location of the annual meeting shall be designated by the Board of Directors. If the Board of Directors fails to designate a specific date, time, and location by the first day of April, the annual meeting shall be held on the third Saturday in May at 10:00 a.m. MST at the Association parking lot. The Members may then adjourn to a new location for the meeting.

Section 2.3 Special Meetings

Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request to the Board of at least fifty percent (50%) of the total Members in good standing stating the purpose of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice. "Good standing" is defined hereafter in Section 2.5 of these Bylaws.

Section 2.4 Notice of Meetings:

Notice of all Association meetings shall be given by the officers to the Members as follows. The Notice must be in writing. The Notice must state the date, time, and location of the meeting. The Notice may be sent either by mail, email, or other electronic means to each Member at the address set forth in the books of the Association. By providing the Association an electronic address, each Member consents to accept service of all Association correspondence and notices via such electronic means.

The Notice shall be sent out not less than twenty (20) days and not more than sixty (60) days prior to the meeting. Proof of the Notice being sent, or waiver of a Member of such notice, shall be given by the person sending the notices by means of a written and signed statement specifically setting forth the addresses where each notice was sent. Any Member can waive Notice of any given meeting in writing. Attendance of a Member at a meeting shall constitute waiver of notice, except for when the Member attends for the express purpose of objecting to improper notice. A Member may request that all notices hereunder be sent by regular United States mail, to the address provided by the Member, rather than by the use of electronic means of notification.

It shall be each Member's responsibility to provide updated information to the Association Secretary with respect to their current contact information/address.

Section 2.5 Voting; Good Standing

Each Member in good standing shall have one vote for each lot within the subdivision as described in Section 1.1. A Member shall be deemed in "good standing" and therefore able to cast a vote as long as the Association assessments and fees for each lot are paid in full for the year prior to the vote (unless indicated by notice from the Association or otherwise, Bar X Mutual Water Company dues are included in the annual Association membership assessment). No votes shall be cast on behalf of any lots owned or acquired by the Association. If a Member has consolidated lots into one legal lot on the official plat records of the county, then such Member will have only one vote for the consolidated lot.

In the event that a Member is not in "good standing," then any vote which requires a stated percentage of Members to approve an action shall not include such Member's(s) vote in the calculation of the overall votes needed to pass a measure (in other words, the number of Members not in 'good standing' shall not be calculated in the denominator when determining the total percentage of approvals required. For example, if 10 Members are not in good standing and the Association only consists of 100 lots, any percentage of approvals would be based off of 90 votes, not 100.). In addition, the calculation of a quorum, as stated herein, shall not include any Members who are not in good standing as defined

herein. Members in good standing may be referred to herein as "Eligible Members."

In the event that there is a question whether any Member is in "good standing, the final determination of such will be made by the Board.

Section 2.6 Proxies:

A vote may be cast by a proxy. A person casting a proxy vote need not be a Member of the Association. A proxy is a document granting rights to another to cast their vote for them. A proxy is not a ballot of any kind. A proxy may be assigned by a Member to a person who represents such Member at meetings of the Association. It shall be in writing and signed by such Member or by a legal representative of such Member, and shall be filed with the Secretary, at any time prior to voting. Unless stated otherwise in the proxy, such proxy remains valid only for the meeting for which it was obtained. All votes by proxy are considered as if they were the votes of the Members themselves present.

Section 2.7 Electronic Voting

Ballots may be cast and received by electronic mail and shall be treated in the same manner as any other ballot. All votes by electronic means are considered as if they were the votes of the Members themselves present. The Board shall designate a single email address to which ballots are to be sent. The Board is entitled to presume that an electronic mail ballot is sent by a Member if the sender's electronic mail address, as shown on the electronic mail itself, is that of the actual owner. The Board may verify any such electronic mail addresses as it deems appropriate.

Section 2.8 Quorum of Members

At any meeting of the Association, Eligible Members holding at least fifty percent (50%) of the total voting rights of the Association, represented in person, by proxy or mail in ballot, shall constitute a quorum of the Association. Once a quorum is present to organize a meeting, it cannot be broken by subsequent withdrawal of a Member or Members. In the event that more than fifty percent (50%) of the Eligible Members are not present in person or by proxy, the meeting

shall be adjourned until such time a meeting can be reconvened with a sufficient number of lot owners present at such subsequent meeting to constitute a quorum.

If a Member waives in writing its right to attend and vote at the meeting, such Member will be not considered in the above attendance calculation.

Section 2.9 Majority Vote:

The vote of more than fifty percent (50%) of all of the Eligible Members in attendance (present in person or by proxy or ballot) as set forth in Sections 2.6 through 2.8 shall be binding upon all Members for all purposes except where a higher percentage vote is required by law, by the Articles of Incorporation, or these Bylaws.

Section 2.10 Order of Business:

The order of business at annual meetings of the Association shall be as follows:

Calling of role and certifying attendance of proxies and ballots.

Review the affidavit of the sender of the notices of meeting;

Reading of the minutes of preceding years' meetings;

Reports of officer;

Reports of committees, if any;

Any unfinished business;

New business and business from the members; and

Adjournment.

Section 2.11 Action By Written Ballot In Lieu of a Meeting.

At the discretion of the Board of Directors, any action, except election or removal of directors, that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Member that is entitled to vote on the matter not less than twenty (20) days prior to the date on which the ballots must be received by the Association in order to be counted. Any such use of written ballots shall be consistent with Utah's Nonprofit Corporation Act.

ARTICLE 3

BOARD OF DIRECTORS

Section 3.1 Number and Qualification:

The affairs of the Association shall be governed by a Board of Directors ("directors") composed of three (3) persons who are Members of this Association. Upon the election of the Members as set forth in Section 2.9, the number of directors can be increased up to include five (5) directors. The additional directors shall have all rights privileges, and obligations of the original directors. In the event that the number of directors is to be increased (or subsequently decreased), the notice of the meeting at which a vote will be taken to elect such directors will indicate the number of positions that will be elected and the notice will further state that the size of the Board has increased or decreased, as the case may be.

Section 3.2 Election and Term of Office:

The three current directors in office at the time these Bylaws are adopted shall each continue their present terms. Successor directors shall be then elected by the Members at the annual meetings as set forth in Section 2.9, as each current director's term expires. Each director will serve a term of three (3) two (2) year terms and until a successor is elected.

Section 3.3 Removal of Directors

At any meeting of the Association any one or more of the directors may be removed with or without cause by a majority vote of the Eligible Members in attendance once a quorum is established. Any director whose removal is proposed shall be given an opportunity to speak to the Members at the meeting prior to a vote. Successor directors shall be elected to fill any vacancies created.

Section 3.4 Vacancies:

A vacancy in the Board of Directors caused by a reason other than the removal of a director as set forth in 3.3 shall be temporarily filled by a Member elected by the majority of remaining directors until a permanent replacement is elected at the subsequent Association meeting. The temporary director shall have all rights privileges, and obligations of the original directors, including voting rights.

Section 3.5 Powers and Duties:

The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of this Association. These powers include, but are not limited to, the following:

- (a) Operation, care, upkeep, maintenance, repair, and replacement of the common areas and property of the Association; however, the functionality of such property at all times is not guaranteed – whether due to accidents, mechanical failure, incidents of nature, budgetary constraints and/or other circumstances (unanticipated or unforeseen) that are outside its control.

- (1) Authority to schedule one or more “work day” events during a calendar year where Association Members are called upon to assist in upkeep and maintenance activities on common areas, plus the authority to determine reasonable penalties and assess reasonable fees for a Member’s non-participation in said events.

(2) Approve projects and work to be performed on Association property within the community. Consequently, no work by, or at the direction of a Member(s) including but not limited to, digging, repairing, grading, plowing, maintaining is to be performed on the property owned and/or governed by the Association without prior written approval of the Board, which approval shall not be unreasonably denied. The referenced Association properties and areas include (but are not limited to) the water system, parking lots, gates, roads, right of ways, and common areas or open spaces.

Requests for approval for work to be performed by Members on the above property shall be submitted in writing to the Board for their review and shall include the following: 1) the scope of the work to be performed; 2) the time frame for the work to be performed; 3) name(s) of individual(s) performing the work; and 4) description (map) identifying the area and boundaries wherein the work is to be performed. Board approval must be obtained prior to any work being performed. The Association is not responsible for the costs or any actions of the Members or their agents in completion of work under this rule. Exceptions to this rule may include work performed by: 1) governmental agencies, 2) utility companies; 3) Association committee Members in the course of their normal, assigned duties; 4) Association Members while performing their assigned "work day" tasks; and (5) necessary work performed in the event of an emergency and/or natural disaster. Members in violation of this rule will be subject to fines of up to one thousand dollars (\$1,000.00) per incident, as deemed appropriate by majority vote of the Board.

- (b) Determination of the amounts required for the operation, maintenance, and other affairs of the Association, and the making of such expenditures;
- (c) Adoption of a balanced budget for the Association and assessment and collection of the common expenses either through the Association or by contract with the Bar X Mutual Water Company in exchange for assumption of specified duties of Bar X Mutual Water Company to its Class B shareholders.

- (d) Employment and dismissal of such personnel as necessary to assist them in their duties, including employment of legal, accounting, and other professionals necessary for the administration of the association. However, the Board may not incur or commit the Association to incur fees in excess of \$5,000 for any specific matter unless the Members authorize such expenditure by a vote of sixty-seven percent (67%) present during a meeting. This limitation is not applicable to legal fees incurred in defending the Association and Board of Directors from claims or litigation brought against them;
- (e) Opening of bank accounts on behalf of the Association (with a minimum of two signatories required for any Association account);
- (f) Preparing or causing to be prepared and filed any required income tax returns or forms for the Association;
- (g) Obtaining insurance or bonds pursuant to the provisions of these Bylaws;
- (h) Making additions and improvements to, or alteration of, the common areas provided that no such project exceeds \$20,000 in cost unless the Members authorize such expenditure by a majority vote of those present during a meeting. In the event that a Board Member has a conflict with respect to a potential vendor, such Board member shall recuse themselves from the vote under this sub-section;
- (i) Designating one or more committees which, to the extent provided in the resolution designating the committee shall have the powers delegated by the Board of Directors in the management of the affairs of the Association. Each committee will have at least one director serving thereon, and Directors may serve on more than one committee.
- (j) Enforcement by legal means the provision of these Bylaws;
- (k) The filing of an annual report and any amendment in accordance with Utah law; and
- (l) The filing of any water related reports with regards to the water distribution serving the Association.

- (m) The granting of variances/exceptions to the Rules articulated in Article 8, following the process as outlined in Section 8.15.
- (n) Cause an audit or review of the Association's records to be conducted upon a majority vote of the Board or upon sixty-seven (67%) of the Eligible Members requesting either an audit or review.

Section 3.6 Manager

The Board of Directors shall act as the manager of the Association. The Board of Directors, however, may employ or contract for a manager to delegate any Board duties described herein. However, any such employment or contract shall be terminable upon not more than ninety (90) days notice.

Section 3.7 Board Meetings:

Within thirty (30) days following the annual meeting of the Association, the Board of Directors shall hold an organizational meeting. The purpose of the organizational meeting is to allow the newly elected Board Members to schedule future Board meetings and to begin the process of considering the election of Officers, which is to occur as soon as possible. Other meetings of the Board of Directors may be held as needed (with or without advance notice) at such time and place as determined by the majority of the directors; and may be called by any two officers or two directors. Members in good standing are welcome to attend Board meetings; which Members may also suggest relevant items to be placed on a Board meeting agenda by giving advance notice to the Board. Further rules of procedure governing Board meetings may be adopted by the Board from time to time. Unless otherwise required by Utah law, any Member desiring to attend a Board meeting should contact a Board Member and inquire of the next meeting date and, if desired, request to be placed on the agenda.

Section 3.8 Quorum of Board of Directors:

A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. If a meeting cannot be organized because a lack of quorum, all voting must be deferred until a quorum is present.

ARTICLE 4.

OFFICERS

Section 4.1 Designation:

The Board of Directors shall divide their duties by appointing each director to a specific office. The principal officers of the Association shall be the president, the First Vice President and Second Vice President, all of whom shall be directors. The directors shall also appoint a Secretary and a Treasurer; plus Committee Chairpersons, and/or other officers as in their judgment may be advisable or necessary. These appointees need not be directors, but must be Members in good standing, as defined above.

Section 4.2 Election and Term of Officers:

The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting and shall hold the office at the pleasure of the Board. If any office becomes vacant, the Board of Directors shall elect, during a board meeting, a successor to fill the vacancy. Each officer shall hold a term of two years. Unless agreed otherwise by the Board of Directors, the senior director on the board shall be the President his or her last two year term as a director, the President Elect shall become the next President, and the Second President Elect shall become the next President Elect.

Section 4.3 Removal of Officers:

Any officer may be removed from office at any time with or without cause by the Board of Directors.

Section 4.4 President:

The president shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and the Board Meetings. The president shall have all general powers and duties including but not limited to the power to appoint committees from among the Association as he or she deems

appropriate to assist in the affairs of the Association as ratified by affirmative vote of a majority the Board of Directors.

Section 4.5 First Vice President:

The First Vice President shall be the first assistant to the President and shall take the place of the president and perform all presidential duties in the event the president is absent or unable to act, and other duties and responsibilities as may be deemed appropriate by the Board.

Section 4.6 Second Vice President:

The Second Vice President shall be the second assistant to the President and shall ~~take~~ the place of the president and perform all presidential duties in the event the ~~president~~ and First Vice President are absent or unable to act, and other duties and responsibilities as may be deemed appropriate by the Board.

Section 4.7 Secretary:

The Association Secretary shall keep detailed records of the actions of the Board of Directors and minutes of the Association and Board meetings He or she shall be responsible for provided proper notice to Members and Directors as required herein and by law. The Secretary shall maintain copies of these Bylaws and any subsequent rules or regulations adopted by the Association. They shall also maintain a current list of all Members, and any waivers or proxies of the Members and shall perform all other duties incident to the office of Secretary as may be required by the directors or president. The Second Vice President shall fulfill the duties of the Secretary should the Secretary be unable to fulfill its duties.

Section 4.8 Treasurer:

The Association Treasurer shall be responsible for the Association finances and shall gather, keep, and maintain all receipts, invoices, bills, bank statements, and other financial records for proper accounting purposes and the preparation of the required financial statements. The Treasurer shall pay all invoices and similar bills or statements for all budgeted and approved expenses, and for any non-budgeted items with a total cost fewer than five thousand dollars (\$5,000.00) if approved by the Board of Directors, and shall perform all other duties incident to

the office as may be required by the directors or president. The First Vice President shall fulfill the duties of the Treasurer should the Treasurer be unable to fulfill its duties.

Two signatures from authorized Association Officers shall be required on all Association checks.

Section 4.9 Compensation:

Directors and Officers may receive compensation from the Association for acting as such by the waiver of regular association dues (one lot maximum - but not a waiver of any additional applicable special assessments) for the years they act in such capacity. Any other form of compensation of any kind cannot be provided to a director or officer without approval of the Members as set forth in section 2.9. This is not to preclude Directors or Officers from receiving reimbursement for expenses incurred in the scope of fulfilling their duties to the Association.

Section 4.10 Liability and Indemnification of Directors and Officers:

A director or officer of the Association shall not be individually liable for any damage, loss, or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for acts of gross negligence or intentional misconduct. In the event that any director or officer is made party to any proceeding because of any action or failure to act in the performance of his or her duties, the Association shall indemnify such individual against liability and expenses incurred to the maximum permitted by law.

ARTICLE 5.

BUDGET, EXPENSES, AND ASSESSMENTS

Section 5.1 Budget:

The Board of Directors will prepare a budget each year and present it to the Members at each annual meeting. The budget shall estimate all of the common expenses of the Association, consider any previous over-assessment, and provide an adequate reserve fund for maintenance, repairs, and replacement of Association equipment and property.

The budget shall set forth each Member's annual assessment as described in Section 5.3. A budget is disapproved if within 45 days after the date of the meeting stated above at which the Board presents the adopted budget if: (a) there is a vote of disapproval by at least fifty percent (50%) of the total Members in good standing; and (b) the vote is taken at a special meeting called for that purpose by Members under the declaration, articles, or bylaws.

If a budget is disapproved under this Section, the budget that the board last adopted that was not disapproved by Members continues as the budget until and unless the board presents another budget to Members and that budget is not disapproved.

Section 5.2 Common Expenses:

Common expenses shall include, but not be limited to, the following:

- (a) Administration expenses;
- (b) Expenses of maintenance, repair or replacement of common areas and personal property and equipment owned by the Association;
- (c) Cost of insurance or bonds maintained by the Association, obtained in accordance with Section 6.1.
- (d) Sufficient general operating reserve, at least enough to cover the insurance deductibles;
- (e) Reserve for replacements and deferred maintenance;
- (f) Reserve for capital improvements approved by the Members;
- (g) Any short-falls in common expenses from a prior year;
- (h) Utilities for the common areas or with a common meter or bill;
- (i) Assessment paid to Bar X Mutual Water Company or other persons or entities for Association water; and
- (j) Any other items properly chargeable as an expense of the Association.

Section 5.3 Obligation to Pay Common Expenses:

All Members are personally obligated to pay their fair proportion of the common expenses as set forth above which are assessed to them by the Board of Directors on an annual basis. The Board of directors may elect to round the assessments to the nearest dollar. Members cannot waive their obligation to pay assessments for any reason, including but not limited to, little or no use of the common areas, water, roads, cabin lots or other Association benefits. Except for that described in Section 4.7, no other offsets to the assessment can be made by a Member through projects, work, service, or other like benefits provided to the Association without prior approval of the majority of the Members. All assessments paid to the Association are the property of the Association and are not refundable.

Section 5.4 Reserves:

A reserve analysis shall be completed by July 12, 2012 and updated as required by Utah law. The Board of Directors will determine the necessary amount to hold in reserve for those future or unexpected expenses of long term maintenance items that typically need replacement after three (3) years or more. The amount of reserves shall be determined by considering the estimated life of the items for which the reserve is established and the future replacement cost of such item. The reserve account shall be kept separate from the regular operating account used for annual expenses. The amount held in reserve shall be disclosed at each annual meeting and the Members shall have an opportunity to discuss and vote for the reserve contribution for any given year.

A board may not use money in a reserve fund: (i) for daily maintenance expenses, unless a majority of association Members vote to approve the use of reserve fund money for that purpose; or (ii) for any purpose other than the purpose for which the reserve fund was established.

Section 5.5 Default by a Member:

In the event that a Member has not fulfilled its obligation to pay the annual dues, special assessment, or fines within thirty (30) days of the date due, the Member is in default, and is subject to a \$100 fine; and the suspension of all rights and privileges, including voting privileges, and cannot hold an Association office or be a Director. The Association can pursue all available legal remedies for

collection of the defaulted amount and any costs associated with collection, including but not limited to court costs and attorneys' fees which shall be paid by the defaulting Member. The Association may also elect to place a lien upon the Members' property for the owed amount plus interest (which shall accrue at a rate of 10% per annum).

Section 5.6 Statement of Assessments:

The Board of Directors shall give each Member written notice (same means set forth in Section 2.4) of the assessment payable by each Member. The Board shall also provide a copy of the yearly budget or a written statement of any Member's assessment obligation, upon request.

Section 5.7 Reports and Audits:

An annual financial statement consisting of a balance sheet and income and expense statement for the preceding fiscal year shall be prepared by the Board of the Directors and provided to the Members. Sixty-Seven percent (67%) of the Members may, at the expense of the Association, obtain an audit of review of the books and records of the Association. Such audit shall be provided upon request to any Member so desiring.

ARTICLE 6

INSURANCE

Section 6.1 Type of Insurance:

For the benefit of the Association and the Members, the Board of Directors shall obtain and maintain at all times such insurance as the Board of Directors may determine to be reasonable and necessary.

Section 6.2 Director and Officer Insurance:

The Board shall obtain a reasonable policy of Directors and Officers Insurance in an amount and for a term to be determined by the Board with the assistance of an insurance agent.

Section 6.3 Liability Insurance:

The Association shall maintain a liability insurance policy for risks and harm to Members associated with the use of the common areas, property and facilities of the Association in an amount of no less than one million dollars (\$1,000,000). In addition, the Association shall maintain a liability policy for the Directors and Officers with coverage not less than one million dollars (\$1,000,000.00). Section

Section 6.4 Insurance by Members:

Each Member shall be responsible to maintain, at the Member's expense, insurance covering their property for incidents of property damage and liability as may be deemed necessary and appropriate. The Association shall in no way be deemed to insure or be liable for incidents occurring on the real or personal property of its Members.

ARTICLE 7.

MISCELLANEOUS

Section 7.1 Waiver:

No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or beached thereof which may occur.

Section 7.2 Notice of Sale:

Immediately upon the sale of any lot, the Member shall inform the Association Secretary of the name, address, and any other contact information available of the purchaser for the purpose of transferring the Water Certificate to the new owner and to provide of a copy of the Association Bylaws.

Section 7.3 Availability of Records:

The Association shall make available to any Member for inspection all records described herein, including but not limited to Member records, financial

documents, rules, and corporation records, at the reasonable expense of the Member.

Section 7.4 Invalidity, Numbering and Caption Headings:

The invalidity of any part of these Bylaws shall not sever the Bylaws as a whole and shall not impair or affect in any manner the validity and enforceability of the balance of the Bylaws. All captions are intended solely for convenience of reference and shall not limit any provisions of the Bylaws.

Section 7.5 Conflicts:

These Bylaws are intended to be interpreted under Utah state law and be in full compliance with such. In case of any irreconcilable conflict, state statute shall control over these Bylaws.

ARTICLE 8.

RULES

Section 8.1: Building Restrictions and Requirements

Upon adoption and recording of these Bylaws, allowable structures on any lot shall be limited to one residential structure (home/cabin) and one garage and/or out-building. The residential structure may be up to 5,000 square feet which shall include basement, main floor and up to one story above the main floor. The garage and/or out-building may occupy a combined area of no more than 1,000 square feet. The height of all buildings shall conform to the building ordinances of Wasatch County, Utah. Buildings may not exceed two stories in height above the natural grade. Lot owners/Members may appeal to the Board for consideration in receiving a variance to this rule. Nevertheless, prior agreements entered into by Diamond Hills HOA shall take precedence over this or any other bylaw or rule.

Section 8.2: Building Requirements:

The exterior design of the buildings shall be similar in design and materials to other homes in the area and must comply with all applicable building codes.

No temporary dwellings or mobile structures of any kind (including but not limited to trailers, RVs, campers, and other mobile homes) shall be erected or

situated on any lot for the purpose of habitation for a period longer than two weeks. No dwelling house, garage or out building shall be closer than what is permitted by county building standards.

All dwelling houses erected on each lot shall have indoor plumbing and shall be connected to a code-compliant septic tank system.

Section 8.3 Use of Property:

The common property and privately owned property held as a part of the Association (primarily intended as a second home community) is intended for the quiet enjoyment of the Members and their guests. The property will not be used in any manner which will be loud and boisterous, such as to disturb the peace and quiet of the adjoining neighbors, and no commercial business of any description shall be conducted upon said property or in connection therewith.

Section 8.4 Garbage, Trash and Debris:

Each Member is responsible to maintain their property in an orderly and clean condition, including timely removal of garbage, trash, debris, junk and/or other unsightly or unsanitary waste. Garbage shall be stored in closed containers and removed from the property, at a minimum, on a weekly basis; with garbage, trash, debris etc. not permitted to accumulate on a Member's property.

Section 8.5 Animals:

No animals or fowls or livestock shall be kept, raised, or housed upon any lot or tract within the Association, excepting the usual house pets. Any house pets are at all times the responsibility of the Association Member owning the pet. Said responsibilities include, but are not limited to, preventing the pet from offending other Members, causing unreasonable and/or excessive noise, odors and other disturbance. With respect to animals, Members shall comply with the Wasatch County, Utah County Code: Title 8 - ANIMAL CONTROL including 8.01.01 "Definitions" with respect to restraining their pets:

“ANIMAL UNDER RESTRAINT: Any animal under immediate physical control of its owner or person having charge, care, custody or control. A dog shall not be considered under control of the owner unless on a leash or lead, confined within a vehicle or under the immediate control of the owner or caretaker at any time, or within the real property limits of the owner.”

The Association shall not be liable or held responsible for any injury to persons or property caused by a Member's pet. Each Member assumes full responsibility for the actions and behavior of their pets.

Section 8.6 Subdivision:

All lots or tracts shall be maintained in their original size and shape and no lot or tract shall be divided, subdivided, or partitioned. This does not preclude a Member from joining an adjacent lot with a buildable lot to form one lot through Wasatch County.

Section 8.7 Speed Limits:

Unless otherwise posted by sign, all vehicles, both on road and off road, including but not limited to automobiles, motorcycles, ATVs, snowmobiles, bicycles, and others, are restricted to traveling at speeds not to exceed ten (10) miles per hour on all common roadways. In addition to applicable fines as adopted by the Board pursuant to a schedule of fines, damage to the common roads caused by excessive speed shall be paid for by the noncompliant Member and levied and collected as an unpaid assessment. The Board is not required to post a speed limit sign as this Section 8.7 serves as notice to all Members and their guests. However, nothing prohibits the Board from posting any such signs as it deems necessary. Nevertheless, the Board shall post signs, at a location or locations in its discretion, that the Members, their guests and invitees use the roads at their own risk and that the Association is not responsible for any accident or injury to persons or property for failing to abide by the safety rules of this Section or for any other reason.

Section 8.8 Outdoor Fires:

All outdoor open fires shall be contained in an approved fire pit or ring (the Board may set standards based on the Forest Service's approved fire pits/rings) or in above-ground, patio-style fire place. Outdoor fires shall be monitored at all

times, with Members having a water hose or fire extinguisher readily available. No Member shall be permitted to have any outdoor fire during any time county, state or national agencies have designated fire danger as "high" or "extreme"; or having mandated a "no open fire" restriction for areas including Association property.

Any unattended fires or fires left with warm embers will subject the responsible Member to fines as set forth in Section 8.17. Additionally, a Member shall be financially responsible for the cost of emergency response and/or any and all damage caused by a fire that gets out of control originating on their property.

Section 8.9 Parking:

No Members or their guests shall park along the common roads. Overflow parking is available in the lower parking lot or such other lots that may be created in the Association's common areas. Association parking lots are not intended for long term parking; no trailers, motor homes, boats or other vehicles shall be parked in any Association parking lot for a period longer than one week. The Board of Directors has authority to further regulate Association parking lots as may be deemed appropriate.

Section 8.10 Firearms and Fireworks:

All use of firearms (excluding pellet or BB guns to the extent that pellet or BB guns are used and contained to a Member's lot) or fireworks of any kind are strictly prohibited within the Association boundaries.

Section 8.11 Signs or personal property:

No Member shall erect any signs or leave any personal property in common areas except for commonly used, industry standard real estate signs advertising the sale of their property. Smaller, customized signs identifying the lot, family or cabin name are permitted so long as they are not excessively large as deemed by a reasonableness standard. The Board of Directors has authority to erect signs as it deems necessary.

Section 8.12 Winter Use of Property:

The Association property roads, water system etc. were not designed nor originally intended for continual use during the winter; therefore, there is an

increased potential for reduced access and/or freezing pipes resulting in the disruption of water service during this season of the year.

- (a) The employment of "weeps" (a continuous trickle of water moving through a waterline) to prevent water lines from freezing may be permissible under certain circumstances, however such permission must be obtained from the Board, otherwise may be subject to fines.

- (b) At all times throughout the year, Members, their guests, tenants, invitees etc. use the common roads and Association property at their own risk, which risk is heightened during the winter. If a vehicle stalls, becomes stuck or otherwise incapacitated, it is the Members' responsibility to remove said vehicle from the common roadway within a reasonable period of time so as to not interfere with other Members' use of the roads. Members shall also be responsible for any damage caused to roads, equipment, systems or other common Association property.

Section 8.13 Fences

The erection of fences of any kind is not allowed.

Section 8.14 Work Performed on Association Property

As outlined in Section 3.5 (a) 2, no work shall be performed on Association property (roads, bridges, gates, parking & common areas, etc.) without the expressed written permission of the Board.

Section 8.15 VariANCES With Respect to the Rules

A Member or Members may approach the Board requesting a variance (special consideration/exception) to one or more of the above rules. Such requests shall be in writing, and discussed at an annual or special meeting of the Association's Members or of the Board. The Member shall make a prior written request to be placed on the agenda of either a Member meeting or Board meeting. All requests for a variance will be duly considered by the Board in a timely manner for approval or denial, with notice of said decision to be in writing and provided to the Member making the request and to Association Members.

In such instances where the Board denies such a request, the Member(s) may appeal to the general Association membership by initiating the process to overturn the Board's decision. The aggrieved Member shall call a special meeting as provided for in these Bylaws. Upon the approval of sixty-seven percent (67%) of the Eligible Members, a decision of the Board may be repealed as to the application of a specific rule in this Article 8.

Likewise, if the Board grants a variance/exception to a Member for one or more of the rules as outlined, such decision may be overruled by the same voting threshold of the Members.

In the event a particular variance/exception is granted (either by the Board or by vote of Association Members), such action shall not be deemed a waiver or precedent against future rule enforcement and/or the granting or rejection of future requests, so long as such rejection is not arbitrary or capricious.

Section 8.16 Additional Rules:

Additional rule can be proposed and adopted by the Association in accordance with Article 9.

Section 8.17 Violation of these Bylaws and the Rules:

Members are responsible to abide by the above provisions; as well as for their families, guests, and any other person invited to visit their property. The violation of any provision or these Bylaws and in particular the rules contained herein by any Member or their guest shall provide grounds for the Board of Directors (following providing of notice of such violation and opportunity for a response), to assess a fine of up to one thousand dollars (\$1,000.00) per incident as outlined in a Schedule of Fines as provided; plus the cost of any and all damages caused by such violation; and restrain such Member from further violation by all means permitted by law.

Any legal expenses incurred by the Association to collect the fine or in implementing a restraining order or injunction shall be paid by the offending Member. The Association may place a lien on the Members' real property for any unpaid fines, with interest accruing on any unpaid balance at the same rate as for unpaid assessments.

Fines shall be levied, assessed and collected consistent with applicable Utah law. Before assessing a fine, the Board shall: (a) notify the Member of the violation; and (b) inform the Member that a fine (including the amount of such fine) will be imposed if the violation is not remedied within the time provided in the association's governing documents, which shall be a minimum of 48 hours.

A fine assessed under these bylaws shall: (i) be made only for a violation of a rule, covenant, condition, or restriction that is specifically listed in the Association's governing documents; (ii) be in the amount not to exceed the maximum as specified in the Association's governing documents and commensurate with the nature of the violation; and (iii) accrue interest and late fees as provided in the Association's governing documents.

Unpaid fines may be collected as an unpaid assessment as set forth in the Association's governing documents or in this chapter.

A Member who is assessed a fine under these bylaws may request an informal hearing to protest or dispute the fine within 14 days from the date the fine is assessed.

A hearing shall be conducted in accordance with standards provided in the Association's governing documents.

No interest or late fees may accrue until after the hearing has been conducted and a final decision has been rendered.

ARTICLE 9.

AMENDMENTS TO THESE BYLAWS

Section 9.1 How Proposed:

Amendments to these Bylaws shall be proposed by either a majority of the Board Members or a majority of the Eligible Members of the Association. The proposed amendments must be reduced to writing and shall be included in the notice of the meeting or attached to a request for consent to the amendment.

However, one-time variances/exceptions to "Rules" as outlined in Section 8 may be granted by the Board (following the process outlined in Section 8.15), which decision may also be overturned by vote of the majority of the Members.

Section 9.2 Adoption:

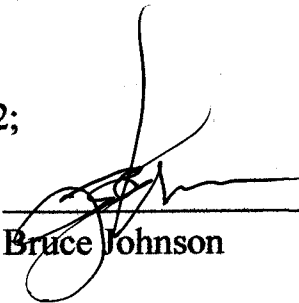
Amendments shall be approved upon the receipt of a two-thirds (2/3) affirmative vote of all Eligible Members of the Association, eligible to be cast at the time the measure is taken for a Member vote.

Section 9.3 Execution and Recording:

An amendment shall not be effective until certified by the president and secretary of the Association as being adopted in accordance with these Bylaws and the provisions of the Act and recorded as required.

By executing below the Board of Directors hereby swear and attest that the above Bylaws were adopted by at least sixty-seven percent (67%) of the Members holding voting rights on the 28 day of April, 2012.

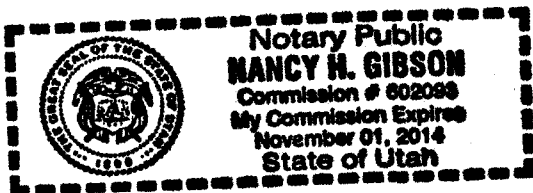
EXECUTED this 15 day of May, 2012;

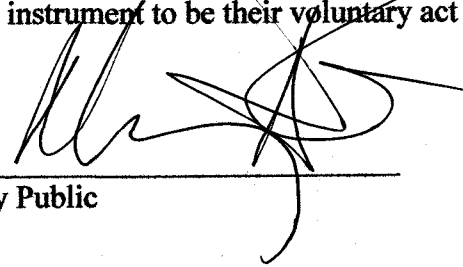


Bruce Johnson

State of Utah)
County of SALT LAKE) ss.

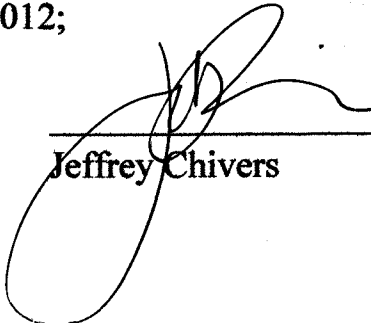
On the 15th day of May, 2012 personally appeared before me Bruce Johnson, who being by me duly sworn did that say that they are a Board Member of the Association and that said instrument was signed and sealed in behalf of said Association by authority of its Board of Directors; and acknowledged said instrument to be their voluntary act and deed.





Notary Public

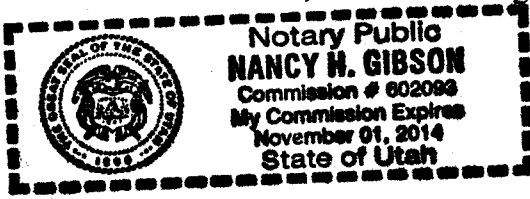
EXECUTED this ___ day of May, 2012;

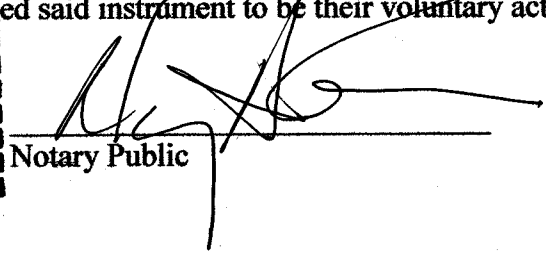


Jeffrey Chivers

State of Utah)
County of Salt Lake) ss.

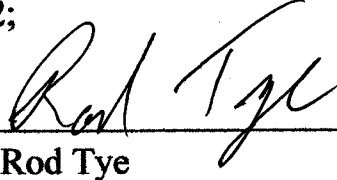
On the 15th day of May, 2012 personally appeared before me Jeff Chiver, who being by me duly sworn did that say that they are a Board Member of the Association and that said instrument was signed and sealed in behalf of said Association by authority of its Board of Directors; and acknowledged said instrument to be their voluntary act and deed.





Notary Public

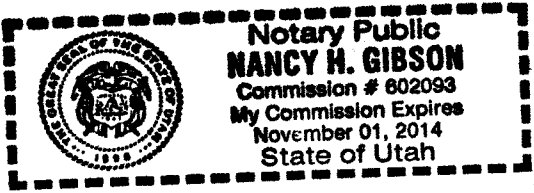
EXECUTED this ___ day of May, 2012;

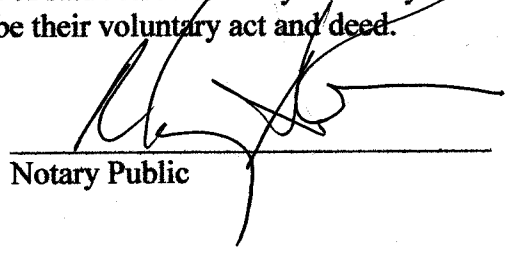


Rod Tye

State of Utah)
County of Salt Lake) ss.

On the 15th day of May, 2012 personally appeared before me Rod Tye, who being by me duly sworn did that say that they are a Board Member of the Association and that said instrument was signed and sealed in behalf of said Association by authority of its Board of Directors; and acknowledged said instrument to be their voluntary act and deed.





Notary Public

**EXHIBIT A
(Legal Description)**

As referenced in Section 1.1 of the Amended and Restated Bylaws of Diamond Hills Homeowners Association dated May 15, 2012, The Association governs of all the lots, as set forth in the official plats of record in the office of the County Recorder, all being part of Sections 21 and 22 T. 3 S., R. 7 E., SLB&M, Wasatch County, State of Utah:

- Diamond Bar X Subdivision No. 3, Lots 1 - 49
- Diamond Bar X Subdivision No. 6, Lots 1 – 44; and also Lots 45-49 as Extended and Amended:

<u>Lot</u>	<u>Serial Number</u>
45	ODX-6A45-0-022-037
46	ODX-6A46-0-022-037
47	ODX-6A47-0-022-037
48	ODX-6A48-0-022-037
49	ODX-6A49-0-022-037

- Little South Fork Lots / Properties as outlined below:

Lot 1 (Legal Description, W.C. Recorded Documents - Entry# 129793)

OwC - 1007 *South*

Commencing at a point which bears ^{South} South 34°07' East, 2490.76 feet distant from the witness corner for the Northwest Corner of Section 22, Township 3 ~~North~~ Range 7 East, SLB&M, and running thence South 1°1' West 288 feet; thence West 150 feet; thence North 2°21' East 249.35 feet; thence North 75° 150 feet to the point of beginning. Together with a right of way for egress and ingress over the existing road extending from the present State Highway No. 35 to the above described property.

Lot 2 (Legal Description, W.C. Recorded Documents - Entry# 164039)

OWC - 1012

Parcel 2 (Lot): Commencing at a point which bears South 36°20' East 2363.30 feet distant from the witness corner for the Northwest corner of Section 22, Township 3 South, Range 7 East, Salt Lake Base and Meridian, and running thence South 1°01' West 158 feet; thence South 75° West 150 feet; thence North 17°25' West 152 feet; thence North 75° East 200 feet to the point of beginning. Together with a right-of-way for egress and ingress over the existing road extending from the present State Highway 35 to the above described property.

Lot 3 (Legal Description, W.C. Recorded Documents - Entry# 164039)

OWC - 1013

Parcel 1 (Cabin): Commencing at a point which bears South 38°23' East 2241.73 feet distant from the witness corner for the Northwest corner of Section 22, Township 3 South, Range 7 East, Salt Lake Base and Meridian, and running thence South 3°08' East 147 feet; thence South 75° West 200 feet; thence North 22°50' West 145.21 feet; thence North 75° East 250 feet to the point of beginning. Together with a right of way for egress and ingress over the existing road extending from the present State Highway No. 35 to the above described property.

Lot 4 (Legal Description, W.C. Recorded Documents - Entry# 251452)

OWC - 1011

Commencing at a point which bears South 38°46' East 2105.51 feet from the witness corner for the Northwest corner of Section 22, Township 3 South, Range 7 East, Salt Lake Base and Meridian; and running thence South 32°28' East 137 feet; thence South 75° West 250 feet; thence North 38°09' West 94.92 feet; thence North 65° East 250 feet to the point of beginning.


Lot 5 (Legal Description, W.C. Recorded Documents - Entry# 226608)

OWC - 1016

Commencing at a point which bears South 38°52' East 1965.55 feet distant from the witness corner for the Northwest corner of Section 22, Township 3 South, Range 7 East, Salt Lake Base & Meridian; and running thence South 37°29' East 140 feet; thence South 65° West 250 feet; thence North 37°29' West 140 feet; thence North 65° East 250 feet to point of beginning. Together with a right of way for egress and ingress over the existing road extending from the present State Highway No. 35 to the above-described property. Subject to a 5 percent Mineral Reservation.

Lot 6 (Legal Description, W.C. Recorded Documents - Entry# 251451)

OWC-1009

Commencing at a point which bears South 38°58' East 1825.60 distant from the witness corner for the Northwest corner of Section 22, Township 3 South, Range 7 East, Salt Lake Base and Meridian; and running thence South 37°29' East 140 feet; thence South 65° West 250 feet thence North 37°29' West 140 feet; thence North 65° East 250 feet to beginning.

Lot 7 (Legal Description, W.C. Recorded Documents - Entry# 216688)

OWC - 1008

COMMENCING at a point which bears South 38°56' East 1686.11 feet from the witness corner of the Northwest corner of Section 22, Township 3 South, Range 7 East, Salt Lake Base and Meridian, and running thence South 51°29' East 20 feet; thence South 37°29' East 120 feet; thence South 65° West 250 feet; thence North 43°43' West 96.76 feet; thence North 55° East 250 feet to the point of the beginning.

Lot 8 (Legal Description, W.C. Recorded Documents - Entry# 251452)

OWC - 1014

Commencing at a point which bears South 37°48' East 1549.76 feet distant from the witness corner for the Northwest corner of Section 22, Township 3 South, Range 7 East, Salt Lake Base and Meridian, and running thence South 51°29' East 140 feet; thence South 55° West 250 feet; thence North 51°29' West 140 feet; thence North 55° East 250 feet to beginning.

Lot 9 (Legal Description, W.C. Recorded Documents - Entry# 251452)

OWC - 1005-A

Commencing at a point which bears South 36°24' East 1409.29 feet distant from the witness corner for the Northwest corner of Section 22, Township 3 South, Range 7 East, Salt Lake Base and Meridian, and running thence South 51°29' East 145 feet; thence South 55° West 250 feet; thence North 41°37' West 139.99 feet, thence North 55° East 225 feet to beginning.

Lot 11 (Legal Description, W.C. Recorded Documents – Entries #'s 251452, 111991

OWC - 1005-9 & OWC 1005-11

Commencing at a point which bears South 34°42' East, 1269.85 feet distant from the witness corner for the Northwest corner of Section 22, Township 3 South, Range 7 East, Salt Lake Base and Meridian, and running thence South 51°29' East 145 feet; thence South 55° West 225 feet; thence North 51°29' West 145 feet, thence North 55° East 225 feet to point of beginning.

Also a triangular shaped tract of land beginning at a point which bears South 34°24' East 1269.85 feet distance from witness corner for the Northwest corner of Section 22, Township 3 South, Range 7 East, Salt Lake Base and Meridian, and running thence South 51°29' East 145 feet; thence North 23°27' West 141.93 feet; thence South 55° West 69.55 feet to point of beginning.

Beg. at a fence corner at a point W. 1316.40 feet and S. 1303.88 feet from the S. Quarter Corner of Sec. 15, T. 3 S. R. 7 E. SLB&M, said fence corner being the SW corner of Lot 35, Diamond Bar X Subdivision No. 6, and running thence along a fence N. 39°33'05" W. 154.936 feet; thence leaving the fence and running along the southwesterly line of a road for four courses as follows: N. 86°10'48" W. 145.64 feet; thence N. 66°20'19" W. 243.13 feet; thence N. 45°26'23" W. 143.29 feet; thence S. 62°48'15" W. 13.44 feet; thence along the northeasterly line of a road for four courses as follows: S. 28°10'41" E. 115.19 feet; thence S. 54°35'20" E. 147.18 feet; thence S. 41°04'18" E. 363.53 feet; thence S. 37°12'50" E. 222.99 feet; thence leaving the road and running N. 73°25'35" E. 41.34 feet to a point on a fence line, said fence being the W. line of Duane Wright property; thence along the fence N. 1°18'00" W. 305.61 feet to the point of beginning, containing 2.355 acres.

Lot 12 (Legal Description, W.C. Recorded Documents - Entry# 251447)

DWC - 1005-C

Beginning at a point West 1956.46 Feet, and South 857.41 feet from the North Quarter Corner of Section 22, Township 3 South, Range 7 East, Salt Lake Base and Meridian, basis of bearing being South 89°50' East to the Northeast corner of said Section 22: Thence South 41°56' West 354.43 feet to the Northeast line of the Diamond Bar X Ranch Subdivision Number 3 as recorded in book 43, at page 528 with the Wasatch County Recorders Office; Thence North 56°59'49" West along said Subdivision line 79.82 feet to the South Right-of-Way line of a 30 foot wide private road and a point on a 59.00 Foot radius Curve to the Left the center of which bears North 19°01'20" West; thence Northeasterly along said North line and said Curve to the Left through a central angle of 30°21'24" A distance of 31.26 Feet; Thence North 40°37'17" East along said North line 240.72 feet to a point on a 191.00 Foot radius Curve to the Right the center of which bears South 49°22'43" East; thence Northeasterly along said South line and said Curve to the Right through a central angle of 15°53'24" A distance of 52.97 Feet; Thence North 56°30'41" East along said South line 36.23 feet to a point on a 31.00 Foot radius Curve to the Right the center of which bears South 33°29'19" East; thence Southeasterly along said South line and said Curve to the Right through a central angle of 18°08'24" A distance of 58.51 Feet; Thence South 15°20'55" East along said Right-of-Way line 17.81 feet to the point of beginning. Contains 26,925 square feet Or 0.6181 acre.

Other (Legal Description, W.C. Recorded Documents - Entry# 226608)

DWC - 1010

1. Pond Parcel.

A part of the NW 1/4 of Section 22, T.3 S., R., 7 E., SLB&M.

Beginning at a point which is 695.08' East and 436.34' South of the Northwest corner of Section 22; thence South 49°56' West 408.2'; thence South 2°28' West 90.15'; thence South 50°36' West 145.25'; thence South 11°14' East 184.54'; thence North 85°28' East 79.60'; thence North 39°59' East 246.35'; thence North 61°41' East 151.00'; thence North 76°13' East 77.45'; Thence North 8°52' West 345.00' to the point of beginning; containing 3.11 acres.