

After Recording Return To:
Richards Kimble & Winn, P.C.
2040 E. Murray-Holladay Rd., Suite 106
Salt Lake City, UT 84117

**AMENDMENT TO THE
DECLARATION OF CONDOMINIUM FOR HIGHLAND SPRINGS**
A UTAH CONDOMINIUM PROJECT

This second amendment to the Declaration of Condominium for Highland Springs that governs the condominium development known as Highland Springs is made on the date evidenced below by the Highland Springs Homeowners Association, Inc., a Utah nonprofit corporation (hereinafter "**Association**").

RECITALS

A. Certain real property in Salt Lake County, Utah, known as Highland Springs Condominiums was subjected to certain covenants, conditions and restrictions pursuant to the Declaration of Condominium for Highland Springs ("**Declaration**") recorded on April 26, 1999, as Entry No. 7333033 in the Recorder's Office for Salt Lake County, Utah;

B. The Declaration was amended pursuant to the Amendment to the Declaration of Condominium for Highland Springs recorded on March 20, 2002, as Entry No. 8180294 in the Recorder's office for Salt Lake County, Utah;

C. Pursuant to the Declaration, as amended, and other governing documents for the Association, the Association is the authorized representative of the Owners of the real property known as Highland Springs Condominiums;

D. Except as otherwise provided herein or as may be required by the context, all terms defined in the Declaration shall have such defined meanings when used in this Second Amendment to the Declaration of Condominium for Highland Springs ("**Second Amendment**");

E. This Second Amendment shall be binding against the property described in the Declaration and as contained in **Exhibit A** attached hereto;

F. Pursuant to Article III, Section 31 of the Declaration, the Management Committee hereby certifies that the votes representing at least sixty-seven percent (67%) of the undivided ownership interest in the Common Areas affirmatively approved this Second Amendment.

NOW, THEREFORE, for the benefit of the Association and all Owners thereof, the Management Committee hereby executes this Second Amendment, for and on behalf of all Owners, to amend the Declaration as provided below. All of the terms and representations in the above Recitals are made a part of this Second Amendment and are incorporated herein by reference.

Article III, Section 18 of the Declaration is hereby amended in its entirety as follows:

18. Capital Improvements. For purposes of this Section 18, “**New Capital Improvement**” shall mean and refer to the addition of a significant permanent structural improvement to the Project that will either enhance the Project’s overall value or increases its useful life. All expenses for New Capital Improvements shall be governed by and subject to the following conditions, limitations and restrictions:

a) Committee Discretion/Expenditure Limit. Any New Capital Improvement to the Project which costs ten percent (10%) or less of the Total Annual Budget, and does not alter the nature of the Project, may be authorized by the Management Committee alone (the “**New Capital Improvement Ceiling**”).

b) Homeowner Approval/Expenditure Limit. Any New Capital Improvement, the cost of which will exceed the New Capital Improvement Ceiling, must, prior to the commencement of construction, be authorized by at least a majority of the percentage of undivided ownership interest in the Common Area.

c) Homeowner Approval/Changing the Nature of the Project. Any New Capital Improvement which would materially alter the nature of the Project must, regardless of its cost and prior to being constructed or accomplished, be authorized by at least sixty-seven percent (67%) of the undivided ownership interest in the Common Areas.

Article III, Section 20 I) of the Declaration is hereby amended in its entirety as follows:

20. I) Reserve Funds.

a) Pursuant to Utah Code Ann. §57-8-7.5, the Association shall cause a Reserve Analysis to be conducted no less frequently than every five (5) years and if no Reserve Analysis has been conducted since March 1, 2008, the Association shall cause a Reserve Analysis to be conducted before July 1, 2012. Furthermore, the Management Committee shall review and, if necessary, update a previously conducted Reserve Analysis no less frequently than every two (2) years.

b) The Management Committee may conduct a Reserve Analysis itself or may engage a reliable person or organization, as determined in the sole discretion of the Committee, to conduct such Reserve Analysis.

c) The Association shall:

(1) At least annually, whether at the annual meeting or at a special meeting held for such purpose, present the current reserve study and provide an opportunity for Owners to discuss reserves and to vote on whether to fund a reserve and, if so, determine the amount and how to fund such reserves.

(2) The Management Committee shall cause minutes of each meeting held pursuant to this section to be prepared and kept and shall indicate therein any decision made relating to the funding of reserves.

d) The Management Committee may not use reserve funds: (1) for general maintenance expenses, unless approved for such use by at least a majority of Owners; or, (2) for any purpose other than the purpose for which the reserve funds were established.

e) The Management Committee shall maintain a reserve fund separate from other funds of the Association.

f) Any reserves shall be conclusively deemed 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 Management Committee, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

g) The Association may establish such other reserves for such other purposes as the Owners may from time to time consider necessary or appropriate.

h) 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 Unit and shall not be separated from the Unit to which it appertains and shall be deemed to be transferred with the Unit.

Article III, Section 24 of the Declaration is hereby amended to include a new subsection l) as follows:

24. l) Future Lease Payments. If the Owner of a Unit, who has been approved to lease their Unit pursuant to Section 7 above, fails to pay an assessment for more than sixty (60) days after the assessment is due, the Management Committee, upon compliance with this section, may demand that the tenant pay to the Association all future lease payments due to the Owner, beginning with the next monthly or other periodic payment, until the amount due to the Association is paid.

a) Notice to the Owner. The manager or Management Committee shall give the Owner written notice of its intent to demand full payment from the tenant under this section. The notice shall: (1) provide notice to the tenant that full payment of the remaining lease payments, beginning with the next monthly or other periodic payment unless the assessment is received within fifteen (15) days, must be paid directly to the Association at the following address: (address to which payment should be mailed, payment must go to the attorney if the account has been turned over for collection); (2) state the amount of the assessment due, including any interest or late payment fee; and (3) state that any costs of collection, and other assessments that become due, may be added to the total amount due.

b) Notice to the Tenant. If the Owner fails to pay the assessment due by the date specified in the notice described in Subsection (a), the manager or Management Committee may deliver written notice to the tenant that demands future payments due to the Owner be paid to the Association pursuant to Subsection (c).

(1) The manager or Management Committee shall mail a copy of the notice described in this Subsection (b) to the Owner.

(2) Content of Notice. The notice provided to the tenant under this Subsection (b) shall state: (i) that due to the Owner's failure to pay the assessment within the time period allowed, the Owner has been notified of the intent of the Management Committee to collect all lease payments due to the Association; (ii) that until notification by the Association that the assessment due, including any interest, collection cost, or late payment fee, has been paid, the tenant shall pay to the Association all future lease payments due to the Owner; and (iii) that payment by the tenant to the Association in compliance with this Section will not constitute a default under the terms of the lease agreement.

(3) If a tenant makes payments in compliance with this Section, the Owner may not initiate an action against the tenant.

c) All funds paid to the Association pursuant to this section shall be deposited in a separate account and disbursed to the Association until the assessment due is paid in full. Any remaining balance shall be paid to the Owner within five (5) business days after payment in full to the Association.

d) Within five (5) business days after payment in full of the assessment, including any interest, late payment fee, and costs of collection, the manager or Management Committee shall notify the tenant in writing that future lease payments are no longer due to the Association. The Association shall mail a copy of the notification to the Owner.

Article III, Section 26 a) is hereby amended in its entirety as follows:

26. a) Property Insurance.

(1) The property covered by property insurance shall include any property that, under this Declaration, are Common Areas and facilities of the Association. The total amount of coverage provided by blanket property insurance may not be less than 100% of the full replacement cost of the insured property at the time the insurance is purchased and at each renewal date, excluding items normally excluded from property insurance policies. The property insurance shall include coverage for any fixture, improvement, or betterment installed by an Owner to a Unit or to Limited Common Areas, including a floor covering, cabinet, light fixture, electrical fixture, heating or plumbing fixture, paint, wall covering, window, and any other item permanently part of or affixed to a unit or to a limited common element. Each Owner, to the extent the Association is required to provide coverage, is an insured person under a property insurance policy.

(2) If a loss occurs that is covered by a property insurance policy in the name of the Association and another property insurance policy in the name of an Owner:

(i) the Association's policy provides primary insurance coverage; and,

(ii) notwithstanding Subsection (2)(i) above, the Owner's policy applies to that portion of the loss attributable to the policy deductible of the Association.

(3)(i) As used in this Subsection (3), the terms described below shall have the following definitions:

(A) "Covered loss" means a loss, resulting from a single event or occurrence that is covered by a property insurance policy of an association of unit owners.

(B) "Unit damage" means damage to a Unit or to Limited Common Area or facility applicable to that Unit, or both.

(C) "Unit damage percentage" means the percentage of total damage resulting in a covered loss that is attributable to Unit damage.

(3)(ii) An Owner who owns a Unit that has suffered unit damage as part of a covered loss is responsible for an amount calculated by applying the unit damage percentage for that Unit to the amount of the deductible under the property insurance policy of the Association. If an Owner does not pay the amount required under this Subsection within thirty (30) days after substantial completion of the repairs to the Unit, the Association may levy an assessment against the Owner for that amount.

(4) The Association shall set aside an amount equal to the amount of the Association's property insurance policy deductible or \$10,000.00, whichever is less.

(5) The Association shall provide notice in accordance with Utah Code Ann. §57-8-42 to each Owner of that Owner's obligation under Subsection (3) for the Association's policy deductible and of any change in the amount of the deductible. If the Association fails to provide notice, it shall be responsible for the amount of the deductible increase that the Association could have assessed to an Owner. The failure of the Association to provide notice may not be construed to invalidate any other provision of this Section.

(6) If, in the exercise of the business judgment rule, the Management Committee determines that a claim is likely not to exceed the property insurance policy deductible of the Association:

(i) the Owner's policy is considered the policy for primary coverage to the amount of the policy deductible of the Association;

(ii) an Owner who does not have a policy to cover the property insurance policy deductible of the Association is responsible for the loss to the amount of the policy deductible of the Association, as provided in Subsection (3); and,

(iii) the Association need not tender the claim to the Association's insurer.

(7) An insurer under a property insurance policy issued to the Association shall adjust with the Association a loss covered under the Association's policy. Notwithstanding the foregoing, the insurance proceeds for a loss under a property insurance policy of the Association:

(i) are payable to an insurance trustee that the Association designates or, if no trustee is designated, to the Association; and,

(ii) may not be payable to a holder of a security interest.

The insurance trustee, if designated, or the Association shall hold any insurance proceeds in trust for the Association, Owners, and lien holders. The insurance proceeds shall be disbursed first for the repair or restoration of the damaged property and, once the damaged property has been completely repaired or restored or the project terminated, any surplus proceeds are payable to the Association, Owners, and lien holders.

(8) An insurer that issues a property insurance policy under this section, or the insurer's authorized agent, shall issue a certificate or memorandum of insurance to:

- (i) the Association;
- (ii) an Owner, upon the Owner's written request; and,
- (iii) a holder of a security interest, upon the holder's written request.

(9) A cancellation or nonrenewal of a property insurance policy under this section is subject to the procedures stated in Utah Code Ann. §31A-21-303.

(10) If the Management Committee acquires from an insurer the property insurance required in this Section, it is not liable to Owners if the insurance proceeds are not sufficient to cover 100% of the full replacement cost of the insured property at the time of the loss.

Article III of the Declaration is hereby amended to include a new Section 50 as follows:

50. Waiver, Precedent and Estoppel. No restriction, condition, obligation or provision contained in this Declaration, the Bylaws, or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Association, the Management Committee or any Owner by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute precedent or estoppel impairing the rights of the Association, Management Committee or Owner as to any similar matter.

Article III of the Declaration is hereby amended to include a new Section 51 as follows:

51. Notice, Affairs, Electronic Means.

a) Notice. Any other provisions of this Declaration or the Bylaws notwithstanding and except as provided in paragraph b) below, in any circumstance where notice is required to be given to the homeowners, the Association may provide notice by electronic means, including text message, email, or the Association website, if the Board deems the notice to be fair and reasonable. It is the responsibility of each member to provide the Association with current and accurate information for the purpose of receiving notice by electronic means. The Board is authorized to promulgate rules and procedures facilitating the implementation of this Section 51 as it deems fit from time to time, including requiring Members to furnish the Association with a current email address.

b) Option to Opt-Out. Upon receiving a request in writing from a member, the Association shall deliver notice by regular first class mail to the Member.

c) Transactions or Actions. Any other provisions of this Declaration or the Bylaws notwithstanding, any transaction or action involving the business or affairs of the Association, including but not limited to voting and providing notice or records, may be conducted by electronic means.

(1) The Association may accept a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation by electronic means as the act of the member if the Management Committee does so in good faith and has no reason to believe it is not the act of the Member.

(2) A writing may be delivered in an electronic medium or by electronic transmission, and may be signed by photographic, electronic, or other means. An electronic record or electronic signature is attributable to a person if it was the act of the person. An electronic signature may consist of a mark, symbol, character, letter, or number or any combination thereof attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record and the same shall be considered the signature of such person.

(3) A writing includes any document, record, vote, ballot, proxy, or instrument required or permitted to be transmitted by a Member or by the Association.

Article III of the Declaration is hereby amended to include a new Section 52 as follows:

52. Registration with the Department of Commerce.

a) Pursuant to Utah Code Ann. §57-8-13.1, as the same may be amended from time to time, the Association shall register with the Utah Department of Commerce in the manner established thereby and shall provide the following information:

(1) The name and address of the Association;

(2) The name, address, telephone number, and, if applicable, email address of the president of the Association;

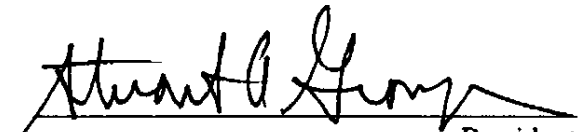
(3) The name and address of each Management Committee member;

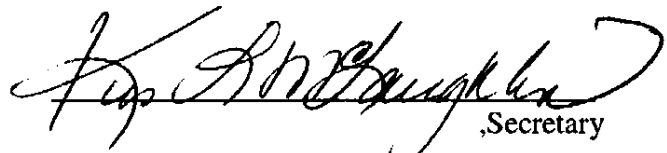
(4) The name, address, telephone number, and if desired to be contacted by such, the facsimile number and/or email address, of a primary contact person who has Association payoff information that a closing agent needs in connection with the closing of an Owner's financing, refinancing, or sale of the Owner's Unit and/or Lot.

b) The Association shall submit to the Utah Department of Commerce an updated registration within ninety (90) days after a change in any of the information required to be provided above.

IN WITNESS WHEREOF, Highland Springs Homeowners Association, Inc. has executed this Second Amendment to the Declaration as of the 27 day of January, 2012.

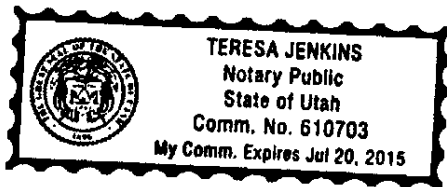
HIGHLAND SPRINGS HOMEOWNERS ASSOCIATION, INC.


, President


, Secretary

STATE OF UTAH)
 :SS
County of Salt Lake)

On the 27 day of January, 2012, personally appeared before me Stuart George and Kris L. McLaughlin who, being first duly sworn, did that say that they are the President and Secretary of the Highland Springs Homeowners Association, Inc. and that the foregoing instrument was signed in behalf of said Association by authority of its Management Committee; and each of them acknowledged said instrument to be their voluntary act and deed.



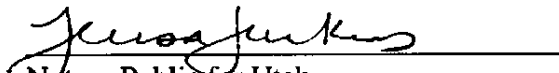

Notary Public for Utah

EXHIBIT "A"

The real property referred to in the foregoing document is located in Salt Lake County, Utah and is described more particularly as follows:

Parcel Number	Unit No.	Bldg. No.	Condominium/Phase
22-04-181-001-0000	UNIT 4480S A,	BLDG 1,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-002-0000	UNIT 4480S B,	BLDG 1,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-003-0000	UNIT 4480S C,	BLDG 1,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-004-0000	UNIT 4480S D,	BLDG 1,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-005-0000	UNIT 4478S A,	BLDG 1,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-006-0000	UNIT 4478S B,	BLDG 1,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-007-0000	UNIT 4478S C,	BLDG 1,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-008-0000	UNIT 4478S D,	BLDG 1,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-009-0000	UNIT 1692E A,	BLDG 8,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-010-0000	UNIT 1692E B,	BLDG 8,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-011-0000	UNIT 1692E C,	BLDG 8,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-012-0000	UNIT 1692E D,	BLDG 8,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-013-0000	UNIT 1694E A,	BLDG 8,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-014-0000	UNIT 1694E B,	BLDG 8,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-015-0000	UNIT 1694E C,	BLDG 8,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-016-0000	UNIT 1694E D,	BLDG 8,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-017-0000	UNIT 1674E A,	BLDG 9,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-018-0000	UNIT 1674E B,	BLDG 9,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-019-0000	UNIT 1674E C,	BLDG 9,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-020-0000	UNIT 1674E D,	BLDG 9,	HIGHLAND SPRINGS CONDOMINIUM PHASE 1.
22-04-181-021-0000	HIGHLAND SPRINGS PH 2 CONDO U AREA		
22-04-181-025-0000	UNIT 4454A,	BLDG 2,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-026-0000	UNIT 4454B,	BLDG 2,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-027-0000	UNIT 4454C,	BLDG 2,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-028-0000	UNIT 4454D,	BLDG 2,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-029-0000	UNIT 4452A,	BLDG 2,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-030-0000	UNIT 4452B,	BLDG 2,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-031-0000	UNIT 4452C,	BLDG 2,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-032-0000	UNIT 4452D,	BLDG 2,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-033-0000	UNIT 1670A,	BLDG 3,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-034-0000	UNIT 1670B,	BLDG 3,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-035-0000	UNIT 1670C,	BLDG 3,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-036-0000	UNIT 1670D,	BLDG 3,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-037-0000	UNIT 1672A,	BLDG 3,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-038-0000	UNIT 1672B,	BLDG 3,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-039-0000	UNIT 1672C,	BLDG 3,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-040-0000	UNIT 1672D,	BLDG 3,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-041-0000	UNIT 1669A,	BLDG 4,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-042-0000	UNIT 1669B,	BLDG 4,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-043-0000	UNIT 1669C,	BLDG 4,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-044-0000	UNIT 1669D,	BLDG 4,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-045-0000	UNIT 1671A,	BLDG 4,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-046-0000	UNIT 1671B,	BLDG 4,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-047-0000	UNIT 1671C,	BLDG 4,	HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-048-0000	UNIT 1671D,	BLDG 4,	HIGHLAND SPRINGS PHASE 2 CONDO.

Parcel Number Unit No. Bldg. No. Condominium/Phase

22-04-181-049-0000 UNIT 1685A, BLDG 5, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-050-0000 UNIT 1685B, BLDG 5, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-051-0000 UNIT 1685C, BLDG 5, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-052-0000 UNIT 1685D, BLDG 5, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-053-0000 UNIT 4462A, BLDG 6, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-054-0000 UNIT 4462B, BLDG 6, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-055-0000 UNIT 4462C, BLDG 6, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-056-0000 UNIT 4462D, BLDG 6, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-057-0000 UNIT 4460A, BLDG 6, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-058-0000 UNIT 4460B, BLDG 6, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-059-0000 UNIT 4460C, BLDG 6, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-060-0000 UNIT 4460D, BLDG 6, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-061-0000 UNIT 4465A, BLDG 7, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-062-0000 UNIT 4465B, BLDG 7, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-063-0000 UNIT 4465C, BLDG 7, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-064-0000 UNIT 4465D, BLDG 7, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-065-0000 UNIT 4463A, BLDG 7, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-066-0000 UNIT 4463B, BLDG 7, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-067-0000 UNIT 4463C, BLDG 7, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-068-0000 UNIT 4463D, BLDG 7, HIGHLAND SPRINGS PHASE 2 CONDO.
22-04-181-069-0000 HIGHLAND SPRINGS PH 2 CONDO U AREA