

**BY-LAWS
OF
APPLEGATE HOME OWNERS ASSOCIATION INC.,
A Utah not-for-profit corporation**

The following are the By-Laws of the APPLEGATE HOME OWNERS ASSOCIATION INC., adopted in conjunction with Utah law and the Articles of Incorporation, which are on file in the Office of the Utah Department of Commerce, Division of Corporations.

**ARTICLE I
PURPOSE & APPLICATION**

1. **Purpose.** These By-Laws shall govern the administration of the Applegate Condominium Project and the association of unit owners.

2. **Application.** All present or future owners, tenants, or any other persons who might use the facilities of Applegate Condominiums in any manner are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the units or the mere act of occupancy or use of any of said units or the common areas and facilities will signify that these By-Laws are accepted, ratified, and will be complied with by said persons.

**ARTICLE II
ASSOCIATION**

1. **Composition.** The Association is comprised of all of the unit owners at the Applegate Condominium Project (the "members").

2. **Renters/Lessees.** Renters and/or lessees will have the same responsibilities and participation rights as homeowners except they may not hold office on the Management Committee and they may not vote.

3. **Common Area Fees.** All owners are obligated to pay a proportionate share of the common expenses and maintenance based on the percentage of ownership in the common areas and facilities as set forth in the Applegate CCRs. Owners who are more than three months in arrears on their common area fees or assessments will be denied the use of the common recreational facilities, and such owners may not hold any office on the Management Committee.

4. **Assessments.** No assessment for capital expenditures over \$2,500.00 shall be made without the same having been first voted on and approved by owners of 75 percent or more of the undivided interest in the common areas and facilities.

5. **Qualified Voters.** A member shall be deemed to be in "good standing" and "entitled to vote" at any meeting of the Association if, and only if, he shall be in full compliance with all of the material terms, covenants, and conditions of the Applegate Declaration of Covenants, Conditions and Restrictions (the "Declaration") and shall have fully paid his share of the

common expenses. Each unit shall have one vote and it shall be based on percentage of ownership as outlined in Applegate's articles of incorporation.

6. Proxies. A member's vote may be cast pursuant to a proxy or proxies duly executed by or on behalf of the member, or in cases where the member is more than one person, by or on behalf of all such persons. Any proxy shall be void if it is not dated, if it purports to be revocable without notice, or if it is not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Unless it expressly states otherwise, a proxy shall terminate automatically (a) if the member attends the meeting in person, (b) it is revoked in writing and written notice of the revocation is given to the Secretary of the Association prior to the meeting, (c) as expressly stated in the proxy form, or (d) eleven (11) months after the date of the proxy, whichever first occurs. Each proxy must be filed with the Secretary of the Association prior to the meeting. Only individual members or the legal representative of an institutional member may be proxies.

7. Quorum Voting. A majority of the unit owners as defined in the Utah Condominium Ownership Act shall constitute a quorum. If however, such a quorum is not present or represented at any meeting, the members entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the adoption of decisions that have been presented as agenda items and delivered to the owners. If the Declaration requires a fixed percentage of members of ownership interest in order to approve any action, that percentage shall be required, anything to the contrary notwithstanding.

8. Annual Meeting. The annual meeting of the Association shall be set by action of the Management Committee. This meeting, at the discretion of the Management Committee may be changed from time to time but must be held annually under the rules and regulations as set out in the By-laws. At such meeting there shall be elected by a plurality of the ballots cast by the owners, a Management Committee. The owners may also transact such other business of the Association as may properly come before them.

9. Special Meeting. Special meetings of the Association of unit owners may be called at any time by written notice signed by owners having 10 percent of the total votes, delivered not less than 10 days prior to the date fixed for said meeting. Such meeting shall be held on the project or such other place as may be specified and the notice thereof shall state the date, time and matters to be considered.

10. Place of Meeting. Meetings of the Association shall be held at the clubhouse or at such other suitable place as may be designated by the Management Committee from time to time and stated in the notice of meeting.

11. Notice of Meetings. It shall be the duty of the Secretary of the Association to attach to the Applegate mail clips or mail to each member at his last known address by regular U.S. mail postage prepaid a notice of each meeting of the Association not less than ten (10) and not more than thirty (30) days in advance of such meeting. The notice shall state the purpose, day, date, time and place of the meeting. The delivery of a notice of meeting in the manner provided in this section shall be considered service of notice.

12. Order of Business. The order of business at all meetings of the Association shall be as follows:

- a. roll call of Officers and Homeowners present;
- b. proof of notice of meeting, with agenda;
- c. reading and approval of minutes of preceding meeting;
- d. reports of officers;
- e. report of special committees, if any;
- f. unfinished business; and
- g. new business.

13. Parliamentary Authority. The rules contained in the current edition of Robert's Rule of Order Newly Revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these By-laws and any special rules of order the Association may adopt.

14. Conduct of Meeting. The President, or in his absence the Vice-President, shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting as well as a record of all decisions and transactions occurring thereat. Minutes will be posted and delivered to the unit owners.

ARTICLE III MANAGEMENT COMMITTEE

1. Powers and Duties. The affairs and business of the Association shall be managed by the Management Committee. The Management Committee shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Articles of Incorporation, Utah law and the Declaration, and may do all such acts and things reasonable and necessary to operate, control, manage and maintain the Project. Maintenance priorities shall be determined annually, and an adequate reserve fund shall be determined and maintained. The Management Committee shall have the power from time to time to adopt any rules and regulations deemed proper for the exercise of its management powers. The Management Committee may delegate its authority to a manager or managers. The Management Committee will be responsible for a performance appraisal on any outside Manager or Management Company on an annual basis, and report to the association.

2. Composition of the Management Committee. The Management Committee shall be composed of at least five (5) but no more than eight (8) members. Currently, five members comprise the Management Committee. The number composing the Management Committee may be altered from time to time by the action of a majority of the unit owners present at any regular or special meeting called for such purpose.

3. Election and Term of Office of the Management Committee. The term of office of membership of the Management Committee shall be two (2) years. At the expiration of the member's term, a successor shall be elected. No member shall be eligible to serve more than two consecutive terms on the committee.

4. First Meeting. The first meeting of the members of the Management Committee shall be immediately following the annual meeting of the Association or at such other time and place designated by the Management Committee.

5. Regular Meeting. Regular meetings of the Management Committee shall be held from time to time and at such time and place as shall be determined by a majority of the members of the Management Committee, but no less often than quarterly.

6. Special Meetings. Special meetings of the Management Committee may be called by the President, Vice President or a majority of the members of the Board on at least forty-eight (48) hours prior notice to each member. Such notice shall be delivered to the Applegate mail clips, by regular U.S. mail postage prepaid, email, facsimile transmission or by telephone, and such notice shall state the time, place and purpose of the meeting. Any meeting attended by a majority of the Management Committee shall be valid for any and all purposes.

7. Meeting Policy.

a) Open Meeting. Each meeting of the Management Committee shall be open to all members of the Association, but unit owners or residents other than members of the Management Committee may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Management Committee.

b) Executive Session. The Management Committee may, with approval of a majority of a quorum, adjourn a meeting and reconvene in an executive session to discuss and vote upon private, confidential, sensitive or personnel matters, litigation, and orders of business of a similar nature. The nature of any and all business to be considered at an executive session shall first be announced in open session.

c) Action Without a Formal Meeting. Any action to be taken by the Management Committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all members of the Management Committee.

8. Waiver of Notice. Before or at any meeting of the Management Committee, any member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Management Committee shall constitute a waiver of notice. If all the members are present at any meeting of the Management Committee, no notice shall be required and any business may be transacted at such meeting.

9. Quorum of the Management Committee. At all meetings of the Management Committee, a majority of the members then in office shall constitute a quorum for the transaction of business, and the acts of the majority of all the Management Committee members present at a meeting at which a quorum is present shall be deemed to be the acts of the Management Committee. If, at any meeting of the Management Committee, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time but for no less than two (2) days and no longer than thirty (30) days. At any such rescheduled meeting, any

business which might have been transacted at the meeting as originally called may be transacted without further notice.

10. Vacancies. Vacancies on the Management Committee caused by any reason (other than removal of a member by a vote of the Association) shall be filled by vote of the majority of the remaining members of the Management Committee at a special meeting of the Management Committee held for that purpose within 30 days after the occurrence of any such vacancy, even though the total members remaining may constitute less than a quorum of the Management Committee. Each person so elected shall be a member for the remainder of the term of the member so replaced and until a successor is elected at the next annual meeting of the Association. A vacancy created by the removal of a member by a vote of the total membership of the Association shall be filled by the election and vote of the members of the Association.

11. Removal of Management Committee Member. A member of the Management Committee may be removed with or without cause, and his successor elected, at any duly called regular or special meeting of the Association, by an affirmative vote of a majority of the members of the Association present at the meeting in person or by proxy, provided, however, any member of the Management Committee whose removal has been proposed by a petition or recall of the members of the Association shall be given at least thirty (30) days prior notice (a) of the calling of the meeting, (b) of the purpose of the meeting, and (c) a fair opportunity to be heard at the meeting. A Management Committee member can be removed by a recall vote, called by petition of 51% of the number of votes cast in the last election in which said Committee Member was elected. Any member of the Management Committee who is unexcused and in any twelve (12) month period misses twenty-five percent (25%) or more of the Board meetings or three (3) consecutive Board meetings may be removed from the Management Committee by the affirmative vote of a majority of the members of the Board.

Reasons for removal include but are not limited to: 1) Malfeasance, misfeasance or fraud by a Management Committee member. 2) Inappropriate or disruptive behavior that interferes with the efficient functioning of the committee. 3) A Management Committee member who becomes more than three months behind in common area fees or assessments shall be removed.

12. Resignation. Any Board member may resign at any time by giving written notice to the Management Committee, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

13. Conduct of Meetings. The President shall preside over all meetings of the Management Committee and the Secretary shall keep a Minute Book recording therein all motions, seconds and resolutions adopted by the Management Committee. The Secretary shall also keep a record of all transactions and proceedings occurring at such meetings.

14. Report of Management Committee. The Management Committee shall present at each regular meeting, and when called for by vote of the Association at any special meeting of the Association, a full and clear statement of the business and financial condition of the

Association as well as the physical condition of the Project. Financial reports will be posted and made available on request. At the close of each fiscal year, an accounting firm shall review the books and records of the Management Committee. Report of such review shall be prepared and submitted to the unit owners at or before the annual meeting of the unit owners. However, a certified audit by an independent certified public accountant when or if requested and approved by a majority vote of unit owners present at a regular or special meeting, or by the Management Committee, shall be made.

15. Compensation. Members of the Management Committee, as such, shall not receive any salary or compensation, provided that nothing herein shall be construed to preclude any member of the Management Committee from serving the project in any other capacity and receiving compensation therefor.

16. Fidelity Bonds. The Management Committee shall require that all officers and employees handling or responsible for funds, have adequate fidelity bonds. The Association shall pay the premiums on such fidelity bonds.

ARTICLE IV OFFICERS

1. Designation. The principal officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Management Committee. The Management Committee may appoint assistant secretaries and such other officers as in its judgment may be necessary. All appointed officers shall be non-voting members of the Management Committee. Two (2) or more offices may be held by the same person, except that the President shall not hold any other office.

2. Election of Officers. The officers of the Association shall be elected annually by the Management Committee at the First meeting of the Management Committee and shall hold office at the pleasure of the Management Committee. Any vacancy in an office shall be filled by the Management Committee at a regular meeting or special meeting called for such purpose.

3. Removal of Officers. The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Management Committee may be removed at any time by the affirmative vote of a majority of the Management Committee, and his successor may be elected at any regular or special meeting of the Management Committee. A person removed from office does not thereby lose or forfeit his position on the Management Committee, however.

4. President. The President shall be the chief executive of the Management Committee, and shall exercise general supervision over its property and affairs. He shall sign on behalf of the condominium project all conveyances, mortgages and contracts of material importance to its business, and shall do and perform all acts and things which the Management Committee may require of him. He shall preside at all meetings of the unit owners and the Management Committee. He shall have all of the general powers and duties which are normally vested in the office of the President of the Corporation, including but not limited to, the power to appoint

committees from among the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the condominium project.

5. Vice-President. The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. If neither the President nor the Vice-President is able to act, the Management Committee shall appoint a member of the Management Committee to do so on an interim basis.

6. Secretary. The secretary is responsible for recording all votes of the individual Board Members, recording the minutes of all meetings held by the Management Committee and the Association in a book to be kept by him for that purpose. He shall give, or cause to be given, notices for all meetings of the Association and the Management Committee and shall perform such other duties as may be prescribed by the Management Committee. The Secretary shall compile and keep current at the principal office of the Association, a complete list of the members and their last known post office addresses. This list and minutes shall be open to inspection by all members and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the Minutes Books of the Management Committee and the Association. A permanent copy of the minutes of all meetings will be kept in the Applegate office. At the First meeting of the Management Committee, the Secretary shall provide each new officer with a current Management Manual, consisting of the CCR's, By-Laws, Rules & Regulations, current budget, financial reports, and an owner/renter information list.

7. Treasurer. The Treasurer shall have custody of and the responsibility for all funds and securities that are not under the control of the Managing Agent, if one has been hired. With the assistance of the said Managing Agent, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all monies and other valuable effects in such depositories as may be designated by the Management Committee. He shall disburse funds as ordered by the Management Committee, taking proper vouchers for such disbursements, and shall report to the President and members, at the regular meetings of the Management Committee, or whenever they may require it, an account of all his transactions as Treasurer, and the financial condition of the Project.

8. Removal of Managing Agent. All agents, management companies or employees shall be subject to removal, with or without cause, at anytime by the affirmative vote of the members of the Management Committee.

ARTICLE V FISCAL YEAR

The fiscal year of the Association shall be the calendar year consisting of the twelve (12) month period commencing on January 1 of each year terminating on December 31 of the same year. The fiscal year herein established shall be subject to change by the Management Committee should it be deemed advisable or in the best interests of the Association.

ARTICLE VI
AMENDMENT TO BY-LAWS

These By-Laws may be altered, amended, or repealed, at any regular meeting of the unit owners or at any special meeting of the unit owners at which a quorum is present or represented by a vote of unit owners, representing at least two-thirds (2/3) of the ownership in the common areas and facilities, having voting power and acting in person or represented by proxy. Provided that, as a condition to any such alteration, amendment or repeal, written notice of the proposed operation, amendment or repeal shall be given to all unit owners at least ten days in advance, in the case of a regular meeting, and in a written notice transmitted in the case of a special meeting.

ARTICLE VII
NOTICE

1. Manner of Notice. All notices, demands, bills, statements, or other communications provided for or required under these By-laws shall be in writing and shall be deemed to have been duly given if delivered to the Applegate mail clips or sent by regular U.S. Mail postage pre-paid, a) if to an Member, at the address of his Unit and at such other address as the Member may have designated by notice in writing to the Secretary; or b) if to the Management Committee or the Manager, at the principal office of the Manager or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes, the Declaration, or of these By-laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provisions of the Declaration.

ARTICLE VIII
COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. Conflict. These By-laws are subordinate and subject to all provisions of the Articles of Incorporation and Declaration. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these By-laws and the Declaration, the provision of the Declaration shall in all instances govern and control.

2. Waiver. No restriction, condition, obligation, or provision of these By-laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

3. Interpretation. Whenever in these By-laws the context so requires, the singular number shall refer to the plural and the converse; the use of any gender shall be deemed to


include both masculine and feminine; the term "shall" is mandatory while the term "may" is permissive.

4. Severability. The invalidity of any one or more phrases, sentences, subparagraphs, subsections or sections hereof shall not affect the remaining portions of this instrument or any part thereof, and in the event that any portion or portions of this document should be invalid or should operate to render this document invalid, this document shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, subsection or subsections, or section or sections had not been inserted.

Dated this 14 day of November, 2003.

APPLEGATE HOMEOWNERS ASSOCIATION INC.
A Utah corporation

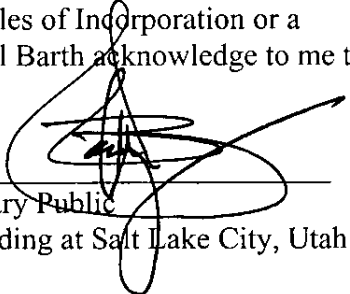
By: 
Title: Jason Wolf, President

By: 
Title: Neal Barth, Secretary

ACKNOWLEDGMENT


STATE OF UTAH)
 ss.
COUNTY OF SALT LAKE)

On the 14 day of November, 2003 personally appeared before me Jason Wolf and Neal Barth, who being by me duly sworn, did say that they are the President and Secretary of Applegate Homeowners Association, Inc., a Utah Corporation, and that the foregoing instrument was signed in behalf of said Association by authority of its Articles of Incorporation or a resolution of its Board of Trustees, and said Jason Wolf and Neal Barth acknowledge to me that said Association executed the same.



Notary Public
Residing at Salt Lake City, Utah

My commission expires:

	Notary Public JAMES R. BLAKESLEY 2595 E. 3300 S. Salt Lake City, Utah 84109 My Commission Expires June 7, 2005 State of Utah
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cherry:acknowledgment

EXHIBIT A

Legal Description

The land described in the foregoing document is located in Salt Lake County, Utah and is described more particularly as follows:

<u>Lot No.</u>	<u>Parcel No.</u>
AREA	21-11-478-001-0000
100	21-11-478-002-0000
101	21-11-478-003-0000
102	21-11-478-004-0000
103	21-11-478-005-0000
104	21-11-478-006-0000
105	21-11-478-007-0000
106	21-11-478-008-0000
107	21-11-478-009-0000
108	21-11-478-010-0000
109	21-11-478-011-0000
110	21-11-478-012-0000
111	21-11-478-013-0000
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113	21-11-478-015-0000
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116	21-11-478-018-0000
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123	21-11-478-025-0000
124	21-11-478-026-0000
125	21-11-478-027-0000
126	21-11-478-028-0000
127	21-11-478-029-0000
128	21-11-478-030-0000
129	21-11-478-031-0000
130	21-11-478-032-0000
131	21-11-478-033-0000
132	21-11-478-034-0000
133	21-11-478-035-0000
134	21-11-478-036-0000
135	21-11-478-037-0000
136	21-11-478-038-0000
137	21-11-478-039-0000
138	21-11-478-040-0000

<u>Lot No.</u>	<u>Parcel No.</u>
139	21-11-478-041-0000
140	21-11-478-042-0000
141	21-11-478-043-0000
142	21-11-478-044-0000
143	21-11-478-045-0000
144	21-11-478-046-0000
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169	21-11-478-071-0000
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172	21-11-478-074-0000
173	21-11-478-075-0000
174	21-11-478-076-0000
175	21-11-478-077-0000
176	21-11-478-078-0000
177	21-11-478-079-0000
178	21-11-478-080-0000

<u>Lot No.</u>	<u>Parcel No.</u>
179	21-11-478-081-0000
180	21-11-478-082-0000
181	21-11-478-083-0000
182	21-11-478-084-0000
183	21-11-478-085-0000
184	21-11-478-086-0000
185	21-11-478-087-0000
186	21-11-478-088-0000
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212	21-11-478-114-0000
213	21-11-478-115-0000
214	21-11-478-116-0000
215	21-11-478-117-0000
216	21-11-478-118-0000
217	21-11-478-119-0000
218	21-11-478-120-0000

<u>Lot No.</u>	<u>Parcel No.</u>
219	21-11-478-121-0000
220	21-11-478-122-0000
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222	21-11-478-124-0000
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225	21-11-478-127-0000
226	21-11-478-128-0000
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