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WHEN RECORDED, RETURN TO:
Kaufman and Broad of Utah, Inc.
1225 E. Fort Union Blvd, Suite 215
Midvale, Utah 84047

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SHERYL L. WHITE, DAVIS CNTY RECORDER
1999 JAN 8 11:51 AM FEE 96.00 DEP DJJ
REC'D FOR SD CLINTON LC

14 - 270-0001 thru 0043
Lots 1 to 39 - Common areas

DECLARATION
OF
RESTRICTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
OF
CLINTON TOWNE CENTER SUBDIVISION, PHASE I

WHEREAS, KAUFMAN AND BROAD OF UTAH, INC., a California corporation ("Declarant"), is the legal and beneficial owner of a certain tract of land situated in Clinton City, State of Utah, described as follows (the "Subdivision"):

CLINTON TOWNE CENTER SUBDIVISION, PHASE I, consisting of Lots 1-39 (inclusive), according to the official plat thereof as recorded in the office of the Davis County Recorder.

WHEREAS, Declarant is about to sell individual lots in the Subdivision (hereinafter individually "Lot" and collectively "Lots"), which it desires to subject, pursuant to a general plan of improvement, to certain restrictions, conditions, covenants, and agreements as hereinafter set forth;

NOW, THEREFORE, the undersigned Declarant declares that the property described heretofore is held and shall be sold, conveyed, leased, occupied, resided upon, hypothecated and held subject to the following restrictions, conditions, covenants and agreements between itself and the several owners and purchasers of said property and between themselves and their heirs, successors and assigns:

1. MUTUAL AND RECIPROCAL BENEFITS. All of the restrictions, conditions, covenants and agreements set forth herein shall be made for the direct, mutual and reciprocal benefit of each and every Lot created on the above-described property and shall be intended to create a mutual and equitable servitude upon each of said Lots in favor of each other Lot created on the aforesaid property and to create reciprocal rights and obligations between the respective owners of all of the Lots so created and to create a privity of contract and estate between the grantees of said Lots, their heirs, successors and assigns, and shall, as to the owners of each Lot in the Subdivision, their heirs, successors and assigns, operate as covenants running with the land for the benefit of all other Lots in the Subdivision.

2. PERSONS BOUND BY THESE RESTRICTIONS AND COVENANTS. All

covenants and restrictions herein stated shall run with the land comprising the Subdivision, and all owners, purchasers or occupants thereof shall by acceptance of contracts or deeds be conclusively deemed to have consented and agreed with the present and future owners of said land and with his or their successors and assigns to conform to and observe the following covenants, restrictions and stipulations as to the use thereof and construction of residences and improvements thereon, for a period from the date hereof to January 1, 2025, at which time said covenants and restrictions shall be automatically extended for successive periods of 10 years, unless, by a vote of at least two-thirds (2/3) of the then owners of said Lots, it is agreed to amend or release said covenants in whole or in part by an appropriate agreement in writing specifying the restrictions or covenants to be amended or released, and by filing said agreement with the office of the Clinton City Recorder.

3. LAND USE AND BUILDING TYPE. No Lot shall be used except for residential and related purposes. No building shall be erected, altered, or permitted to remain on any Lot other than one detached single-family dwelling and a private garage for not more than two (2) vehicles. The Architectural Control Committee (as described below) shall have power to further limit the number of stories and the height of structures for new construction on the Lots in its sole and exclusive discretion, as described herein.

4. HOME OWNERS ASSOCIATION.

a. Establishment of Home Owners Association. Declarant shall establish a Home Owners Association (the "HOA") to carry out the obligations so designated in this Declaration.

b. Voting Membership. The HOA shall consist of one class of membership. All of the owners of Lots in the Subdivision shall be "Members". When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

c. Architectural Control Committee. The management and maintenance of the Subdivision and the administration of the affairs of the HOA shall be conducted by an Architectural Control Committee (the "Committee"), consisting of three (3) natural persons, who need not be Members of the HOA. The Committee may act by any two (2) of its members, and any authorization approval or power made by the Committee must be in writing signed by at least two (2) members. It is intended that Declarant shall control the Committee and may fill any vacancies therein for so long as the Declarant owns any lots in the Subdivision. Declarant shall also have the right, at any time, at its sole discretion, to permit one or more of the members of the Committee to be elected by the vote of a majority of the Lot owners. Any member of the Committee may resign from the Committee, at any time, upon at least thirty (30) days written notice to the other

Committee members. When Declarant no longer owns any Lots in the Subdivision, or at such earlier time as the Declarant may determine, the members of the Committee may be removed, replaced or elected by the majority vote of Lot owners, at any meeting of the owners at which owners of at least 51% of the Lots in the Subdivision are present. However, nothing herein shall preclude the Declarant from relinquishing control over the Committee at an earlier date, at the Declarant's sole discretion. The number of members of the Committee may be changed by amendment of the Bylaws of the HOA. At the first annual meeting, three (3) Committee Members shall be elected for a term of one (1) year as provided in the Bylaws.

The rights, duties and functions of the Committee may be exercised by Declarant until the date the Articles are filed with the State of Utah, after which the initial Committee named in paragraph 5 below shall serve until the date of the first meeting of the HOA. The Committee shall have all the powers, duties and responsibilities as are now or may hereafter be provided by this Declaration, the Articles and Bylaws, including, but not limited to, the following:

(1) To make and enforce all rules and regulations covering the operation and maintenance of the Subdivision.

(2) To maintain the common areas of the Subdivision.

(3) To pass upon, approve or reject any plans or specifications for improvements to be made on Lots in the Subdivision, and to enforce the covenants and restrictions set forth herein, so that all structures shall conform to the restrictions and general plans of the Declarant, the HOA, and of the Committee, for the improvement and development of the whole Subdivision.

(4) To enter into contracts, deeds, leases and/or other written instructions or documents and to authorize the execution and delivery thereof by the appropriate officers.

(5) To assess and collect fees from its Members to cover the costs of the maintenance of the common areas of the Subdivision and administration of the HOA.

(6) To open bank accounts on behalf of the HOA and to designate the signatures therefor.

(7) To bring, prosecute and settle litigation for itself, the HOA and the Subdivision.

(8) To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Members or Owners, items of personal property necessary or convenient to the management of the business and affairs of the HOA or for the operation of the Subdivision, including, without limitation, furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies.

(9) To keep adequate books and records.

(10) To do all other acts necessary for the operation and maintenance of the Subdivision and the performance of its duties as agent for the HOA, including the maintenance and repair of any portion of the Subdivision if necessary to protect or preserve the Subdivision.

d. Liability. Members of the Committee, the officers and any assistant officers, agents and employees of the HOA shall not be liable to the Members or Owners as a result of their activities as such for any mistake of judgment, negligent or otherwise, except for their own willful misconduct or bad faith; shall have no personal liability in contract to a Member, Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Master Association in their capacity as such; shall have no personal liability in tort to any Member, Owner or any person or entity, direct or imputed, by virtue of acts performed by them in their capacity as such, except for their own willful misconduct or bad faith, nor for acts performed for them in their capacity as such; and shall have no personal liability arising out of the use, misuse or condition of the Subdivision, which might in any way be assessed against or imputed to them as a result of or by virtue of their capacity as such.

e. Indemnity. The Members shall indemnify and hold harmless any person, his heirs and personal representatives, from and against all personal liability and all expenses, including attorneys' fees, incurred, imposed or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Members or Owners, or any other persons or entities, to which he shall be, or shall be threatened to be, made a party by reason of the fact that he is or was a member of the Committee or an officer or assistant officer, agent or employee of the HOA, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith, provided that in the case of any settlement, the Committee shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law, by agreement, by vote of the Committee or otherwise. The indemnification as contained herein shall be paid by the Committee on behalf of the Members and shall be assessed and collectible from the Members, including

Declarant, on a pro rata basis in accordance with the number of votes of each Member or of Declarant.

f. Fidelity Bond. The Committee may procure appropriate fidelity bond coverage for any person or entity handling funds of the HOA.

5. ARCHITECTURAL CONTROL COMMITTEE MEMBERS. The initial members of the Committee shall be as follows:

| | | |
|------------------------|------------------------|--------------------------|
| Ken Krivanec | Cynthia Hill | Ernie Smith |
| 1225 E Fort Union Blvd | 1225 E Fort Union Blvd | 2231 E Murray Holiday Rd |
| Suite 215 | Suite 215 | Suite 200 |
| Midvale, Utah 84047 | Midvale, Utah 84047 | SLC, Utah 84117 |

6. ARCHITECTURAL AND STRUCTURAL CONTROL.

a. Approval Required. For the purpose of further insuring the development of the Subdivision as a residential area of high standards, the owner or occupant of each Lot, by acceptance of title thereto, or by taking possession thereof, covenants and agrees that no building, wall/fence in excess of six (6) feet, or other structure shall be placed upon said Lot unless and until the plans and specifications and plot plan have been approved in writing by the Architectural Control Committee. Each such building, wall, fence, or other structure shall be placed on the Lot only in accordance with the plans and specifications and plot plan so approved in writing by the Committee. No material alteration of the exterior appearance of any home or other structural improvement in the Subdivision shall be made without the Committee's written approval.

b. Plans and Specifications. In connection with said approval, complete plans and specifications of all proposed buildings, structures (including all concrete and masonry walls), and exterior alterations, together with detailed plans showing the proposed location of the same on the particular Lot, shall be submitted to the Committee before construction or alteration is started, and such construction or alteration shall not be started until written approval thereof is given by the Committee. All plans and specifications for such approval must be submitted at least fourteen (14) business days prior to the proposed construction starting date.

c. Approval or Denial. As to all improvements, construction and alterations within the Subdivision, the Committee shall have the right to refuse to approve any design, plan or color for such improvements, construction or alterations, which is not suitable or desirable in the Committee's opinion, for any reason, aesthetic or otherwise, and in so passing upon such design, the Committee shall have the right to take into

consideration the suitability of the proposed improvement, the material of which it is to be built and the exterior color scheme of the proposed improvement, the harmony thereof with the surroundings, the effect or impairment that such improvements will have on the view of surrounding building sites, and any and all facts which, in the Committee's opinion, shall affect the desirability or suitability of such proposed structure, improvements or alterations. The approval of the Committee of any plans or specifications submitted for approval as herein required shall not be deemed to be a waiver by the Committee of its right to object to any of the features or elements embodied in such plans and specifications, if or when the same features or elements are embodied in the plans and specifications of any other improvements submitted for Committee approval.

7. ARCHITECTURAL PROCEDURE. The Committee's approval or disapproval shall be in writing. All decisions of the Committee shall be final, and neither the Declarant, the Committee nor their designated representatives shall be subject to any liability therefore. Any errors or omissions in the design of any building or landscaping, and any violations of county ordinances are the sole responsibility of the Lot owners and/or their designer or architect. The Committee's review of plans shall in no way be construed as an independent review of the structural or mechanical adequacy of the proposed improvements, or with architectural soundness thereof, and neither the Declarant or the Committee shall have responsibility for a determination of such adequacy or soundness.

8. MOVING OF STRUCTURES. No structure of any kind shall be moved from any other place to the Subdivision without written approval of the Committee.

9. COMPLIANCE WITH ZONING ORDINANCES OF CLINTON CITY. All improvements in the Subdivision shall be placed and used upon the Lots in accordance with the provisions of the applicable Clinton City zoning ordinance, unless otherwise modified or restricted by the covenants herein.

10. TEMPORARY STRUCTURES. No trailer, tent, shack or other out-building shall be placed upon or used at any time within the Subdivision as a temporary or permanent residence.

11. NUISANCES AND RELATED MATTERS.

a. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be an annoyance or nuisance to the neighborhood or the owners or occupants of any other Lots in the Subdivision.

b. Pets. No barn, coop, shed, sty or building of any type shall be constructed for the purpose of housing pigs, cows, sheep, goats, horses, poultry, or livestock, and

none of the foregoing shall be kept, maintained or permitted at any place within the limits of the Subdivision. A reasonable number of household pets will be permitted in accordance with Clinton City ordinances, so long as such pets do not constitute a nuisance for other residents of the Subdivision.

c. Storage. No campers, boats, boat-trailers, house-trailers, automobiles, trucks, motorhomes, horse or other trailers shall be stored in excess of two (2) days in driveways and shall never be stored on streets or other areas in open view within the Subdivision. Any of the above vehicles, or any part thereof, not in actual use shall be stored or placed in a garage, behind a fence, or other walled-off or enclosed space. No commercial vehicle exceeding three quarters (3/4) of a ton shall be kept or stored upon any Lot unless such vehicle is kept or stored in an enclosed garage when not in use. No commercial vehicle owned or in the possession or under the control of any resident or occupant in the Subdivision shall be parked overnight in any street within the Subdivision. "Commercial vehicle" for this purpose shall include, but not be limited to, any truck, pickup, van, bus, tractor, station wagon, taxi, automobile, or other vehicle used primarily for business or other commercial purposes as distinguished from vehicles used primarily for the transportation of persons other than for hire or other than for business or other commercial purpose.

d. Signs. Except for signs displayed by the developer during the construction and Lot sales period, no signs, other than name plates, shall be displayed to the public view on any Lot except one sign not exceeding four square feet advertising the sale or lease of a Lot.

e. Drilling and Mining. There shall be no oil drilling, mining, quarrying or related operations of any kind permitted upon any Lot.

f. Rubbish. No rubbish shall be stored or allowed to accumulate anywhere in the Subdivision, except in sanitary containers. Rubbish shall include, but not be limited to bushes or weeds, household wastes, and automobiles, campers, trailers, boats, or parts thereof, which have been in a state of disrepair or unassembled for a period exceeding eight (8) days. Trash, garbage or other wastes shall be kept in sanitary containers, maintained in a clean and sanitary condition, and stored in garages screened by adequate planting or fencing so as to be concealed from view of neighboring Lots and streets.

g. Transmitting and Receiving Equipment. No external radio, citizen's band, ham radio or any similar transmitting and/or receiving antennas or equipment shall be placed upon any structure or Lot; provided, however, television and radio antennas or other electronic reception devices may be erected so long as they shall be completely erected, constructed and placed within the enclosed area of the dwelling or garage on the

Lot. Exceptions must first be approved in writing by the Architectural Control Committee. Any installation of a satellite reception dish on any Lot shall be located so that it is obscured from view of the street and neighbors by fencing, plants or tasteful construction to obscure the dish.

12. **EASEMENTS.** Easements and rights of way are hereby reserved to the Declarant, its successors and assigns, in and over the real property subject to this Declaration for the erection, construction, maintenance and operation therein or thereon of drainage pipes or conduits and pipes, conduits, poles, wires and other means of conveying to and from Lots in said tract, gas, electricity, power, water, telephone services, sewage and other things for convenience to the owners of Lots in the Subdivision, including but not limited to, those shown on the Subdivision plat. No structures of any kind shall be erected over any of such easements except upon written permission of the Declarant, its successors or assigns. All purchasers of Lots shall, by acceptance of contracts or deeds for every Lot, thereby be conclusively deemed to have granted an easement to the Declarant to permit the Declarant take any and all actions necessary to develop the Subdivision, and to improve, market and sell all Lots owned by the Declarant therein.

13. **SET BACKS.** No dwelling house or other structure shall be constructed or situated on any of said Lots created except in conformity with the "set back" lines as established in each instance by the Architectural Control Committee or by law, and in conformity with any additional "set back" lines which may be fixed by the undersigned, its successors and assigns, on the recorded subdivision plat, contracts or deeds to any or all of the Lots created on said property. Technical terms such as "set back" and all other such terms as used in this Declaration shall be defined, where possible, and shall have the meaning assigned by the Clinton City Zoning Ordinance or the Uniform Building Code, as applicable.

14. **MANNER OF VOTING.** In any matters where the owners are given the right to vote herein, each Lot owner of record shall be entitled to one vote for each Lot owned by him, provided, however, where there is more than one record owner of a Lot, all of such owners must act unanimously in order to cast a vote for that Lot.

15. **ADDITIONAL COVENANTS.**

a. **Installation and Maintenance of Landscaping.** The Declarant shall plant the front yards of all Lots. The homeowner shall thereafter maintain said landscaping, including but not limited to irrigation, fertilizing, lawn mowing, weed extraction, and leaf and snow removal. All owners of Lots shall install and maintain their back and side yards, including all hedges, plants, shrubbery, trees, and lawns therein, in a neat and trim condition at all times. The initial planting by the individual owner must be performed within six (6) months following the closing of the purchase of the Lot, unless seasonal conditions preclude such planting, in which case the planting will be performed as soon as

possible, but in no case later than September 1 of the first summer of ownership.

b. Maintenance of Landscaping and Common Areas. Except as otherwise specifically set forth herein, the HOA shall maintain and repair all common areas within the Subdivision, including private roads, curb and gutter, sidewalks, street lamps and open spaces. Certain open spaces, specifically those directly adjacent to lots 1, 15, 55, 60-61, and 78, however; shall not be maintained by the HOA. All owners of these said lots shall maintain adjacent open space as if the space were their own property. No plants or shrubs, other than those planned by the declarant shall be placed within any open space nor shall any fence or structure be constructed within any open space unless approved by the Architectural Control Committee.

c. Fences and Walls. Vinyl rear and side fencing for each Lot shall be installed by the Declarant in accordance with the restrictions and regulations promulgated by the Architectural Control Committee and the Clinton City Planning Commission. No fence or wall shall be erected, placed or altered on the front yard of any Lot unless prior approval is given by the Architectural Control Committee. All walls and fences must be maintained by the Lot owner after closing.

d. Change in Grade. The surface grade or elevation of the various Lots in the Subdivision shall not be substantially altered or changed in any manner which would affect the relationship of such Lot to other Lots in the Subdivision, or which would result in materially obstructing the view from any other Lot in the Subdivision.

e. Utilities. All electric, television, cable television, telephone and other utility line installations and connections from the property line of any Lot to the residence or structures thereon shall be placed underground.

16. BREACH OF VIOLATION OF COVENANTS. In the event of a violation or breach or attempted violation or breach of any of these covenants, restrictions, limitations, conditions, or agreements by any person or concern claiming by, through or under Declarant, or by virtue of any judicial proceedings, Declarant or the owner of any Lot of residential site in the Subdivision, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent such violation or breach.

17. RECOVERY. In the event of the Declarant, Architectural Control Committee or any property owner in this subdivision are successful in prosecuting any violation of these restrictive covenants, he may recover, in addition to any other damages, costs, and expenses of the litigation, including reasonable attorneys fees from the party found to be in violation thereof.

18. EFFECT OF WAIVER OR BREACH OR FAILURE TO ENFORCE. Each and

all of the covenants, conditions, restrictions and agreements contained herein shall be deemed and construed to be continuing, and the extinguishment of any right of re-entry or reversion for any breach shall not impair or affect any of the covenants, conditions, restrictions or agreements, so far as any future or other breach is concerned. It is understood and agreed by and between the parties hereto that no waiver of a breach of any of the covenants, conditions, restrictions, and agreements herein contained shall be construed to be a waiver of any other breach of the same, or other covenants, conditions, restrictions, and agreements; nor shall failure to enforce any one of such restrictions, either by forfeiture or otherwise, be construed as a waiver of any other restriction or condition.

19. **SEVERABILITY.** Invalidation of any one or any portion of any one of these covenants and restrictions by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this document on this 2nd day of December, 1998.

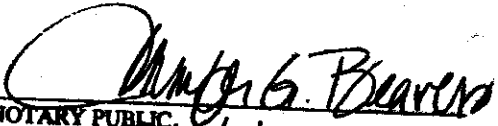
KAUFMAN AND BROAD OF UTAH, INC.,
a Utah corporation


Richard A. Petersen, President

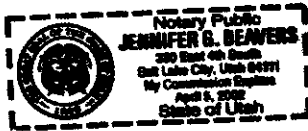
STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

E 1476195 S 2426 P 1400

The foregoing instrument was acknowledged before me this 2 day of Dec, 1998, by Richard A. Petersen, President, Kaufman and Broad of Utah, Inc., a California corporation.


NOTARY PUBLIC
Residing at: Salt Lake

My Commission Expires: 4/15/02



OF

CLINTON TOWNE CENTER SUBDIVISION HOME OWNERS ASSOCIATION

A Utah Nonprofit Corporation

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BYLAWS
OF
CLINTON TOWNE CENTER SUBDIVISION HOME OWNERS ASSOCIATION
A Utah Nonprofit Corporation

Pursuant to the provisions of the Utah Nonprofit Corporation Cooperative Association Act, the Board of Trustees of Clinton Towne Center Subdivision Home Owners Association, a Utah nonprofit corporation, hereby adopts the following Bylaws for such nonprofit corporation.

ARTICLE I
NAME AND PRINCIPAL OFFICE

I.1 Name. The name of the nonprofit corporation is Clinton Towne Center Subdivision Home Owners Association, hereinafter referred to as the "Association."

I.2 Offices. The principal office of the Association shall be at 1225 East Fort Union Blvd., Midvale Utah 84047.

ARTICLE II
DEFINITIONS

II.1 Definitions. Except as otherwise provided herein or as may be required by the context, all terms defined in Article I of the Declaration of Covenants, Conditions and Restrictions for Clinton Towne Center Subdivision, hereinafter referred to as the "Declaration," shall have such defined meanings when used in these Bylaws.

ARTICLE III
MEMBERS

III.1 Annual Meetings. The annual meeting of Members shall be held in November of each year, the specific date, time, and place to be fixed by the Board of Trustees, beginning with the year following the year in which the Articles of Incorporation are filed, for the purpose of electing Trustees and transacting such other business as may come before the meeting. If the election of Trustees shall not be held on the day designated herein for the annual meeting of the Members, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the Members to be convened as soon thereafter as may be convenient. The Board of Trustees may from time to time by resolution change the date and time for the annual meeting of the Members.

III.2 Special Meetings. Special meetings of the Members may

be called by the Board of Trustees, the President, or upon the written request of Members holding not less than ten percent (10%) of the voting power of the Members of Association, such written request to state the purpose of purposes of the meeting and to be delivered to the Board of Trustees or the President.

III.3 Place of Meetings. The Board of Trustees may designate any place in Davis County, State of Utah as the place of meeting for any annual meeting or for any special meeting called by the Board. A waiver of notice signed by all of the Members may designate any place, either within or without the State of Utah, as the place for holding such meeting. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be at the principal office of the Association.

III.4 Notice of Meetings. The Board of Trustees shall cause written or printed notice of the time, place, and purposes of all meetings of the Members (whether annual or special) to be delivered, not more than fifty (50) nor less than ten (10) days prior to the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail addressed to the Member at his registered address, with first-class postage thereon prepaid. Each Member shall register with the Association such Member's current mailing address for purposes of notice hereunder. Such registered address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, a Member's Lot address shall be deemed to be his registered address for purposes of notice hereunder.

III.5 Members of Record. Upon purchasing a Lot in the Project, each Owner shall promptly furnish to the Association a certified copy of the recorded instrument by which ownership of such Lot has been vested in such Owner, which copy shall be maintained in the records of the Association. For the purpose of determining Members entitled to notice of or to vote at any meeting of the Members, or any adjournment thereof, the Board of Trustees may designate a record date, which shall not be more than fifty (50) nor less than ten (10) days prior to the meeting, for determining Members entitled to notice of or to vote at any meeting of the Members. If no record date is designated, the date on which notice of the meeting is mailed shall be deemed to be the record date for determining Members entitled to notice of or to vote at the meeting. The persons or entities appearing in the records of the Association on such record date as the owners of record of Lots in the project shall be deemed to be the Members of record entitled to notice of and to vote at the meeting of the Members.

III.6 Quorum. At any meeting of the Members duly called and noticed, the Members present in person or represented by proxy shall constitute a quorum for the transaction of business.

III.7 Proxies. At each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member himself or by his attorney thereunto duly authorized in writing. If a membership is jointly held, the instrument authorizing a proxy to act must have been executed in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

III.8 Votes. With respect to each matter submitted to a vote of the Members, each Member entitled to vote at the meeting shall have the right to cast, in person or by proxy, the number of votes appertaining to the Lot of such Member, as set forth in the Declaration. The affirmative vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the Members, unless a greater proportion is required by the Articles of Incorporation, these Bylaws, the Declaration, or Utah law. The election of Trustees shall be by ballot. If a membership is jointly held, all or any holders thereof may attend each meeting of the Members, but such holders must act unanimously to cast the votes relating to their joint Membership.

III.9 Waiver of Irregularities. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting form of proxies, and method of ascertaining Members present shall be deemed waived if no objection thereto is made at the meeting.

III.10 Informal Action by Members. Any action that is required or permitted to be taken at a meeting of the Members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all the Members entitled to vote with respect to the subject matter thereof.

ARTICLE IV BOARD OF TRUSTEES

IV.1 General Powers. The property, affairs, and business of the Association shall be managed by its Board of Trustees. The

Board of Trustees may exercise all of the powers of the Association, whether derived from law or the Articles of Incorporation, except such powers as are by law, by the Articles of Incorporation, by these Bylaws, or by the Declaration vested solely in the Members. The Board of Trustees may by written contract delegate, in whole or in part, to a professional management organization or person such of its duties, responsibilities, functions, and powers as are properly delegable.

IV.2 Number, Tenure and Qualifications. The number of Trustees of the Association shall be three (3). The initial Board of Trustees specified in the Articles of Incorporation shall serve until the first annual meeting of the Members held for the purpose of electing Trustees. At the first annual meeting of the Members the Members shall elect three (2) Trustees to serve for the following respective terms: one (1) Trustee to serve for a term of three (3) years; one (1) Trustee to serve for a term of two (2) years; and one (1) Trustee to serve for a term of one (1) year. At each annual meeting thereafter, the Members shall elect for a term of three (3) years one Trustee to fill the vacancy created by the expiring term of a Trustee. Each Trustee shall hold office until his successor shall have been elected or appointed and qualified.

IV.3 Regular Meetings. The regular annual meeting of the Board of Trustees shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of the Members. The Board of Trustees may provide by resolution the time and place for holding of additional regular meetings without other notice than such resolution.

IV.4 Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of any Trustee. The person or persons authorized to call special meetings of the Board of Trustees may fix any place, within or without the State of Utah, as the place for holding any special meeting of the Board of Trustees called by such person or persons. Notice of any special meeting shall be given at least five (5) days prior thereto by written notice delivered personally, or mailed to each Trustee at his registered address, or by Telegram. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail so addressed, with first-class postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to have been delivered when the telegram is delivered to the telegraph company. Any Trustee may waive notice of a meeting.

IV.5 Quorum and Manner of Acting. A majority of the then authorized number of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees.

The act of a majority of the Trustees present at any meeting at which a quorum is present shall be the act of the Board of Trustees. The Trustees shall act only as a Board, and individual Trustees shall have no powers as such.

IV.6 Compensation. No Trustee shall receive compensation for any services that he may render to the Association as a Trustee; provided, however, that a Trustee may be reimbursed for expenses incurred in performance of his duties as a Trustee to the extent such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as a Trustee.

IV.7 Resignation and Removal. A Trustee may resign at any time by delivering a written resignation to either the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Trustee may be removed at any time, for or without cause, by the affirmative vote of seventy-five percent (75%) of the voting power of the Members of the Association at a special meeting of the Members duly called for such purpose.

IV.8 Vacancies and Newly Created Trusteeships. If vacancies shall occur in the Board of Trustees by reason of the death, resignation or disqualification of a Trustee, or if the authorized number of Trustees shall be increased, the Trustees then in office shall continue to act, and such vacancies or newly created Trusteeships shall be filled by a vote of the Trustees then in office, though less than a quorum, in any way approved by such Trustees at the meeting. Any vacancy in the Board of Trustees occurring by reason of removal of a Trustee by the Members may be filled by election at the meeting at which such Trustee is removed. Any Trustee elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor or for the term of the newly created Trusteeship, as the case may be.

IV.9 Informal Action by Trustees. Any action that is required or permitted to be taken at a meeting of the Board of Trustees may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Trustees.

ARTICLE V OFFICERS

V.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, Treasurer and such other officers as may from time to time be appointed by the Board of

V.2 Election, Tenure and Qualifications. The officers of the Association shall be chosen by the Board of Trustees annually at the regular annual meeting of the Board of Trustees. In the event of failure to choose officers at such regular annual meeting of the Board of Trustees, officers may be chosen at any regular or special meeting of the Board of Trustees. Each such officer (whether chosen at a regular annual meeting of the Board of Trustees or otherwise) shall hold his office until the next ensuing regular annual meeting of the Board of Trustees and until his successor shall have been chosen and qualified, or until his death, or until his resignation, disqualification, or removal in the manner provided in these Bylaws, whichever first occurs. Any one person may hold any two or more of such offices, except that the President may not also be the Secretary. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. The President, Vice President, Secretary and Treasurer shall be and remain Trustees of the Association during the entire term of their respective offices. No other officers need be a Trustee.

V.3 Subordinate Officers. The Board of Trustees may from time to time appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board of Trustees may from time to time determine. The Board of Trustees may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities, and duties. Subordinate officers need not be Members or Trustees of the Association.

V.4 Resignation and Removal. Any officer may resign at any time by delivering a written resignation to the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed by the Board of Trustees at any time, for or without cause.

V.5 Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board of Trustees at any regular or special meeting.

V.6 The President. The President shall be the chief executive officer of the Association and shall exercise general supervision over its property and affairs. The President shall

preside at meetings of the Board of Trustees and at meetings of the Members. He shall sign on behalf of the Association all conveyances, mortgages, documents, and contracts, and shall do and perform all other acts and things that the Board of Trustees may require of him. The President shall be invited to attend meetings of each committee.

V.7 The Vice President. The Vice President shall act in the place and stead of the President in the event of the President's absence or inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Trustees.

V.8 The Secretary. The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration, or any resolution of the Board of Trustees may require him to keep. The Secretary also shall act in the place and stead of the President in the event of the President's and Vice President' absence or inability or refusal to act. He shall be the custodian of the seal of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. He shall perform such other duties as the Board of Trustees may require of him.

V.9 The Treasurer. The Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board of Trustees, and shall, when requested by the President to do so, report the state of the finances of the Association at each annual meeting of the Members and at any meeting of the Board of Trustees. He shall perform such other duties as the Board of Trustees may require of him.

V.10 Compensation. No officer shall receive compensation for any services that he may render to the Association as an officer; provided, however, that an officer may be reimbursed for expenses incurred in performance of his duties as an officer to the extent such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as an officer.

ARTICLE VI COMMITTEES

VI.1 Designation of Committees. The Board of Trustees may from time to time by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers. The membership of each such committee designated hereunder shall include at least one (1) Trustee. No

committee member shall receive compensation for services that he may render to the Association as a committee member; provided, however, that a committee member may be reimbursed for expenses incurred in performance of his duties as a committee member to the extent that such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as a committee member.

VI.2 Proceedings of Committees. Each committee designated hereunder by the Board of Trustees may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board of Trustees.

VI.3 Quorum and Manner of Action. At each meeting of any committee designated hereunder by the Board of Trustees, the presence of members constituting at least a majority of the authorized membership of such committee shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board of Trustees hereunder shall act only as a committee, and the individual members thereof shall have no powers as such.

VI.4 Resignation and Removal. Any member of any committee designated hereunder by the Board of Trustees may resign at any time by delivering a written resignation to the President, the Board of Trustees, or the presiding officer of the committee which he is a member. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board of Trustees may at any time, for or without cause, remove any member of any committee designated by it hereunder.

VI.5 Vacancies. If any vacancy shall occur in any committee designated by the Board of Trustees hereunder, due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board of Trustees.

ARTICLE VII INSURANCE; INDEMNIFICATION PAYMENTS

VII.1 Insurance. The Association may purchase and maintain insurance on behalf of any person who was or is a Trustee, officer, committee member, employee, or agent or was or is serving at the request of the Association as a trustee, director, officer, employee, or agent of another corporation, entity, or enterprise (whether for profit or not for profit).

VII.2 Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to the Articles of Incorporation, these Bylaws and any other agreement of the Association shall constitute expenses of the Association and shall be paid with funds from the Assessments referred to in the Declaration.

ARTICLE VIII FISCAL YEAR AND SEAL

VIII.1 Fiscal Year. The fiscal year of the Association shall be begin on the first day of January each year and end on the 31st day of December next following, except that the first fiscal year shall be a partial year and shall begin on the date of incorporation.

VIII.2 Seal. The Board of Trustees may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, and the words "Corporate Seal."

ARTICLE IX RULES AND REGULATIONS


IX.1 Rules and Regulations. The Board of Trustees may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and operation of the Project, to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the Articles of Incorporation, the Declaration, or these Bylaws. The Members shall be provided with copies of all rules and regulations adopted by the Board of Trustees, and with copies of all amendments and revisions thereof.


ARTICLE X AMENDMENTS

X.1 Amendments. Except as otherwise provided by law, by the Articles of Incorporation, by the Declaration, or by these Bylaws, these Bylaws may be amended, altered, or repealed and new Bylaws may be made and adopted by the Members upon the affirmative vote of at least fifty-one percent (51%) of the voting power of

the Members of the Association; provided, however, that such action shall not be effective unless and until a written instrument setting forth (i) the amended, altered, repealed, or new bylaw, (ii) the number of votes cast in favor of such action, and (iii) the total voting power of the Members of the Association, shall have been executed and verified by the current President of the Association.

IN WITNESS WHEREOF, the undersigned, constituting all of the Trustees of Clinton Towne Center Subdivision Home Owners Association, have executed these Bylaws on the 17th day of December, 1998.


Ken Krivanc, Trustee


Cynthia Hill, Trustee


H. ERNIE SMITH, Trustee