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**THIRD AMENDED AND RESTATED  
DECLARATION  
OF CONDOMINIUM FOR  
SPRING LANE CONDOMINIUMS**

**Third Amended Bylaws of Spring Land Condominiums Homeowners' Association  
attached hereto as Exhibit D**

**A Utah Condominium Project**

TABLE OF CONTENTS

	<u>Page</u>
RECITALS .....	1
A. Description of Land .....	1
B. Building and Improvements .....	1
C. Record of Survey Map .....	2
D. Intent and Purpose .....	2
ARTICLE I – DEFINITIONS .....	2
1.01. Association .....	2
1.02. Buildings .....	2
1.03. Capital Improvements .....	2
1.04. Common Areas .....	3
1.05. Common Expense .....	3
1.06. Common Expense Fund .....	3
1.07. Common Facilities .....	3
1.08. Condominium .....	3
1.09. Condominium Act or Act .....	4
1.10. Declarant .....	4
1.11. Declaration .....	4
1.12. Limited Common Areas .....	4
1.13. Management Committee .....	5
1.14. Manager .....	5
1.15. Map .....	5
1.16. Mortgage .....	5
1.17. Mortgagee .....	5
1.18. Owner .....	5
1.19. Project .....	5
1.20. Special Assessment Fund .....	5
1.21. Subject Land .....	6
1.22. Total Votes of the Association .....	6
1.23. Unit .....	6
ARTICLE II – SUBMISSION AND DIVISION OF PROJECT .....	7
2.01. Submission to Condominium .....	7
2.02. Division into Condominiums .....	7

TABLE OF CONTENTS

		<u>Page</u>
ARTICLE III – NATURE AND INCIDENTS OF CONDOMINIUM		
	OWNERSHIP .....	7
3.01.	Interior of Units .....	8
3.02.	Maintenance of Units .....	8
3.03.	Prohibition Against Combining Units .....	8
3.04.	Title .....	8
3.05.	Ownership of Common Areas .....	9
3.06.	Inseparability .....	9
3.07.	No Subdivision .....	9
3.08.	No Partition .....	10
3.09.	Separate Mortgages by Owners .....	10
3.10.	Separate Taxation .....	10
3.11.	Mechanics Liens .....	10
3.12.	Description of Condominium .....	11
3.13.	Right of Action to Enforce .....	11
ARTICLE IV – EASEMENTS .....		
		11
4.01.	Easement for Encroachments .....	11
4.02.	Easement for Maintenance, Cleaning and Repair .....	12
4.03.	Right to Ingress, Egress and Support .....	12
4.04.	Association’s Right to Use Common Areas .....	13
4.05.	Easement for Construction or Improvements of Project .....	13
4.06.	Easement Deemed Created .....	13
ARTICLE V – RESTRICTION ON USE .....		
		13
5.01.	Residential Uses .....	13
5.02.	Restriction on Leasing and Rentals .....	14
5.03.	Parking .....	14
5.04.	No Noxious or Offensive Activity .....	15
5.05.	Restrictions on Signs .....	15
5.06.	Restriction on Animals .....	15
5.07.	No Structural Alterations .....	16
5.08.	No Obstructions .....	16
5.09.	Prohibition of Damage and Certain Activities .....	16

TABLE OF CONTENTS

		<u>Page</u>
5.10.	Rules and Regulations .....	16
5.11.	Forfeiture of Privileges .....	16
ARTICLE VI – THE ASSOCIATION .....		17
6.01.	Membership .....	17
6.02.	Votes .....	18
6.03.	Amplification .....	18
6.04.	Amendment of Article .....	18
ARTICLE VII – CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION .....		18
7.01.	Common Areas .....	18
7.02.	Manager .....	19
7.03.	Miscellaneous Goods and Services .....	19
7.04.	Real and Personal Property .....	20
7.05.	Rules and Regulations .....	20
7.06.	Granting Easements .....	20
7.07.	Implied Rights .....	21
ARTICLE VIII – ASSESSMENT .....		21
8.01.	Agreement to Pay Assessments .....	21
8.02.	Annual Assessments .....	21
8.03.	Special Assessments .....	24
8.04.	Lien for Assessment .....	24
8.05.	Personal Obligation of Owner .....	25
8.06.	Revocation of Votes .....	26
8.07.	Statement of account .....	26
8.08.	Personal Liability of Purchaser .....	27
8.09.	Management Company Fiduciary Responsibility .....	27
ARTICLE IX – INSURANCE .....		27
9.01.	Types of Insurance .....	27
9.02.	Form of Insurance .....	29
9.03.	Additional Coverage .....	30
9.04.	Adjustment and Contribution .....	30

TABLE OF CONTENTS

		<u>Page</u>
9.05.	Owner's Own Insurance .....	30
9.06.	Review of Insurance .....	31
ARTICLE X – DAMAGE OR DESTRUCTION .....		31
10.01.	Association as Attorney in Fact .....	31
10.02.	Definition of Repair and Reconstruction .....	31
10.03.	Procedures .....	31
10.04.	Repair or Reconstruction .....	34
10.05.	Disbursement of Funds for Repair and Reconstruction .....	34
10.06.	Sale of Condominium Project .....	34
ARTICLE XI – CONDEMNATION .....		35
11.01.	Condemnation .....	35
11.02.	Proceeds .....	35
11.03.	Complete Taking .....	35
11.04.	Partial Taking .....	35
ARTICLE XII – OBSOLESCENCE .....		37
12.01.	Adoption of Plan .....	37
12.02.	Payment for Renewal and Reconstruction .....	37
12.03.	Sale of Project .....	37
ARTICLE XIII – COMPLIANCE WITH DECLARATION AND BYLAWS .....		38
13.01.	Compliance .....	38
13.02.	Enforcement and Remedies .....	39
13.03.	Fines .....	39
ARTICLE XIV – GENERAL PROVISIONS .....		40
14.01.	Intent and Purpose .....	40
14.02.	Construction .....	40
14.03.	Notices and Registration of Mailing Address .....	41
14.04.	Notification of Sale and Transfer Fee .....	41
14.05.	Audit .....	42

TABLE OF CONTENTS

	<u>Page</u>
14.04. Notification of Sale and Transfer Fee .....	58
14.05. Audit .....	59
14.06. Amendment .....	59
14.07. Effective Date .....	60
14.08. Agent for Service .....	60
14.09. Owner's Obligation .....	60
14.10. Limitation on Association's Liability .....	60
14.11. Arbitration .....	61
 ARTICLE XV – MORTGAGE PROTECTION .....	 62
15.01. Notice of Delinquent Owner .....	62
15.02. Assessment of Lien Subordinate .....	62
15.03. Prohibited or Restricted Actions .....	63
15.04. Examination of Books and Records/Reserve Account .....	 64
15.05. Condemnation .....	64
15.06. No Right of First Refusal May Apply .....	65
15.07. Conflict .....	66
15.08. Amendments/Maximum Protection to Mortgagee .....	66
15.09. Review of Financial Statements/Audits .....	66

**LIST OF EXHIBITS**

Exhibit "A" - Legal description of the land upon which the Condominium Project is situated and list of Units in the Project

Exhibit "B" - Record of Survey Map

Exhibit "C" - the total number of votes appertaining to all Condominiums in the Project

Exhibit "D" - Third Amended Bylaws of Spring Lane Condominiums Homeowners' Association

**THIRD AMENDED DECLARATION OF CONDOMINIUM**

**FOR SPRING LANE CONDOMINIUMS**

A Condominium Project

This Third Amended and Restated Declaration of Condominium, hereinafter referred to as the "Declaration" is made and executed on the date evidenced below by THE SPRING LANE CONDOMINIUM HOMEOWNERS' ASSOCIATION, a Utah nonprofit corporation (hereinafter designated the "Association").

**RECITALS:**

A. Description of Land. The Condominium Project subject hereof is situated in and upon the land described in Exhibit "A" to this Declaration and which is attached hereto and made a part hereof (the "Subject Land"). SUBJECT to Easements, Restrictions and Reservations of Record.

B. Building and Improvements. Spring Lane Partnership, a Utah partnership, was the record fee simple owner of the Subject Land and established the Association and the Project with an initial Declaration, dated January 24, 1985, and recorded at Book 5264, Page 2441, Salt Lake County Recorder. Thereafter, the Spring Lane Condominium Homeowners' Association approved an Amended Declaration of Condominium, which was dated May 31, 1988 and recorded at Book 6061, Page 2798, Salt Lake County Recorder.<sup>1</sup> A Second Amended and Restated Declaration, dated June 21, 2006, and recorded at Book 9311, Pages 1729-1840, Salt Lake County Recorder, as Entry No. 9759590. This Third Amended Declaration supercedes and replaces all prior version of the Declaration.

There have been constructed 23 residential buildings consisting of 80 residential

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<sup>1</sup> The Amended Declaration, as passed by the Association, incorrectly referenced, as did the original Declaration, that there were 25 residential buildings. In fact, as the Record of Survey Map shows, there are 23 residential buildings. Recital B was altered, and this Declaration was amended, to include the correct information.

condominium units and other improvements in and upon the Subject Land, as shown on the Record of Survey Map attached as Exhibit "B" hereto.

C. Record of Survey Map. The Declarant executed and recorded in the office of the County Recorder of Salt Lake County, State of Utah, a certain instrument pertaining to the Project and entitled "Record of Survey Map for Spring Lane Condominiums".

D. Intent and Purpose. The Association intends by recording this Third Amended Declaration to continue to submit the Subject Land, the Buildings, and all other improvements situated in or upon the Subject Land to the provisions of the Condominium Act as a fee simple Condominium Project and to impose upon said property mutually beneficial restrictions under a general plan of improvement for the benefit of all Condominiums within said Project and Owners thereof.

NOW, THEREFORE, the Association does hereby make and adopt the following Declaration:

## ARTICLE I

### DEFINITIONS

Defined Terms. Unless the context clearly indicates otherwise, certain terms as used in this Declaration shall have the meaning set forth in this Article I.

1.01. "Association" shall mean The Spring Lane Condo-minimum Homeowners' Association, a Utah nonprofit corporation, organized to be the Association referred to herein.

1.02. "Buildings" shall mean those certain condominium buildings that have been or will be constructed on the Subject Land, as such condominium buildings are shown on the Map.

1.03. "Capital Improvements" shall mean all costs for additions made or to be made to the Common Areas and all costs incurred for an amelioration of existing Common Areas amounting to more than the cost of mere repairs or the cost of replacement of normal wear and

tear, and costs intended to enhance the value, beauty and/or utility of such Common Areas and/or to adapt it for new or other purposes.

1.04. "Common Areas" shall mean all physical portions of the Project, except all Units. Fences which do not border patios shall be considered "Common Areas" and shall be maintained by the Association, notwithstanding the fact that the interior surfaces may join "Limited Common Areas" as defined in Section 1.13.

1.05. "Common Expense" shall mean the actual and estimated expenses of operating the Association, as determined pursuant to this Declaration and the Bylaws of the Association.

1.06. "Common Expense Fund" shall mean the account, or accounts, of the Association established by the Management Committee and the Association and into which the assessments, late fees, profits and other assets of the Association are deposited. The term "Common Expense Fund" shall include the "Special Assessment Fund", which shall be a segregated fund as defined in Section 1.20.<sup>2</sup>

1.07. "Common Facilities" shall mean all furniture, furnishings, equipment, facilities, and other property (real, personal or mixed) and interests therein at any time leased, acquired, owned, or held by the Association for the use and benefit of all Owners and all other property (real, personal, or mixed) hereafter purchased in accordance with the original Declaration or this Declaration with monies from the Common Expense Fund. Common Facilities shall be deemed to be part of the Common Area, except to the extent otherwise expressly provided in this Declaration.

1.08. "Condominium" shall mean a Unit and the undivided interest in the common areas, as set forth in this Declaration.

1.09. "Condominium Act" or "Act" shall mean the Utah Condominium Ownership Act and amendments thereto. (Title 57, Chapter 8, Utah Code Annotated).

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<sup>2</sup> The document, as voted on by the membership, incorrectly referenced Section 1.21. This typographical error has been corrected in this recorded document.

1.10. "Declarant" shall mean Spring Lane, a Utah general partnership, and successors and assigns who, by matter of law, stand in the relation of "Declarant".

1.11. "Declaration" shall mean and refer to this Third Amended Declaration of Condominium for Spring Lane Condominiums as modified, amended, supplemented or expanded in accordance with law and the provisions herein. Where necessary to facilitate construction or to establish rights and obligations, the terms "Declaration" shall refer to the appropriate document under which the rights of the parties must be established pursuant to common law or statutory construction principles.

1.12. "Limited Common Areas" shall mean any Common Areas designated for exclusive use by the Owner of a particular Unit. Structural separations between Units or the space which would be occupied by such structural separations may become Limited Common Areas for the exclusive use of the Owner or Owners of the Units on either side thereof as provided in Section 4.03 hereof. The land within the unit, patio, crawl space, garage and storage room shall be considered Limited Common Areas. Also driveways and fences within patio areas shall be considered Limited Common Areas for the exclusive use of the Owner of the Unit bearing the same number designation. Porches, land within patios, fences within patio areas which have been constructed by individual Owners subsequent to the recording of the Map shall also be Limited Common Areas. Likewise, land within patios, fences within patios established prior to the Second Amended Declaration, and hereafter established with the consent of the Management Committee, shall be Limited Common Areas. Roof, Trim and Siding areas within the peripheral walls of a Unit shall be considered Limited Common Areas. Also garages and storage rooms are considered part of the unit and their Roof, Trim and Siding areas within the peripheral walls shall be considered Limited Common Areas.

1.13. "Management Committee", Board of Directors" or "The Board" shall mean the

governing board of the Association, appointed or elected in accordance with this Declaration and the Articles of Incorporation and Bylaws of the Association, as amended.

1.14. "Manager" shall mean the person, firm, or company, if any, designated from time to time by the Association to manage, in whole or in part, the affairs of the Association and the Project.

1.15. "Map" shall mean the "Record of Survey Map for Spring Lane Condominiums" pertaining to the Phases I, II, III, IV and V of the Project and recorded in the office of the County Recorder of Salt Lake County, State of Utah.

1.16. "Mortgage" shall mean any mortgage, deed of trust, or other security instrument by which a Condominium or any part thereof is encumbered.

1.17. "Mortgagee" shall mean (i) any person named as the mortgagee or beneficiary under any Mortgage by which the interest of any Owner is encumbered, or (ii) any successor to the interest of such person under such Mortgage.

1.18. "Owner" shall mean the entity, person or persons owning in fee simple a Condominium in the Project, as such ownership is shown by the records of the County Recorder of Salt Lake County, State of Utah. The term "Owner" shall not mean or include a mortgagee or beneficiary or trustee under a deed of trust or any person purchasing a condominium under contract unless and until such a party has acquired legal title.

1.19. "Project" shall mean the Subject Land, the Buildings, all improvements and structures thereon and all other personal property submitted by this Declaration and the Map to the provisions of the Condominium Act.

1.20. "Special Assessment Fund" shall mean the account or accounts established with assessments made under Section 8.03 of this Declaration.

1.21. "Subject Land" shall mean the land upon which the Project is situated, as more particularly described in Paragraph A of the Recitals above.

1.22. "Total Votes of the Association" shall mean the total number of votes appertaining to all Condominiums in the Project, as shown in Exhibit "C" attached hereto.

1.23. "Unit" shall mean an individual air space unit, consisting of enclosed rooms occupying part of the Buildings and bounded by the interior surfaces on the walls, floors, ceilings, windows, doors and built-in fireplaces, if any, along the perimeter boundaries of the air space, as said boundaries are shown on the Map, together with all fixtures and improvements therein contained. Doors, windows, window frames and screens for a Unit shall be part of the "Unit". Paint and other wall, ceiling, or floor coverings on interior surfaces shall be deemed to be a portion of the Unit. Notwithstanding the fact that they may be within the boundaries of such air space, the following are not part of a Unit insofar as they are necessary for the support or for the use and enjoyment of another Unit: Bearing walls, floors, ceilings, and roofs (except the interior surfaces thereof), foundations, ceiling equipment, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires, and other utility installations, except the outlets thereof when located within the Unit. The interior surfaces of a window or door mean the points at which such surfaces are located when the window or door is closed.

Any portion of a utility system or other apparatus serving more than one Unit (e.g. pipes, conduits, ducts) which is partially within and partially without the Unit, is part of the Common Facilities. Any portion of a utility system or other apparatus serving only one Unit which is located outside the Unit is a Limited Common Area appurtenant to that Unit. Notwithstanding the general provisions set forth in this definition, however, specific maintenance responsibilities and the costs attributable thereto shall, to the extent possible, be determined pursuant to the Chart of Maintenance Responsibilities to be established from time to time by the Management Committee in accordance with this Declaration.

## ARTICLE II

### SUBMISSION AND DIVISION OF PROJECT

2.01. Submission to Condominium. The Declarant, as record fee simple owner of the Subject Land, previously submitted the Subject Land, the Buildings, and all other improvements now or hereafter made in or upon the Subject Land to the provisions of the Condominium Act. All of said property is and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and improved as a fee simple Condominium Project to be known as The Spring Lane Condominiums. All of the property is and shall be subject to the covenants, conditions, restrictions, uses, limitations, and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of said Project and in furtherance of a plan for improvement of said Property and division thereof into Condominium; further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, and to any person acquiring, leasing, or owning an interest in the real property and improvements comprising the Project, and to the Declarant's respective personal representative, heirs, successors, and assigns. The burdens and benefits created by the original Declaration and by the Declaration relate to the land on which the Project lies and the ownership of interests in it. It is intended that this Declaration shall run with the land as both a covenant and as an equitable servitude.

2.02. Division into Condominiums. The Project is hereby divided into Condominiums, each such Condominium consisting of a Unit and an appurtenant undivided interest in the Common Areas, as set forth in the Map and by Exhibit "C" which is, by this reference made a part hereof.

## ARTICLE III

### NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

3.01. Interior of Units. Each Owner shall have the exclusive right to paint, repair, tile, wax, paper, carpet, or otherwise decorate the interior surfaces of the walls, ceilings, floors, and doors forming the boundaries of his Unit and the surface of all walls, ceilings, floors, and doors within such boundaries provided, however, that the Association reserves the right to enter and repair any damages, at the expense of the Owner, which affect the integrity or value of the project as a whole.

3.02. Maintenance of Units. Each Owner shall keep the interior of his Unit, and all Limited Common Areas appurtenant to his Unit, including without limitation, private patio areas, interior walls, windows, doors, screens, ceilings, floors, and permanent fixtures and appurtenances thereto, together with all doors and windows, in a clean and sanitary condition and in a state of good repair. In addition all homeowners will be required to maintain and paint the interior sides of any fences bounding Limited Common Areas adjacent to the Unit. In the event that any such Unit or Limited Common Area shall develop an unsanitary or unclean condition or fall into a state of disrepair, and in the event that the Owner of such Unit shall fail to correct such condition or state of disrepair promptly following written notice from the Management Committee or its Manager, the Management Committee shall have the right, at the expense of the Owner, and without liability to the Owner for trespass or otherwise, to enter said Unit and correct or eliminate said unsanitary or unclean condition or state of disrepair.

3.03. Prohibition Against Combining Units. No combination of Units may be utilized by the Owner or Owners thereof as if they were one Unit and no structural alterations may be made to combine Units.

3.04. Title. Title to a Condominium within the Project may be held or owned by any person or entity or any combination thereof and in any manner in which title to any other real property may be held or owned in the State of Utah, including without limitation, joint tenancy or tenancy in common.

3.05. Ownership of Common Areas. The undivided interest in the Common Areas appurtenant to each Unit in the Project shall be as set forth in Exhibit "C" attached hereto and by this reference made a part hereof. Except as otherwise provided in this Declaration or in the Condominium Act, the percentages appurtenant to each Unit as shown in said Exhibit "C" shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in an amendment to this Declaration duly recorded.

Except as otherwise provided in this Declaration, and except for Unit Owners in default in payment of their assessments for sixty (60) days or more as provided in Section 5.10 hereof, any Owner shall be entitled to nonexclusive use of the Common Areas (other than Limited Common Areas) in any manner that does not hinder or encroach upon the rights of other Owners and is not contrary to any rules and regulations promulgated by the Association. Except as otherwise provided in this Declaration, any Owner shall have the exclusive right to use and enjoy any Limited Common Areas that may be designated for exclusive use by such Owner.

3.06. Inseparability. Title to no part of a Condominium within the Project may be separated from any other part thereof during the period of condominium ownership hereunder, and each Unit and the undivided interest in the Common Areas appurtenant to each Unit shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium. Every devise, encumbrance, conveyance, or other disposition of a Condominium, or any part thereof, shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the entire Condominium, together with all appurtenant rights created by law or by this Declaration, including appurtenant membership in the Association as hereinafter set forth.

3.07. No Subdivision. No Unit or portion thereof may be divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership.

3.08. No Partition. The Common Areas shall be owned in common by all of the Owners, and no Owner may bring any action for partition thereof.

3.09. Separate Mortgages by Owners. Each Owner shall have the right separately to mortgage or otherwise encumber his Condominium. No Owner shall attempt to or shall have the right to mortgage or otherwise encumber the Common Areas or any part thereof, except the undivided interest therein appurtenant to his Condominium. Any mortgage or other encumbrance of any Condominium within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure, or otherwise.

3.10. Separate Taxation. Each Condominium within the Project shall be deemed to be a parcel and shall, to the extent possible, be assessed separately for all taxes, assessments, and other charges of the State of Utah or of any political subdivision or of any special improvement district or of any other taxing or assessing authority. For purposes of such assessment, the valuation of the Common Areas shall be apportioned among the Units in proportion to the undivided interests in Common Areas appurtenant to such Units. All such taxes, assessments, and other charges on each respective Condominium shall be, to the extent possible, separately levied against the Owner thereof. No forfeiture or sale of any Condominium for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title to any other Condominium.

3.11. Mechanics Liens. No labor performed or material furnished for use in connection with any Unit with the consent or at the request of an Owner or his agent or subcontractor shall create any right to file a statement of mechanic's lien against the Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the Common Areas,

except the undivided interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall be furnished.

3.12. Description of Condominium. Every contract for the sale of a Condominium and every other instrument effecting title to a Condominium within the Project may describe a Unit by its identifying number or symbol as indicated in this Declaration or as shown on the Map. Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Areas, and to incorporate all of the rights incident to ownership of a Condominium within the Project and all of the limitations such ownership as described in this Declaration and/or the Articles of Incorporation and Bylaws of the Association.

3.13. Right of Action to Enforce. If the Management Committee or Association shall fail or refuse to enforce any of the terms of this Declaration for an unreasonable period of time after being notified of a non-compliance, then any unit owner may commence an action to enforce.

#### **ARTICLE IV**

#### **EASEMENTS**

4.01. Easement for Encroachments. If any part of the Common Areas encroaches or shall hereafter encroach upon any Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit, an easement for such encroachment and for the adjoining Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of the Common Areas or any part of a Unit shall hereafter encroach on real property at any time owned by the Declarant outside the boundaries of the Subject Land, an easement for such encroachment shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Areas or the

Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Buildings or any improvements constructed or to be constructed within the Project, by error in the Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project, or any part thereof, in accordance with the provisions of this Declaration. Provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Owner or in favor of the Owners of the Common Areas and Facilities if the encroachment occurred due to the willful conduct of such Owner or Owners occurring after the date on which the original Declaration was recorded.

4.02. Easement for Maintenance, Cleaning and Repair. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Association and the Management Committee shall have the irrevocable right to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, cleaning, repair, or replacement of any Common Areas or for making emergency repairs at any time therein necessary to prevent damage to the Common Areas or to any Unit whether or not the Owner is present. In addition, the Management Committee or its agents may enter any Unit or Limited Common Area when necessary in connection with any cleaning, maintenance, repair, replacement, landscaping, construction, or reconstruction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, including advance notice when practicable, and any damage caused thereby shall be repaired by the Association with funds from the Common Expense Fund.

4.03. Right to Ingress, Egress and Support. Each Owner shall have the right to ingress and egress over, upon, and across the Common Areas as necessary for access to such Owner's Unit and to any Limited Common Areas appurtenant to such Unit, and shall have the right to

horizontal, vertical, and lateral support of each Unit, and such rights shall be appurtenant to and pass with title to each Condominium.

4.04. Association's Right to Use Common Areas. The Association shall have an easement to make such use of the Common Areas as may be necessary or convenient to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration, including without limitation the right to construct and maintain in the Common Areas (other than Limited Common Areas) facilities for use by Owners generally or by the Association and its agents exclusively.

4.05. Easement for Construction or Improvements of Project. The Association shall have a transferable easement over and on the Common Areas for the purpose of construction or improvements to the Project and making improvements therein as shown on the Map, and for the purpose of doing all things reasonably necessary or appropriate in connection therewith. To the extent that damage is inflicted on any part of the Project by any person utilizing said easement, the person causing the damage shall be liable to the Association for the prompt repair of such damage.

4.06. Easement Deemed Created. All conveyances of Condominiums within the Project hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

## ARTICLE V

### RESTRICTIONS ON USE

5.01. Residential Uses. The Units within the Project shall be used exclusively for residential purposes, such purposes to be confined to Units within the Project. No Unit shall be used for business or commercial purposes, other than home professional pursuits or home-based

businesses which can be conducted with no more than one employee working on-site in the unit, other than the unit owner(s) or occupant(s), and which require no public visits, exterior signage or nonresidential storage. Home professional pursuits or home-based businesses which require signage, or result in additional traffic, noise or noxious order may be enjoined by the Management Committee.

5.02            Restrictions on Leasing and Rentals. No Unit shall be rented for transient purposes. No portion of a Unit (other than the entire Unit) shall be leased for any period.

No Owner shall lease a unit other than on a written form of lease: (i) requiring the lessee to comply with the condominium governing documents; (ii) providing that failure to comply constitutes a default under the lease; (iii) providing that the tenant shall pay rental to the Management Committee in the event of a default in payment of Assessments and upon demand; and (iv) providing that the Management Committee has the power to terminate the lease or to bring summary proceedings to evict the tenant in the name of the Owner after forty-five (45) days' prior written notice to the Owner, in the event of a default by the lessee in the performance of the lease. The Management Committee may suggest or require the use of a standard form lease by Owners who lease their Unit. Each Owner shall, promptly following the execution of any lease of a Unit, forward a conformed copy thereof to the Management Committee.

5.03.    Parking. Homeowners should regularly park their vehicles in their own garage, parking space or driveway. No parking on streets is allowed at any time. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept on any of the Common Areas or Limited Common Areas. Vehicle repairs other than ordinary light maintenance are not permitted on the Common Areas or Limited Common Areas.

No trailers, motor homes, boats, or any other vehicles with a Gross Vehicle Weight in excess of 10,000 pounds may be parked or stored on the Common Areas or

Limited Common Areas unless expressly permitted in the Rules and Regulations, and only in such locations as may be designated by the Management Committee for such parking.

5.04. No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on in or upon any part of the Project, nor shall anything be done or placed in or upon any part of the Project which is or may become a nuisance or may cause embarrassment, disturbance, or annoyance to Owners. No activities shall be conducted, nor improvements constructed, in or upon any part of the Project which are or may become unsafe or hazardous to any person or property. No Unit owner shall permit anything to be done or kept in his Unit or in the Common Areas which is in violation of any law or regulation of any governmental authority.

5.05. Restrictions on Signs. No signs or advertising devices of any commercial nature shall be erected or maintained on any part of the Project which is visible from the exterior of a Unit, except as may be temporarily necessary to caution or warn of danger. Nothing herein shall prohibit displays of flags, banners or seasonal displays of a noncommercial and solely decorative purpose. Real estate signs may only be displayed during an open house.

5.06. Restriction on Animals. No animals, birds, fish, reptiles, or pets of any kind shall be brought or allowed to remain in or upon any part of the Project, except pursuant to rules and regulations adopted by the Management Committee. The Management Committee shall have the right to amend such rules and regulations at any time, but the Management Committee shall not have the right to completely ban the keeping of pets.

No animal or fowl may be kept within a Unit which, in the good faith judgment of the Management Committee, results in an annoyance or is obnoxious to Owners or Occupants within the Condominium, and the Management Committee may exercise this judgment for specific pets even though other similar pets are permitted to remain. The Owner or a designated person shall keep all animals allowed by this section in control, and all fecal matter shall be immediately cleaned up when on any portion of the Condominium except within a Unit

or Limited Common Area. Fecal matter in Units and Limited Common Areas must be cleaned up within a reasonable time.

5.07. No Structural Alterations. No Owner shall, without the prior written consent of the Management Committee, make or permit to be made any structural alteration, improvement, or addition in or to the Project. No Owner shall do any act that would impair the structural soundness or integrity of the Buildings or the safety of property or impair any easement or hereditament appurtenant to the Project.

5.08. No Obstructions. There shall be no obstruction of the Common Areas by any Owner. Owners shall neither store nor leave any of their property in the Common Areas, except with the prior written consent of the Management Committee.

5.09. Prohibition of Damage and Certain Activities. Except with the prior written consent of the Management Committee, nothing shall be done or kept in any part of the Project which would result in cancellation of the insurance on the Project or any part thereof, nor shall anything be done or kept in any Unit which would increase the rate of insurance on the Project or any part thereof over that which the Association, but for such activity, would pay. Nothing shall be done in any part of the Project which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental authority. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or guest of any Owner, and each Owner shall indemnify and hold harmless the Association and the other Owners from and against all loss resulting from any such damage or waste caused by such Owner or his guests, lessees, licensees, or invitees.

5.10. Rules and Regulations. The Owners shall comply with each and all of the rules and regulations governing use of the Project, as such rules and regulations may from time to time be adopted, amended, or revised by the Management Committee.

5.11. Forfeiture of Privileges. In the event of nonpayment or default in payment of

Annual or Special Assessments for a period in excess of sixty (60) days, the rights and privileges of the defaulting Owner and the Owner's tenants and guests to use and enjoy portions of the Common Areas, including but not limited to the club house and pool facilities, may be suspended by the Management Committee until all defaults are cured by the Owner. This section shall not be deemed to authorize any restrictions which prohibit the Owner or the Owner's tenants or guests from obtaining access to and from their Unit.

## **ARTICLE VI**

### **THE ASSOCIATION**

6.01. **Membership.** Each Owner shall be entitled and required to be a member of the Association; membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Condominium is held by more than one person, the membership appurtenant to that Condominium shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which title to the Condominium is held. An Owner shall be entitled to one membership for each Condominium owned by him. Each membership shall be appurtenant to the Condominium to which it relates and shall be transferred automatically by conveyance of that Condominium. Ownership of a Condominium within the Project cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance, or other disposition of a Condominium shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the Owner's membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Condominium.

6.02. Votes. The number of votes appurtenant to each respective Condominium shall be as set forth in Exhibit "C" attached hereto and by this reference made a part hereof. The number of votes appurtenant to each Condominium as set forth in said Exhibit "C" shall have a permanent character and shall not be altered except in accordance with this Declaration.

If only one of the multiple Owners of a Unit is present at a meeting of the Association, he or she is entitled to cast all the votes allocated to that Unit. If more than one of the multiple Owners is present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is majority agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made to the person presiding over the meeting. In the event the Owners of a Unit cannot agree, the votes of the Unit shall be apportioned among the Owners present in proportion to that respective individual ownership interest in the Unit.

6.03. Amplification. The provisions of this Article VI may be amplified by the Articles of Incorporation and Bylaws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration. A copy of the Bylaws of the Association are attached hereto as Exhibit "B" and by this reference made a part hereof.

6.04. Amendment of Article. This Article VI shall not be amended unless the Owners of all Condominiums in the Project unanimously consent and agree to such amendment by instruments duly recorded.

## **ARTICLE VII**

### **CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION**

7.01. Common Areas. The Association, subject to the rights and duties of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of

the Common Areas and all improvements thereon (including the Common Facilities), and shall keep the same in a good, clean, attractive, safe, and sanitary condition, order and repair. The Association shall be responsible for the maintenance and repair of the exterior of the Buildings and the grounds, including without limitation painting, repair and replacement of exterior fences (notwithstanding the fact that they may be included within the boundaries of Limited Common Areas), trim, doors and roofs, and maintenance of landscape, walkways, and driveways. The Association shall also be responsible for maintenance, repair and replacement of Common Areas within the Buildings, including, without limitation, utility lines, and all Common Facilities, improvements, and other items located within or used in connection with the Common Areas. The specification of duties of the Association with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas, as set forth in the first sentence of this Section. All goods and services procured by the Association in performing its responsibilities under this Section shall be paid for with funds from the Common Expense Fund.

7.02. Manager. The Management Committee may by written contract delegate in whole or in part to a Manager such of the Association's duties, responsibilities, functions, and powers hereunder as are properly delegable. The services of any Manager retained by the Management Committee shall be paid for with funds from the Common Expense Fund. The Committee may carry out through a Manager any of its functions which are properly the subject of delegation.

Any Manager so engaged shall be responsible for managing the Project for the benefit of the Management Committee and the Owners, and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

7.03. Miscellaneous Goods and Services. The Management Committee may obtain and pay for the services of such personnel as the Management Committee shall determine to be

necessary or desirable for the proper operation of the Project, whether such personnel are furnished or retained directly by the Association or by any person or entity with whom or with which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. In addition to the foregoing, the Association may acquire, and pay for out of the Common Expense Fund, water, sewer, garbage collection, electrical, gas, and other necessary or desirable utility services for the Common Areas (and for the Units to the extent not separately metered or billed), and insurance, bonds, and other goods and services common to the Units.

7.04. Real and Personal Property. The Association may acquire and hold real, personal, and mixed property of all types for the use and benefit of all of the Owners and may dispose of such property by sale or otherwise. All such property, including Common Facilities, shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall be part of such Fund.

7.05. Rules and Regulations. The Management Committee may make reasonable rules and regulations governing the use of the Units, the Common Areas, and the Limited Common Areas, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Management Committee may take judicial or legal action against any Owner to enforce compliance with this Declaration and the Management Committee's rules and regulations or other obligations of Owners arising hereunder, or to obtain damages for noncompliance therewith, as permitted by law. In the event of such judicial or legal action, regardless of whether the case is actually filed or litigated, the Association shall be entitled to recover its costs, including reasonable attorneys' fees, from the offending Owner.

7.06. Granting Easements. The Management Committee may, without the vote or consent of the Owners or of any other person, grant or create, on such terms as it deems

advisable, utility and similar easements and rights-of-way over, under, across, and through the Common Areas.

7.07. Implied Rights. The Management Committee may exercise any right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

## **ARTICLE VIII**

### **ASSESSMENT**

8.01. Agreement to Pay Assessments. Declarant, as the original owner of the Project and every part thereof, has previously covenanted, and each Owner of any Condominium by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association to pay to the Association all assessments made by the Association for the purposes provided in this Declaration. Such assessments shall be fixed, established, and collected from time to time as provided in this Article VIII.

8.02. Annual Assessments. Annual Assessments shall be computed and assessed against all Condominiums in the Project as follows:

(a) Common Expense. Annual Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with maintenance and operation of the Common Areas and/or furnishing utility services and other common items to the Units. Such estimated expenses may include, among other things, the following: Expenses of management; taxes and special assessments (until the Condominiums are separately assessed); premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs and maintenance, wages

for Association employees, including fees for a Manager (if any); utility charges, including charges for utility services to the Units to the extent not separately metered or billed; legal and accounting fees; any deficit remaining from a previous period; creation of a reasonable contingency reserve to be used on a periodic basis for major repairs, and/or surplus; and any other expenses and liabilities which may be incurred by the Association for the benefit of all of the Owners or the Association under or by reason of this Declaration. Such shall constitute the Common Expense, and all funds received from assessment under this Section 8.02 shall be part of the Common Expense Fund.

(b) Apportionment. Expense attributable to the Common Expense or to the Project as a whole shall be apportioned among and assessed to all Owners in proportion to their respective undivided interests in the Common Areas as set forth in Exhibit "C".

(c) Annual Budget. Annual Assessments shall be determined on a calendar year basis. On or before December 15th each year, the Management Committee shall prepare or cause to be prepared an operating budget for the upcoming calendar year. The budget shall itemize the estimated common expenses for the upcoming calendar year, anticipated receipts (if any), and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Annual Assessment for the upcoming calendar year and as the major guideline under which the Project shall be operated during the calendar year. The budget may include contributions to reserve funds.

(d) Notice and Payment. Annual Assessments shall be made on a calendar year basis. The Management Committee shall furnish to each Owner a copy of the budget and shall notify each Owner as to the amount of the Annual Assessment with respect to his Condominium on or before December 15 each year for the calendar year commencing on January 1 next following such date. Each Annual Assessment shall be payable in twelve (12) equal monthly installments due on the first day of each calendar month during the fiscal year to which the

assessment relates. Any payment not made within ten (10) days of its due date shall subject the Owner to a late payment charge of \$25.00, or such other amount as the Management Committee shall establish from time to time. All unpaid or past due installments of any Annual Assessment or portion thereof shall additionally bear interest at the rate of one and one-half percent (1.5%) per month (or at such rate as the Management Committee shall establish from time to time) from the date each such installment is due until paid. Interest may be calculated and added to the past due balance monthly, and may, as a result, be "compounded". Payments made in other than U.S. currency or certified funds may be accepted by the Association upon condition of their acceptance and payment. In addition to other rights under this Declaration, the Association may charge a reasonable fee, to be established by Rule, for checks returned for non-sufficient funds.

The failure of the Management Committee to give timely notice of any Annual Assessment or portion thereof as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay such assessment or any other assessment; but the date when the payment shall become due in such case shall be deferred to a date thirty (30) days after notice of such assessment shall have been given to the Owner in the manner provided in this Declaration.

(e) Acceleration. In the event an Owner shall fail to pay any installment within three (3) months of the time when the same becomes due, the Management Committee may, at its option, declare immediately due and payable all monthly or other regular installments which would otherwise fall due over a period of time up to the next twelve (12) months after such default, including an estimation of utility charges, and unless said accelerated amount is paid within ten (10) days after written demand therefor, the entire accelerated amount shall become a delinquent assessment for all purposes under this Article.

(f) Inadequate Funds. In the event the Common Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Owners' assessments, the

Association may levy additional assessments in accordance with the procedure set forth in Section 8.03 below.

8.03. Special Assessments. In addition to the Annual Assessments authorized in this Article VIII, the Association may levy in any assessment year, a Special Assessment, applicable for that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unanticipated repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration (including without limitation Common Expenses). The Management Committee may authorize a Special Assessment for any lawful purpose in any given assessment year provided, however, that such Assessment shall be first voted on and approved by Unit Owners having ownership of not less than fifty-one percent (51%) of the undivided interest in the Common Areas and Facilities of the Association, voting in person or by proxy at a meeting duly called for such purpose.

Notwithstanding the foregoing, the Management Committee may levy a Special Assessment in an amount not to exceed \$5,000.00 per unit, per year, without approval of the members.

Any amounts assessed pursuant hereto shall be apportioned among and assessed to all Owners in proportion to their respective undivided interests in the Common Areas. Notice in writing of the amount of such Special Assessments and the time for payment thereof shall be given promptly to the Owners; no payment shall be due less than thirty (30) days after such notice shall have been given. All unpaid or past due portions of any Special Assessment shall incur late fees and interest in the same manner as unpaid or past due Annual Assessments. All funds received from assessments under this Section 8.03 shall be part of the Special Assessment Fund.

8.04. Lien for Assessment. All sums assessed to Owners of any Condominium with the Project pursuant to the provisions of this Article VIII, together with interest thereon as provided herein, and attorneys fees and costs incurred in collecting the same, shall be secured by a lien on

such Condominium in favor of the Association. To evidence a lien for sums assessed pursuant to this Article VIII, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Condominium, and a description of the Condominium. This notice shall be signed and acknowledged by a duly authorized officer of the Association and may be recorded in the office of the County Recorder of Salt Lake County, State of Utah. A copy of the notice of lien shall be mailed to the Owner at the Owner's last registered address. No notice of lien shall be recorded until there is a delinquency in payment of the assessment.

Any lien filed pursuant to this article may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in the State of Utah. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Condominium which become due during the period of foreclosure, and all assessments which become due pursuant to 8.02(e) hereof, and all such assessments shall be secured by the lien being foreclosed. The Association shall have the right and power to bid in at any foreclosure sale, and to hold, lease, mortgage or convey the subject Condominium. The rights of the Association under this Section 8.04 shall be in addition to any other rights provided by law with respect to liens for and collection of unpaid assessments.

8.05. Personal Obligation of Owner. The amount of any Annual or Special Assessment against any Condominium shall be the personal obligation of the Owner of such Condominium. No Owner shall be entitled to any deduction on account of any set-off or claim which the Owner may have against the Management Committee or the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such

personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Condominium or by waiving any services or amenities provided for in this Declaration.

In the event of any legal action to recover a money judgment for unpaid assessments hereunder, the Owner shall pay all costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees, expert witness fees and costs of Court, whether or not a suit is filed. Attorneys' fees and costs shall also be paid for proceedings in Federal Bankruptcy Court, whether or not they are contested matters, adversary proceedings or other actions reasonably necessary to protect the Association's rights hereunder.

8.06. Revocation of Votes. In addition to the foregoing, in the event of nonpayment or default in payment of Annual or Special Assessments for a period in excess of sixty (60) days, the right of the defaulting Owner to vote his share of Common Area ownership shall be suspended for all purposes until such delinquent assessments, together with late fees, interest, costs, expenses and reasonable attorneys' fees shall have been paid. The Management Committee may require payment by U.S. currency, certified funds or collected funds to remove an Owner's suspension under this section. During such suspension, any action requiring a stated percentage vote may be taken upon the vote of the stated percentage of non-suspended ownership interests.

8.07. Statement of Account. Upon payment of a reasonable fee to be established by the Management Committee, which shall not exceed the fee authorized by the Condominium Act, and upon written request of any Owner, Mortgagee, prospective Mortgagee, title insurers, or prospective purchaser of a Condominium, the Management Committee shall issue a written statement setting forth the following: The amount of the unpaid assessment(s), if any, with respect to such Condominium; the amount of the current Annual Assessment and the date or dates upon which installments thereof become due; credit for advanced payments, if any. Such

statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith.

8.08. Personal Liability of Purchaser. Subject to the provisions of Section 8.07, a purchaser of a Condominium shall be jointly and severally liable with the seller thereof for all unpaid assessments against such Condominium up to the time of the grant or conveyance; provided, however, that the provisions of this Declaration shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

8.09. Management Committee Fiduciary Responsibility. The Management Committee has a fiduciary duty to protect, maintain and enhance the assets of the Association. Reserve funds must be invested in a way that will balance safety and liquidity in conjunction with yield over time so that funds are available for projected or unexpected expenditures.

## **ARTICLE IX**

### **INSURANCE**

9.01. Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following types of insurance coverage, provided by companies licensed to do business in the State of Utah.

(a) Fire and Casualty Insurance. The Association shall obtain a policy or policies of insurance on the Project in such amounts as shall provide for replacement thereof in the event of damage or destruction from the casualty against which such insurance is obtained, which insurance shall be in accordance with coverage customarily maintained by other condominium projects similar in construction, design, and use. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such

"deductible" provisions as in the Association's opinion are consistent with good business practice.

(b) Public Liability and Property Damage Insurance. The Association shall obtain a broad form of comprehensive liability insurance coverage, in such amounts and in such forms as it deems advisable to provide adequate protection against liability for personal injury, death, and property damage. Coverage shall include, without limitation, liability for operation of automobiles on behalf of the Association and all activities in connection with the ownership, operation, maintenance, and other use of the Project.

(c) Workers' Compensation Insurance. The Association shall obtain and maintain workers' compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

(d) Flood and Earthquake Insurance. The Association may obtain such flood and earthquake insurance, if any, as may be available and is deemed advisable by the Management Committee.

(e) Acts, Errors and Omissions Insurance. The Association shall obtain and maintain errors and omissions insurance coverage to cover the liability of members of the Management Committee and the Association's Manager against liability for acts, errors and omissions of the Management Committee members and the Manager while acting as such.

(f) Fidelity Bonds. The Management Committee shall maintain adequate fidelity coverage to protect against dishonest acts on the part of members of the Management Committee, officers, employees and agents of the Association, and all others who handle or are responsible for handling funds of the Association, including professional managers and their employees.

Such fidelity bonds shall meet the following requirements:

- (1) All such fidelity bonds shall name the Association as an obligee;
- (2) Such fidelity bonds shall be written in an amount equal to at least 25% of the estimated annual operating expenses of the Association, including reserves;
- (3) Such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve with compensation from any definitions of "employee" or similar expression; and
- (4) Such bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least fifteen (15) days' prior written notice to the Association.

9.02. Form of Insurance. Insurance coverage on the Project, insofar as possible, shall be in the following form:

(a) Insurance shall be carried in a form or forms naming the Association as the insured, as trustee for the Owners, and such policy or policies shall specify the interest of each Owner (Owner's name, Unit number, and the appurtenant undivided interest in the Common Areas). Each policy shall provide a standard, noncontributory mortgagee clause in favor of each Mortgagee which from time to time shall give notice to the Association of its Mortgage. Each policy shall provide that it cannot be cancelled either by the insured or by the insurance company until after fifteen (15) days' prior written notice is first given to each Owner, to the Association, and to each Mortgagee which has requested such notice in writing. The Association shall furnish to each Owner, and to each Mortgagee requesting the same, a certificate of coverage, including an identification of the Owner's interest.

(b) Policies. The Association shall make every effort to secure the insurance policies that will provide for the following:

- (1) The insurer shall waive subrogation as to any claims against the Association, the Manager, the Owners, and their respective servants, agents and guests;

(2) The policy or policies on the Project cannot be cancelled, invalidated, or suspended on account of the conduct of any one or more individual Owners;

(3) The policy or policies on the Project cannot be cancelled, invalidated, or suspended on account of the conduct of any trustee, officer, or employee of the Association, without a prior demand in writing that the Association cure the defect; and

(4) Any "no other insurance" clause in the policy or policies on the Project shall exclude individual Owners' policies from consideration.

9.03. Additional Coverage. The provisions of this Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required by this Declaration, in such amounts and in such forms as the Association may deem appropriate from time to time.

9.04. Adjustment and Contribution. Exclusive authority to adjust losses under policies hereafter in force on the Project shall be vested in the Association. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees.

9.05. Owner's Own Insurance. Notwithstanding the provisions hereof, each Owner may obtain insurance at his own expense providing coverage upon his Condominium, his personal property, for his personal liability, and covering such other risks as he may deem appropriate; provided that each such policy shall provide that it does not diminish the Association's insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Article. All such insurance of the Owner's Condominium shall waive the insurance company's right of subrogation against the Association, the Manager, other Owners, and their respective servants, agents, and guests, if such insurance can be obtained pursuant to industry practice without additional premium charge for the waiver of subrogation rights.

9.06. Review of Insurance. The Management Committee shall review annually the coverage and policy limits of all insurance on the Project and adjust same at its discretion. Such annual review may include an appraisal of the improvements in the Project by a representative of the insurance carrier or carriers providing the policy or policies on the Project, or by such other qualified appraisers as the Management Committee may select.

## **ARTICLE X**

### **DAMAGE OR DESTRUCTION**

10.01. Association as Attorney in Fact. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in fact in their name, place and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from any Owner shall constitute an appointment by said grantee of the Association as his attorney in fact as herein provided. As attorney in fact, the Association shall have full and complete authorization, right, and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted.

10.02. Definition of Repair and Reconstruction. Repair and reconstruction of the improvements as used herein means restoring the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as before.

10.03. Procedures. In the event any part of the Project is damaged or destroyed, the Association shall proceed as follows:

(a) Estimate of Costs. As soon as practicable after an event causing damage to or destruction of any part of the Project, the Association shall obtain complete and reliable

estimates of the costs to repair and reconstruct that part of the Project damaged or destroyed and of the value of the Project which is not damaged or destroyed.

(b) Sufficient Insurance. If the proceeds of the insurance maintained by the Association equal or exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, such repair and reconstruction shall be carried out. The proceeds of all insurance collected or maintained by the Association shall be available to the Association to pay the costs of such repair and reconstruction. If the proceeds of such insurance are insufficient to pay the actual costs of such repair and reconstruction and if the Association otherwise decides, in accordance with this Article, to repair or reconstruct, the Association shall levy a Special Assessment sufficient to provide funds to pay such actual costs of repair and reconstruction which are not covered by insurance. Such Special Assessment shall be allocated and collected as provided in Section 8.03 hereof. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

(c) Insufficient Insurance -- Less than 75% Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if less than seventy-five percent (75%) (determined in relation to estimates obtained pursuant to paragraph (a)) of the Buildings are damaged or destroyed, such repair and reconstruction shall nevertheless be carried out. The proceeds of all insurance collected or maintained by the Association shall be available to the Association to pay the costs of such repair and reconstruction. The Management Committee shall levy a Special Assessment sufficient to provide funds to pay the actual costs of such repair and reconstruction to the extent that such insurance proceeds are insufficient to pay such costs. Such Special Assessment shall be allocated and collected as provided in Section 8.03 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like

manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

(d) Insufficient Insurance -- 75% or More Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if seventy-five percent (75%) (determined in relation to estimates obtained pursuant to paragraph (a)) or more of the Buildings are damaged or destroyed, such damage or destruction shall be repaired and reconstructed as provided in Section 10.03(c) hereof if, but only if, within one hundred (100) days following the damage or destruction, the Owners shall elect by a vote of at least seventy-five percent (75%) of the total votes of the Association to carry out such repair and reconstruction. If, however, the Owners shall not, within one hundred (100) days after such damage or destruction, elect by a vote of at least seventy-five percent (75%) of the total votes of the Association to carry out such repair and reconstruction, the Association shall record in the office of County Recorder of Salt Lake County, State of Utah, a notice setting forth such facts. Upon the recording of such notice, the following shall occur:

- (1) The Project shall be deemed to be owned in common by the Owners;
- (2) The undivided interest in the Project owned in common which shall appertain to each Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Areas;
- (3) Any liens affecting any of the Condominiums shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest of the respective Owner in the Project, and
- (4) The Project shall be subject to an action for partition at the suit of any Owner or the Association, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance on the Project, if any, shall be

considered as one fund and shall be divided among all Owners in a percentage equal to the percentage of undivided interest owned by each respective Owner in the Common Areas, as set forth in Exhibit "A" hereto, after first paying out of the respective shares of each Owner, to the extent sufficient and necessary for the purposes, all liens on the undivided interest in the Project owned by such Owner.

10.04. Repair or Reconstruction. If the damage or destruction is to be repaired and reconstructed as provided above, the Association shall, as soon as practicable after receiving the same estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. The Association, as attorney in fact for the Owners, may take all necessary or appropriate action to effect repair and reconstruction and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The Project shall be restored or repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as before.

10.05. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and any amounts received from assessments made pursuant to Sections 10.03(b) and (c) hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair and reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to their respective percentages of ownership of the Common Areas.

10.06. Sale of Condominium Project. Notwithstanding all other provisions hereof, the Owners may, by an affirmative vote of at least seventy-five percent (75%) of the total votes of the Association, at a meeting of Owners duly called for such purpose, elect to sell or otherwise

dispose of the Project. Such action shall be binding upon all Owners and it shall thereupon become the duty of each and every Owner to execute and deliver such instruments and to perform all acts in such manner and form as may be necessary to effect such sale. The proceeds of any such sale shall be divided among all Owners in proportion to the undivided interest in the Common Areas owned by each respective Owner, as set forth in Exhibit "C" hereto, after first paying out of the respective share of each Owner, to the extent sufficient for the purposes, all liens on the interest of such Owner in the Project.

## **ARTICLE XI**

### **CONDEMNATION**

11.01. Condemnation. If at any time or times during the continuance of condominium ownership pursuant to this Declaration all or any part of the Project shall be taken or condemned by any public authority under power of eminent domain, the provisions of this Article shall apply. A voluntary sale or conveyance of all or any part of the Project in lieu of condemnation, but under threat of condemnation, shall be deemed to be a taking by power of eminent domain.

11.02. Proceeds. All compensation, damages, and other proceeds from any such taking by power of eminent domain (hereinafter the "condemnation award") shall be made payable to the Association and shall be distributed by the Association as herein provided.

11.03. Complete Taking. In the event the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall terminate and the condemnation award shall be allocated among and distributed to the Owners in proportion to their respective undivided interests in the Common Areas. Such distribution shall be made by check payable jointly to the respective Owners and their respective Mortgagees, as appropriate.

11.04. Partial Taking. In the event less than the entire Project is taken by power of eminent domain, the following shall occur:

(a) Allocation of Award. As soon as practicable, the Association shall, reasonably and in good faith, apportion the condemnation award between compensation, severance damages, or other proceeds, and shall allocate such apportioned amounts and pay the same to the Owners as follows:

(1) The total amount apportioned to taking of or injury to the Common Areas shall be allocated among and distributed to all Owners (including Owners whose entire Units have been taken) in proportion to their respective undivided interests in the Common Areas;

(2) The total amount apportioned to severance damages shall be allocated among and distributed to the Owners of those Condominiums that have not been taken, in proportion to their respective undivided interests in the Common Areas;

(3) The respective amounts apportioned to consequential damages and any other takings or injuries shall be allocated and distributed as the Management Committee determines to be equitable under the circumstances;

(4) If apportionment or allocation is already established by negotiation, judicial decree, statute, or otherwise, the Association shall employ such apportionment and allocation to the extent it is relevant and applicable; and

(5) Distribution of allocated proceeds shall be made by check payable jointly to individual Owners and their respective Mortgagees, as appropriate.

(b) Continuation and Reorganization. If less than the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall not terminate, but shall continue. If any partial taking results in the taking of an entire Unit, the Owner thereof shall cease to be a member of the Association. The Association shall reallocate the voting rights and the undivided interest in the Common Areas appurtenant to such Unit in accordance with the Condominium Act.

(c) Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the provisions specified in Article X hereof for cases of Damage or Destruction; provided, however, that the provisions of said Article dealing with sufficiency or insufficiency of insurance proceeds shall not be applicable.

## **ARTICLE XII**

### **OBSOLESCENCE**

12.01. Adoption of Plan. Owners holding seventy-five percent (75%) or more of the total votes of the Association may agree that the Project is obsolete and may adopt a written plan for the renewal and reconstruction of the Project, provided that such plan has the unanimous written approval of all first Mortgagees of record at the time of the adoption of such plan. Written notice of adoption of such plan shall be given to all Owners.

12.02. Payment for Renewal and Reconstruction. The Association shall levy a Special Assessment sufficient to provide funds to pay the estimated expenses of renewal or reconstruction. Such Special Assessment shall be allocated and collected as provided in Section 8.03 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected prove insufficient to pay the actual expenses of such renewal or reconstruction. In the event amounts collected pursuant hereto are in excess of the amounts required for renewal or reconstruction, such excess shall be distributed to the Owners in proportion to their respective percentages of ownership of the Common Areas.

12.03. Sale of Project. Notwithstanding any other provision of this Declaration, the Owners may at any time, by an affirmative vote of at least seventy-five percent (75%) of the total votes of the Association, at a special meeting of the Members of the Association duly called for such purpose, elect to sell or otherwise dispose of the Project. In such event, the Association shall forthwith record in the Office of the County Recorder of Salt Lake County, State of Utah, a

notice setting forth such facts, and upon the recording of such notice by the Association, the Project shall be sold or otherwise disposed of by the Association as attorney in fact for all of the Owners. Such action shall be binding upon all Owners, and each Owner shall have the duty to execute and deliver such instruments and to perform all acts in such manner and form as may be necessary or appropriate to effect such sale or other disposition of the Project. The proceeds of such sale or disposition shall be apportioned among the Owners in proportion to their respective percentages of ownership of the Common Areas, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium. Each such account shall remain in the name of the Association and shall be further identified by the Condominium designation and the name of the Owner. The Association, as attorney in fact, shall use and disburse the total amount of each such account, without contribution from one account to another, first to the payment of valid tax and special assessment liens on the Condominium in favor of any governmental assessing authority, second to the payment of assessments made pursuant to this Declaration, third to the payment of other holders of liens or encumbrances on the Condominium in the order of priority of their liens, and the balance remaining, if any, to the respective Owner, and where applicable, to the mortgagee.

### **ARTICLE XIII**

#### **COMPLIANCE WITH DECLARATION AND BYLAWS**

13.01. Compliance. Each Owner and all individuals residing in the Project shall comply strictly with the provisions of this Declaration, the Articles of Incorporation and the Bylaws of the Association, the rules and regulations promulgated by the Management Committee, and the decisions and resolutions of the Association and Management Committee adopted pursuant thereto, as the same may lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or for injunctive relief or

for both, maintainable by the Association or, in a proper case, by an aggrieved Owner or Owners.

13.02. Enforcement and Remedies. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration shall be enforceable by the Management Committee or in a proper case by any aggrieved Owner of a Condominium within the Project, subject to this Declaration, by a proceeding for a prohibitive or mandatory injunction, or by a suit or action to recover money damages.

13.03. Fines. The Management Committee may assess a fine or fines against a Unit Owner or Unit Owners. The Management Committee may assess a fine or fines against a Unit Owner or Unit Owners for a violation of the Association's rules and regulations. Before assessing a fine, the Management Committee shall give notice to the Unit Owner(s) of the violation and inform the Unit Owner(s) that a fine will be imposed if the violation is not cured within a time period determined by the Management Committee, which shall be at least forty-eight (48) hours.

Fines assessed by the Management Committee shall:

(1) be made only for a violation of a rule or regulation that is specifically listed in the Declaration, Bylaws, or Association rules as an offense that is subject to a fine;

(2) be in the amount specifically provided for in the Declaration, Bylaws, or Association rules for that specific type of violation, not to exceed Five Hundred Dollars (\$500.00) per month; and

(3) accrue interest and late fees as provided in the Declaration, Bylaws, or Association rules.

Cumulative fines for a continuing violation may not exceed Five Hundred Dollars (\$500.00) per month.

A Unit Owner who is assessed a fine by the Management Committee may request

an informal hearing to protest or dispute the fine within thirty (30) days from the date the fine is assessed. The hearing shall be conducted in accordance with the standards provided in the Declaration, Bylaws, or Association rules. No interest or late fees may accrue until after the hearing has been conducted and a final decision has been rendered.

A Unit Owner may appeal a fine assessed by the Management Committee by initiating a civil action within one hundred eighty (180) days after a hearing has been held and a final decision has been rendered by the Management Committee, or the time to request an informal hearing has expired without the Unit Owner having properly requested a hearing.

A fine assessed under this provision that remains unpaid after the time for appeal has expired becomes a lien against the Unit Owner's interest in the property in accordance with the same standards as a lien for the nonpayment of common expenses under Utah Code Ann. § 57-8-20.

## ARTICLE XIV

### GENERAL PROVISIONS

14.01. Intent and Purpose. The provisions of this Declaration, and any Supplemental or Amended Declaration, shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a Condominium Project. Failure to enforce any provision, restriction, covenant, or condition in this Declaration shall not operate as a waiver of any such provision, restriction, covenant, or condition or of any other provisions, restrictions, covenants, or conditions.

14.02. Construction.

(a) The provisions of this Declaration shall be in addition and supplemental to the Condominium Act and to all other provisions of law.

(b) Wherever used herein, unless the context shall otherwise require, the

singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both genders.

(c) The Article and Section headings set forth herein are for convenience and reference only and are not intended to describe, interpret, define, or otherwise affect the content, meaning, or intent of this Declaration or any Article, Section, or provision hereof.

(d) The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

14.03. Notices and Registration of Mailing Address. Each Owner shall register from time to time with the Association his current mailing address. All notices, demands and other communications to any Owner as provided for in this Declaration or otherwise shall be in writing and shall be sufficient for all purposes if personally served or if sent by first-class U.S. mail, postage prepaid, addressed to the Owner at his registered mailing address or, if no address has been registered, to the Unit of such Owner. All notices, demands, and other communications to the Association as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally served or if sent by first-class U.S. Mail, postage prepaid, addressed to the Association at its offices at the Project, or to such other address as the Association may hereafter specify to the Owners in writing. Any notice, demand, or communication referred to in this Declaration shall be deemed given when personally served or when deposited in the U.S. Mail, postage prepaid, and in the form provided for in this Section, as the case may be.

14.04. Notification of Sale and Transfer Fee. The Board may establish a transfer fee, from time to time, which shall be no more than the amount of the then current regular monthly assessment.

Concurrently with the consummation of the sale or other transfer of any

Unit, or within fourteen (14) days after the date of such transfer, the transferee shall notify the Association in writing of such transfer and shall accompany such written notice with any nonrefundable transfer fee payable pursuant to the Association Rules, to cover Association documentation and processing. The written notice shall set forth the name of the transferee and his transferor, the street address of the Unit purchased or acquired by the transferee, the transferee's mailing address, the date of the sale or transfer and the name and address of the transferee's Lender, if any. Prior to the receipt of such written notice, all notices required or permitted to be given by the Association to the Owner shall be deemed to be duly made or given to the transferee if duly and timely made and given to the transferee's predecessor in interest. The transfer fee shall be the personal obligation of the new Owner and shall be secured by the lien in Section 8.01 hereof. Notwithstanding the other provisions hereof, this Section shall not apply to a Lender who becomes an Owner by a foreclosure proceeding or any deed or assignment in lieu of foreclosure.

14.05. Audit. Any Owner may at any reasonable time, upon appointment and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association. The Management Committee may determine at any time that an audit or financial review is appropriate and may authorize the needed expenditure.

14.06. Amendment. Except as otherwise provided herein, this Declaration may be amended by the affirmative vote of two-thirds (2/3) of the Owners present or represented by proxy at a special meeting of the Association noticed for the purpose of amendment to the Declaration. Notice of such amendment shall be recorded by instruments duly recorded in the office of the County Recorder of Salt Lake County, State of Utah.

14.07. Effective Date. This Declaration shall take effect upon recording.

14.08. Agent for Service. The agent for service of process under the Condominium Act shall be listed in an appropriate instrument recorded in the office of the Department of

Commerce, Division of Corporations, of the State of Utah. If no such appointment is listed, the registered agent shall be the current President of the Association, and the Association shall cause such President's name and address to be listed in an appropriate instrument recorded in the office of the Department of Commerce, Division of Corporations, of the State of Utah.

14.09. Owner's Obligations. All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may be leasing, renting or selling under contract his Condominium. The Owner of a Condominium within the Project shall have no obligation for expenses or other obligations accruing after he conveys such Condominium.

14.10. Limitation on Association's Liability. The Association shall not be liable for any failure of water service or other utility service (if any) to be obtained and paid for by the Association hereunder, or for injury to or damage of any person or property caused by the elements or by another Owner or person in the Project, or resulting from electricity, water, rain, snow, or ice which may leak or flow from outside or from any parts of the Buildings or their drains, pipes, conduits, appliances, conduits, or equipment, or from any other place, unless caused by the grossly negligent or willful misconduct of the Association. No diminution or abatement of any assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of any repairs or improvements in or maintaining the Project or any part thereof, or from any action taken to comply with the laws, ordinances, regulations, rules, or orders of any governmental authority.

14.11. Arbitration. Any claim or controversy between any member of the Spring Lane Homeowners Association, Inc. ("the Association") and the Association that arises out of or relates to the ownership and use of a Unit or the Common Areas or Limited Common Areas of the Association, other than actions brought by and on behalf of the Association for 1) the collection of assessments and fines, or 2) respecting the enforcement of the Declaration, shall be

submitted to arbitration according to regulations prescribed by the Association's Management Committee.

In the absence of any such regulations, arbitration shall proceed pursuant to the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), although such arbitration need not proceed with the AAA. Each Unit owner, by acquiring or maintaining an ownership interest in the Association, agrees to arbitrate all such disputes according to this provision and the regulations prescribed by the Management Committee pursuant to this provision, and agrees that judgment on the award rendered by the arbitration may be entered in any court having jurisdiction thereof.

## **ARTICLE XV**

### **MORTGAGE PROTECTION**

15.01. Notice of Delinquent Owner. From and after the time a Mortgagee makes written request to the Association therefore, the Association shall notify such Mortgagee in writing in the event that the Owner of the Unit encumbered by the Mortgage held by such Mortgagee neglects for a period of thirty (30) or more days to cure any failure on his part to perform any of his obligations under this Declaration.

15.02. Assessment Lien Subordinate. The lien or claim against a Unit for unpaid assessments or charges levied by the Association pursuant to this Declaration or the Act shall be subordinate to the Mortgage affecting such Unit, and the Mortgagee thereunder which comes into possession of or which obtains title to the Unit shall take the same free of such lien or claim for unpaid assessments or charges but only to the extent of assessments or charges which accrue prior to foreclosure of the Mortgage, exercise of a power of sale available thereunder, or deed or assignment in lien of foreclosure (except for claims for a pro rata share of such prior assessments or charges resulting from a pro rata reallocation thereof to all Units including the Unit in which

the Mortgagee is interested). No assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a Mortgage or as not to burden a Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned.

15.03. Prohibited or Restricted Actions. Unless at least seventy-five percent (75%) of the Mortgagees (based upon one vote for each Mortgage) or Owners (other than Declarant) of the individual Units have given their prior written approval, the Association shall not be entitled, by act, omission, or otherwise:

- (a) To abandon or terminate the Project or to abandon or terminate the arrangement which is established by this Declaration and the Map.
- (b) To partition or subdivide any Unit.
- (c) To abandon, partition, subdivide, encumber, sell, or transfer all or any part of the Common Areas (except for the granting of easements for utilities and similar purposes) consistent with the intended use of the Common Areas.
- (d) To sue hazard insurance proceeds resulting from damage to any part of the Project (whether to Units or to the Common Areas) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided in Article IX.
- (e) To change the pro rata interests or obligations of any Unit which apply for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, and for (ii) determining the pro rata share of ownership for each Unit in the Common Areas.

The Association shall not: (i) alter the provisions of Article IX in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby; or (ii) fail to maintain the insurance coverage described in said Article.

15.04. Examination of Books and Records/Reserve Account. Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Association. The Association shall establish an adequate reserve to cover the cost of reasonably predictable and necessary repairs, maintenance, and replacements of the Common Areas and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

15.05. Condemnation. From and after the time a Mortgagee makes written request to the Association therefore, the Committee or the Association shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or taking or anticipated condemnation of: (i) the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00); or (ii) any Unit encumbered the Mortgage held by such Mortgagee, if the amount involved in such damage, loss, or taking is in excess of, or reasonably estimated to be in excess of, One Thousand Dollars (\$1,000.00). Said notice shall be given within ten (10) days after the Association learns of such damage, loss, taking, or anticipated condemnation.

No provision of this Declaration gives or may give a Unit Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for loss or taking of Units and/or the Commons Areas.

15.06. No Right of First Refusal May Apply. Any Mortgagee which obtains title to the Unit encumbered by its Mortgage pursuant to the remedies provided for in said Mortgage, pursuant to foreclosure of said Mortgage, pursuant to exercise of a power of sale available under said Mortgage, or pursuant to deed or assignment in lieu of foreclosure, shall be exempt from and shall in no way be governed by or subject to any "right of first refusal" which may be contained in or provided for in this Declaration.

15.07. Conflict. In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any other provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority, as the case may be, applicable to the Association with respect to the subject concerned.

15.08. Amendments/Maximum Protection to Mortgagee. No amendment to this Declaration which has the effect of diminishing the rights, protection or security afforded to the Mortgagees shall be accomplished or effected unless all of the Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Article XV shall be accomplished by an instrument executed by the Association and filed for record in the office of the Utah County Recorder. In any such instrument, an officer of the Association shall certify that any prior written approval of Mortgagees required by this Article XV as a condition to amendment has been obtained.

15.09. Reviewed Financial Statements/Audits. The Association shall provide a compilation, a review, summary or an audited statement, where appropriate, for the preceding fiscal year if the holder, insurer, or guarantor of any first mortgage on a Unit submits a written request for it.

IN WITNESS WHEREOF, the undersigned have executed this Third Amended and Restated Declaration of Condominium for Spring Lane Condominiums this 28 day of May, 2009

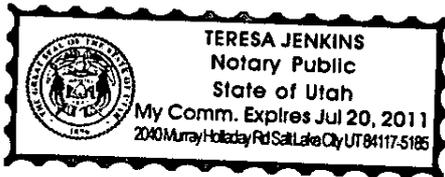
SPRING LANE CONDOMINIUM HOMEOWNERS' ASSOCIATION

By: Suzanne Barton  
\_\_\_\_\_  
President

By: Linda Berry  
\_\_\_\_\_  
Secretary

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

On this 28 day of May, 2009, personally appeared before me Suzanne Barton and Linda Berry, who, being by me duly sworn, did say that they are the President and Secretary, respectively, of The Spring Lane Homeowners' Association, a Utah nonprofit corporation, that the within and foregoing instrument was signed on behalf of said non-profit corporation, that the within and foregoing instrument was duly approved and ratified by the required number members of the Association at a duly called meeting. Suzanne Barton and Linda Berry duly acknowledged to me that said corporation executed the same.



Teresa Jenkins  
\_\_\_\_\_  
NOTARY PUBLIC

X NW 1/4  
Loc 9, 28

EXHIBIT "A"

BEGINNING at a point North 1045.018 feet and West 461.798 feet and South 189.70 feet and North 89°55'49" West 527.29 feet from the South Quarter Corner of Section 9, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running North 89°55'49" West 538.33 feet; thence North 1°34'32" West 918.64 feet to the South line of Spring Lane; thence Southeasterly on a curve to the left (the radius point of which is North 45°10'59" East 443.27 feet) along the South line of Spring Lane a distance of 287.26 feet; thence South 81°56'50" East 139.51 feet along said street, said point being South 8°03'10" West 33.00 feet and North 81°56'50" West 90.16 feet from a Salt Lake County Surveyors Monument in the intersection of Tarooma Drive and Spring Lane; thence South 209.63 feet; thence East 86.07 feet; thence South 8°47' East 570.00 feet to the point of BEGINNING.

all Spring Lane (shown)  
Pb 1, 2, 3, 4, 5

LESS THE FOLLOWING PARCEL:

BEGINNING at a point North 855.32 feet and West 461.80 feet and North 89°55'49" West 1065.62 feet and North 1°34'32" West 561.54 feet from the South Quarter Corner of Section 9, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence North 1°34'32" West 357.10 feet to the Southerly line of Spring Lane, said point being due North 125.96 feet and due West 484.37 feet from a County Surveyors Monument in the intersection of Tarooma Drive and Spring Lane; thence Southeasterly along Spring Lane on a curve to the left (the radius point of which is North 45°10'59" East 443.27 feet) a distance of 178.62 feet; thence South 1°34'32" East 258.78 feet; thence West 145.00 feet to the point of BEGINNING.

NW 1/4

ALSO EXCEPTING THEREFROM THE FOLLOWING PARCEL:

BEGINNING at a point on the South right-of-way line of Spring Lane, said point being North 1045.018 feet and West 461.798 feet and South 189.70 feet and North 89°55'49" West 527.29 feet and North 8°47'00" West 570.00 feet and West 86.07 feet and North 209.63 feet from the South quarter corner of Section 9, Township 2 South, Range 1 East, Salt Lake Base and Meridian; said point also being South 8°03'10" West 33.00 feet and North 81°56'50" West 90.16 feet from a Salt Salt County surveyors monument in the intersection of Tarooma Drive and Spring Lane, and running thence South 209.63 feet; thence West 18.66 feet; thence South 109.82 feet; thence West 50.00 feet; thence South 115.00 feet; thence West 95.00 feet; thence North 115.00 feet; thence West 87.00 feet; thence North 108.50 feet; thence East 15.00 feet; thence North 1°34'32" West 258.78 feet to a point on the South right-of-way line of said Spring Lane, said point being on a curve, to the left, the radius point bears North

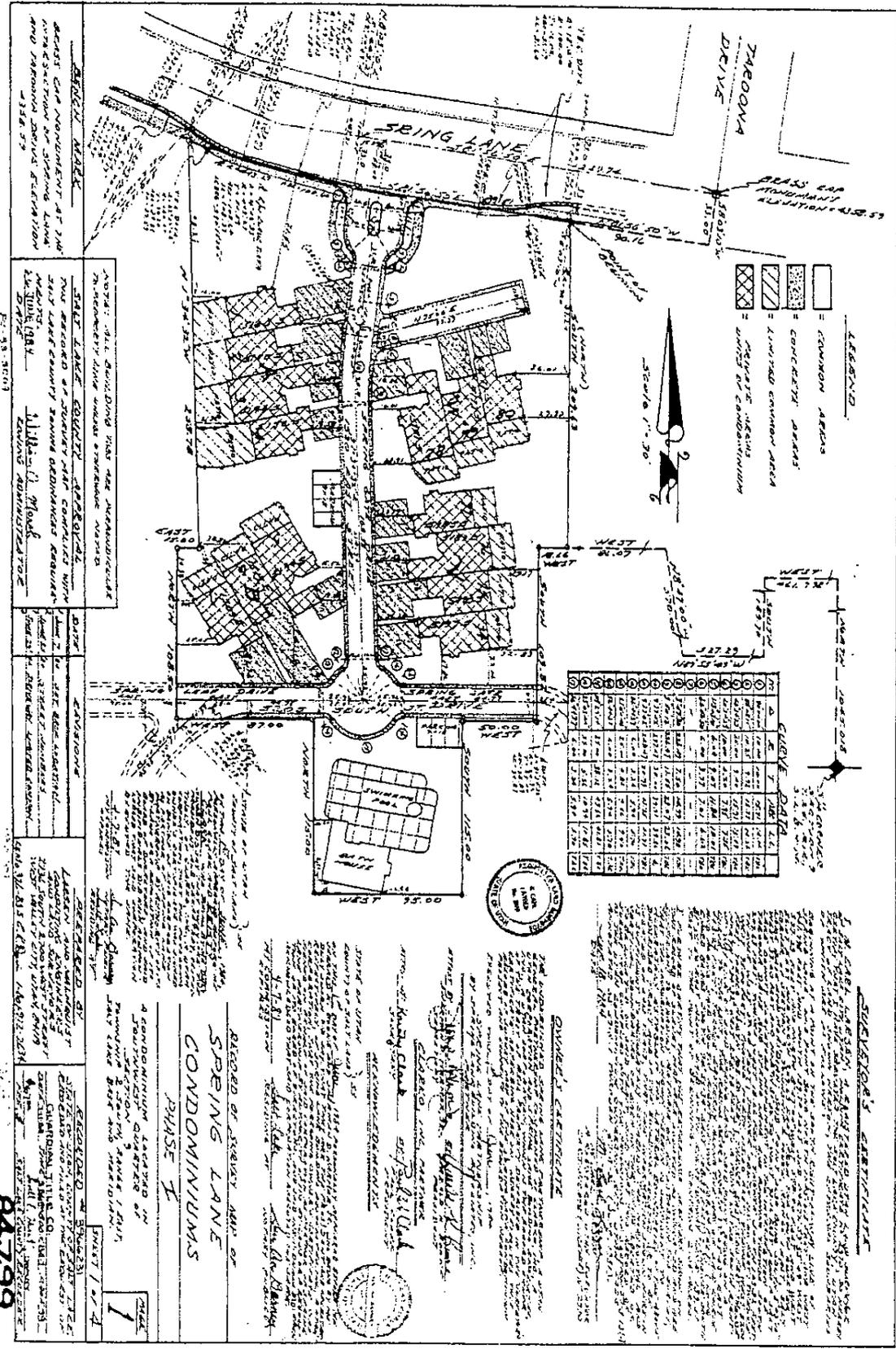
all  
Spring Lane (shown)  
Pb 1

22°05'43" East 443.27 feet; thence Easterly along the arc of said curve and along said South right-of-way 108.64 feet; (long chord bears South 74°55'34" East 108.37 feet); thence South 81°56'50" East along said South right-of-way line 139.51 feet to the point of BEGINNING.

Including the Units as follows:

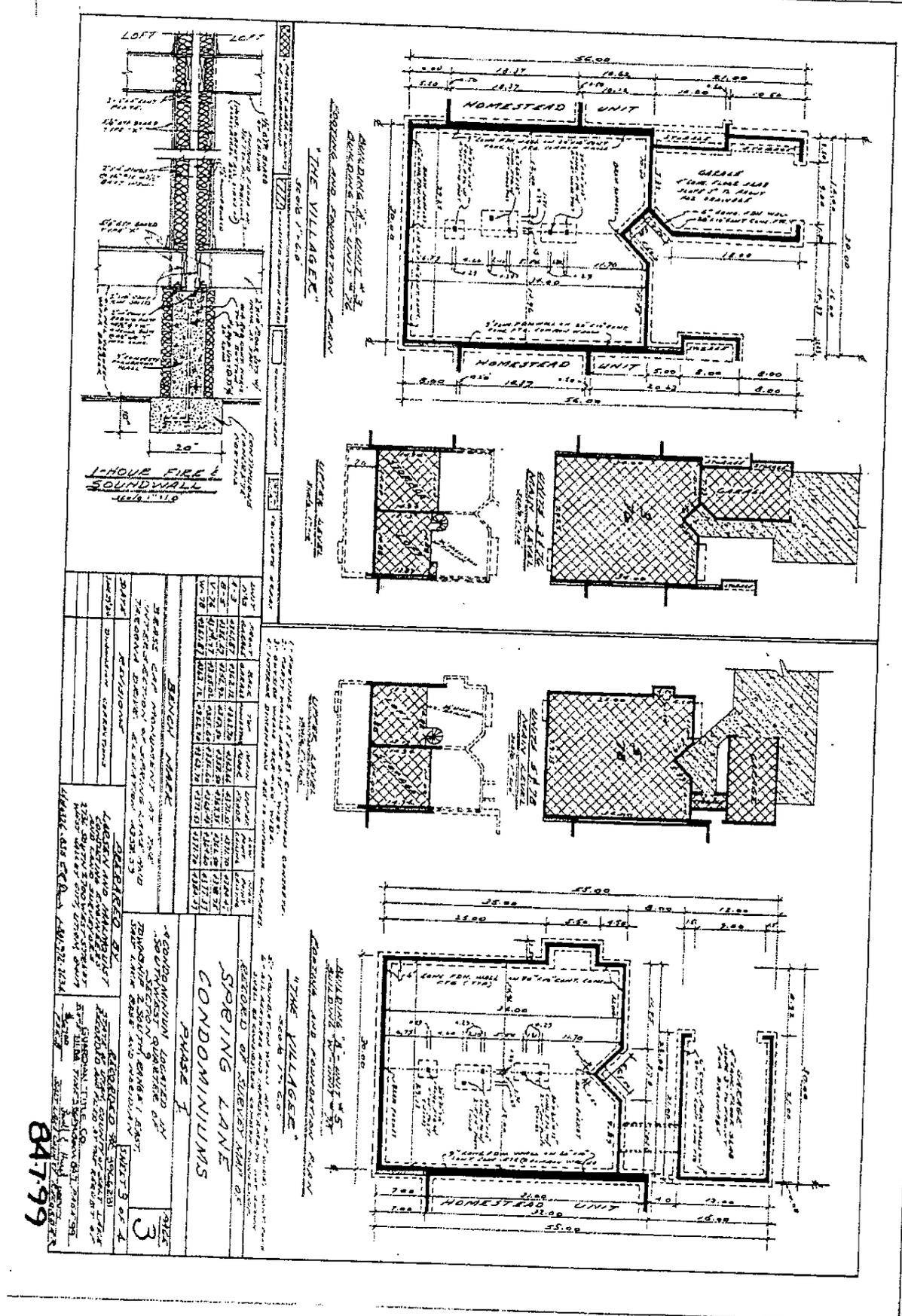
<u>Building</u>	<u>Units</u>
A	1, 2, 3, 4
B	5, 6, 7
C	8, 9, 10, 11
D	12, 13, 14
E	15, 16, 17, 18
F	19, 20, 21, 22
G	23, 24, 25, 26
H	27, 28, 29
I	30, 31, 32
J	33, 34, 35
K	36, 37, 38, 39
L	40, 41, 42, 43
M	44, 45, 56
N	47, 48, 49, 50
O	51, 52, 53
P	54, 55, 56
Q	57, 58, 59, 60
R	61, 62, 63
S	64, 65, 66, 67
T	68, 69, 70
U	71, 72, 73
V	74, 75, 76, 77
W	78, 79, 80

EXHIBIT "B"



1054  
84-7-99





UNIT	TYPE	AREA	FINISHES	APPLIANCES	EXTRA	REMARKS
3	1-BED	1,100	Hardwood floors, granite counter, stainless steel appliances	Stainless steel refrigerator, electric range, dishwasher, washer/dryer	Walk-in closet, balcony	See notes for details

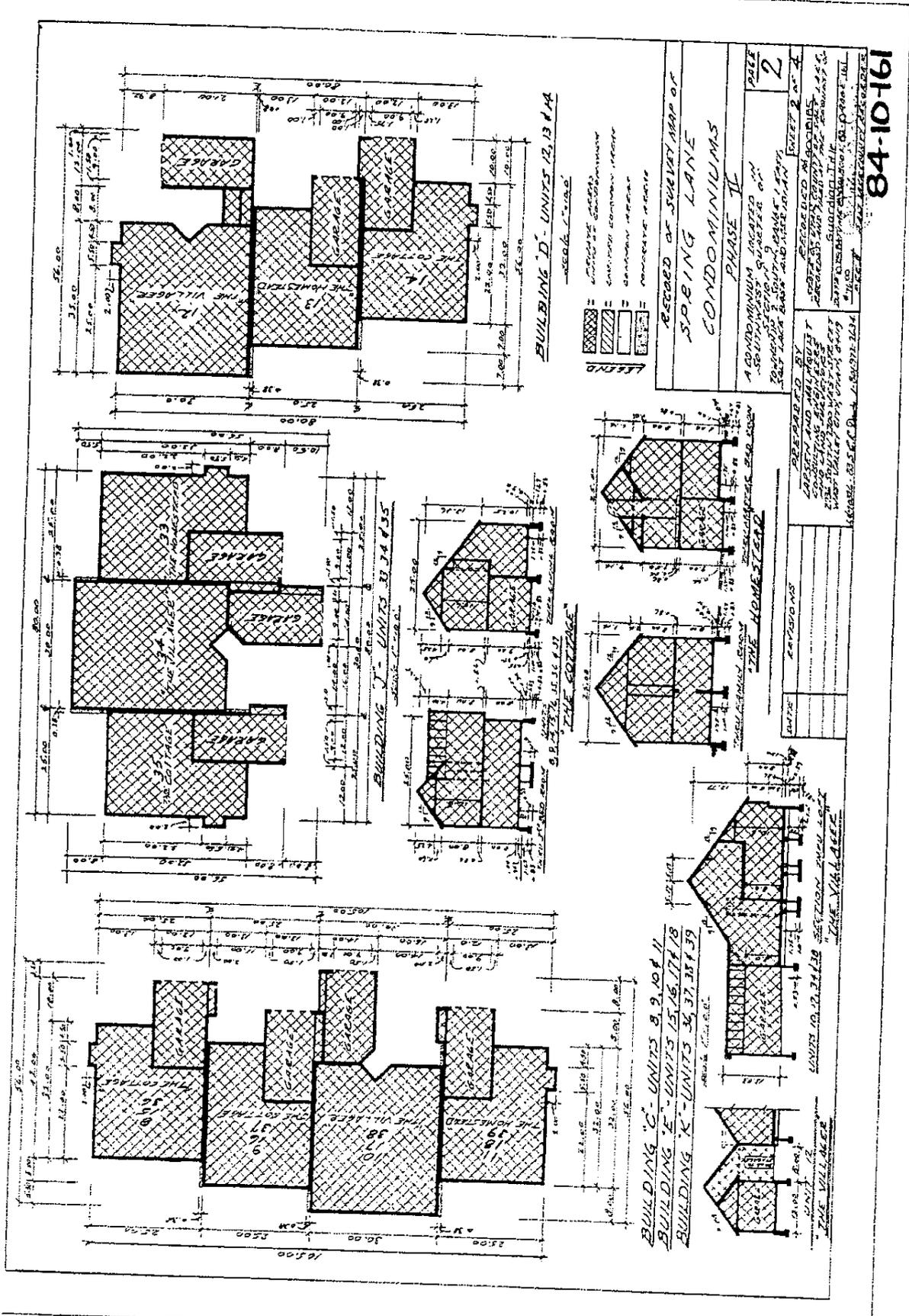
**GENERAL NOTES:**

1. All dimensions are in feet and inches.
2. All materials and finishes are as shown on the drawings.
3. All work shall be in accordance with the latest editions of the International Building Code and the International Residential Code.
4. The contractor shall be responsible for obtaining all necessary permits.
5. The contractor shall be responsible for protecting all existing utilities.
6. The contractor shall be responsible for maintaining access to all adjacent properties.
7. The contractor shall be responsible for maintaining the site in a safe and sanitary condition at all times.
8. The contractor shall be responsible for removing all debris and materials from the site.
9. The contractor shall be responsible for restoring the site to its original condition.
10. The contractor shall be responsible for providing a final as-built drawing.





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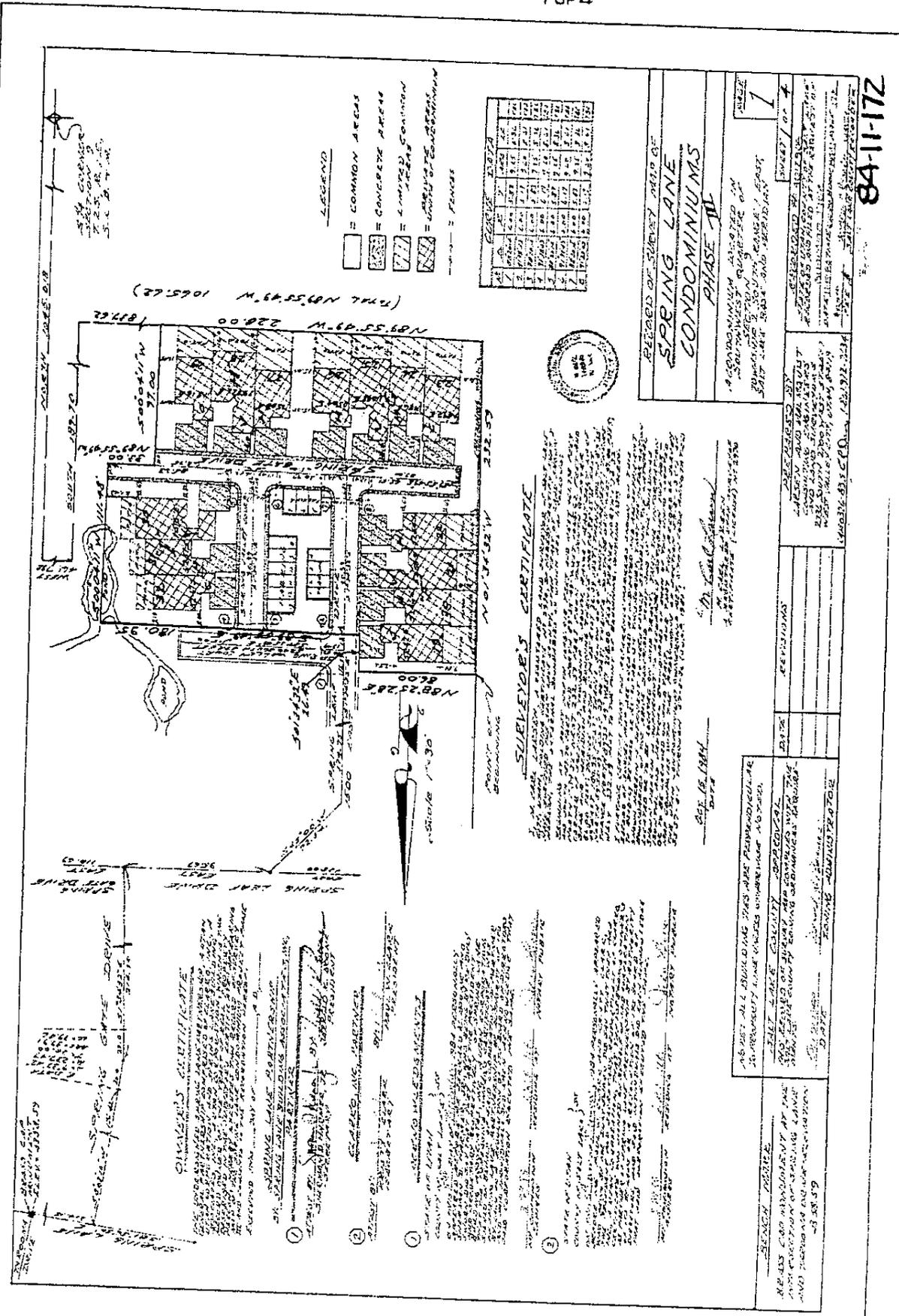






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84-11-172



**BUILDING I: UNIT #30**  
**EXISTING AND FOUNDATION PLAN**  
**"THE VILLAGER"**

**BUILDING I: UNIT #21**  
**BUILDING I: UNIT #23**  
**BUILDING I: UNIT #24**  
**"THE VILLAGER"**

**UPPER LEVEL**  
**UNIT #30**

**UPPER LEVEL**  
**UNIT #21**

**SECTION**

**BEACH MARK**  
 BEACH GRIP IMPROVEMENT AT THE INTERSECTION OF SPRING LANE AND TOWNHILL DRIVE STATION 458+19

**REVISIONS**

NO.	DATE	DESCRIPTION
1	10/11/11	ISSUE FOR PERMIT
2	10/11/11	ISSUE FOR PERMIT
3	10/11/11	ISSUE FOR PERMIT
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5	10/11/11	ISSUE FOR PERMIT
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29	10/11/11	ISSUE FOR PERMIT
30	10/11/11	ISSUE FOR PERMIT

**PHASE III**

**SPRING LANE CONDOMINIUMS**

**REVISIONS**

1. CONDOMINIUM COUPLED TO YOU TO WEST QUARTER OF SECTION 30 T1N 10S R10E DISTRICT OF SOUTHERN PLAINS AND MERIDIAN

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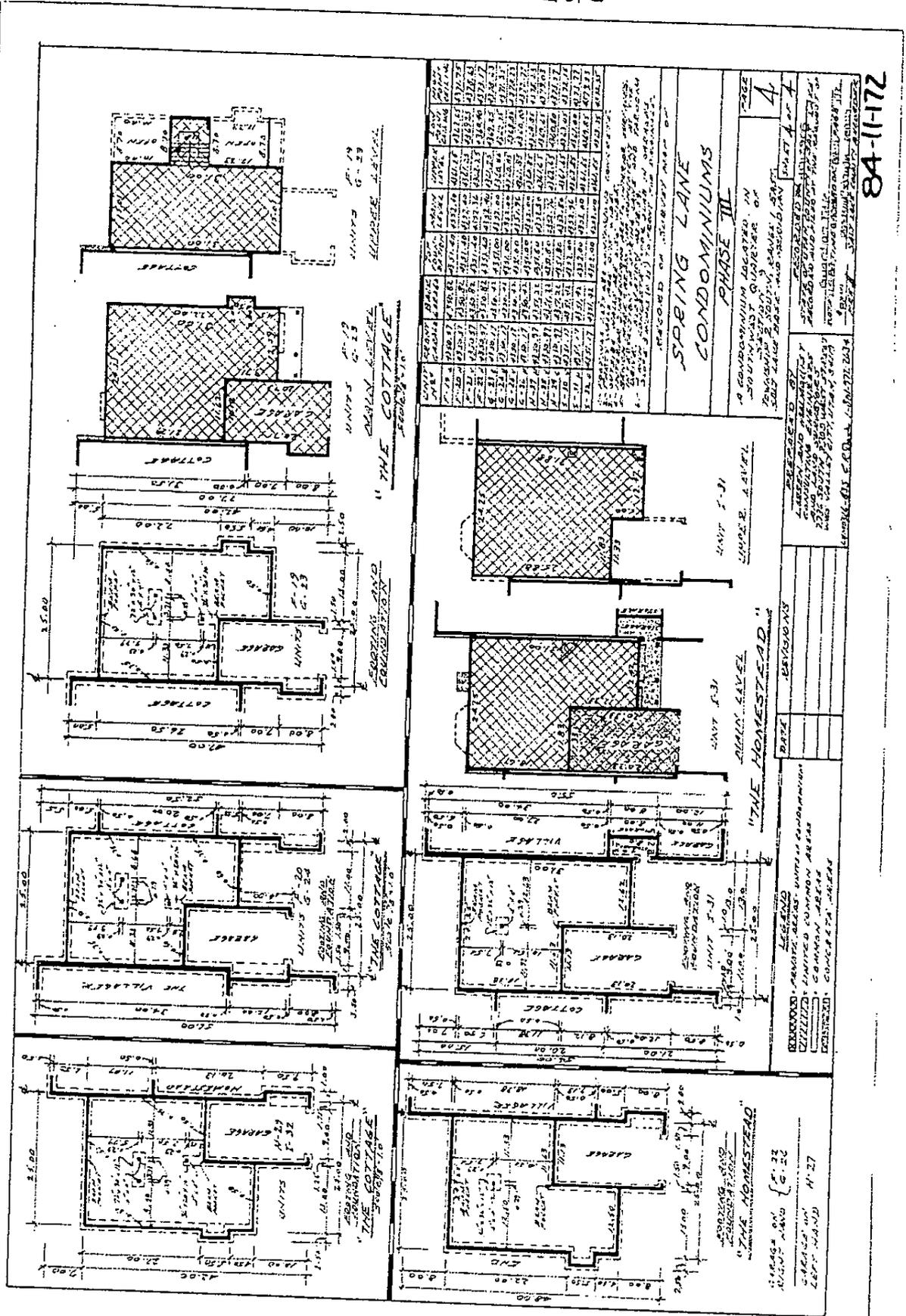
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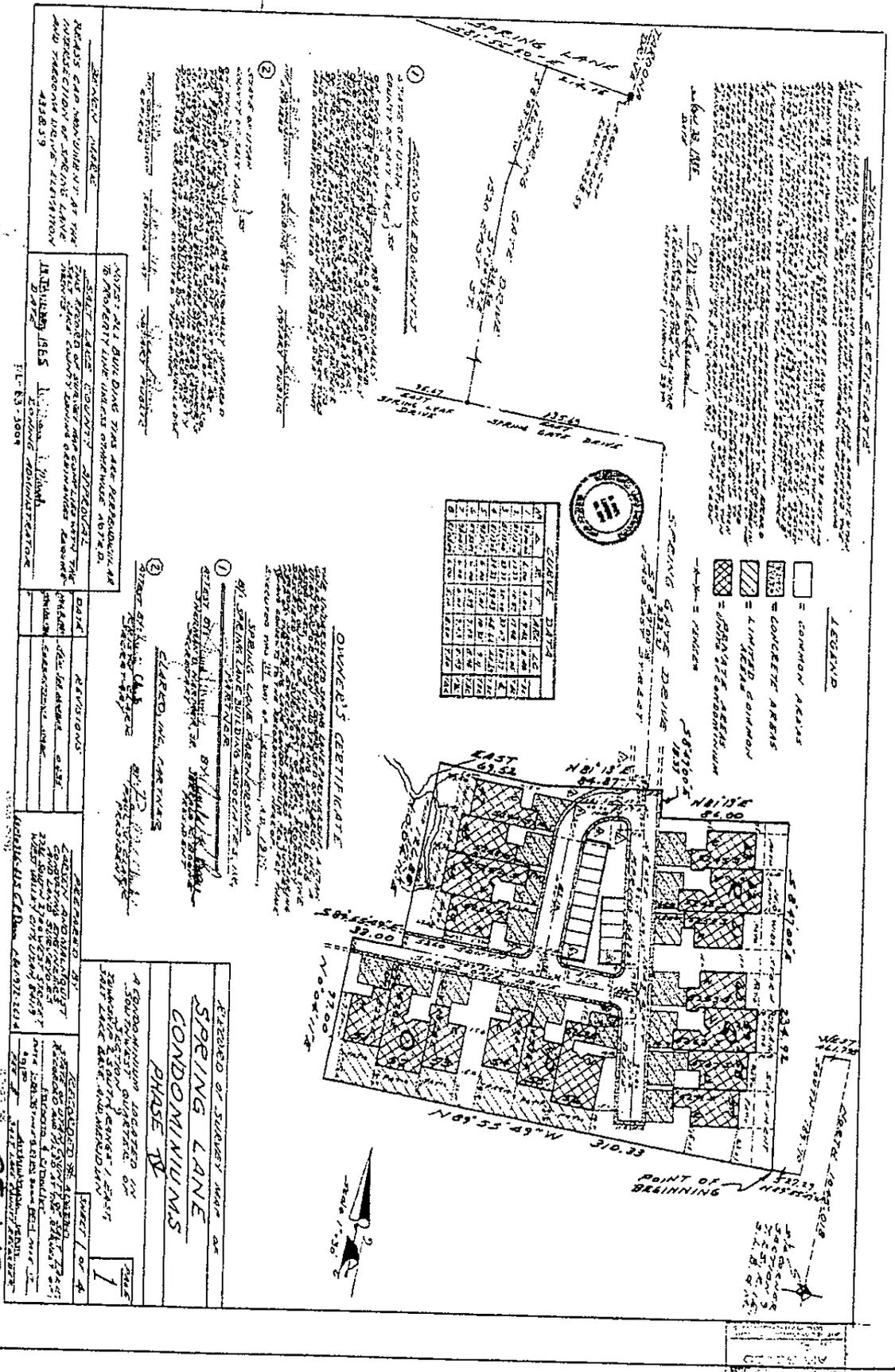
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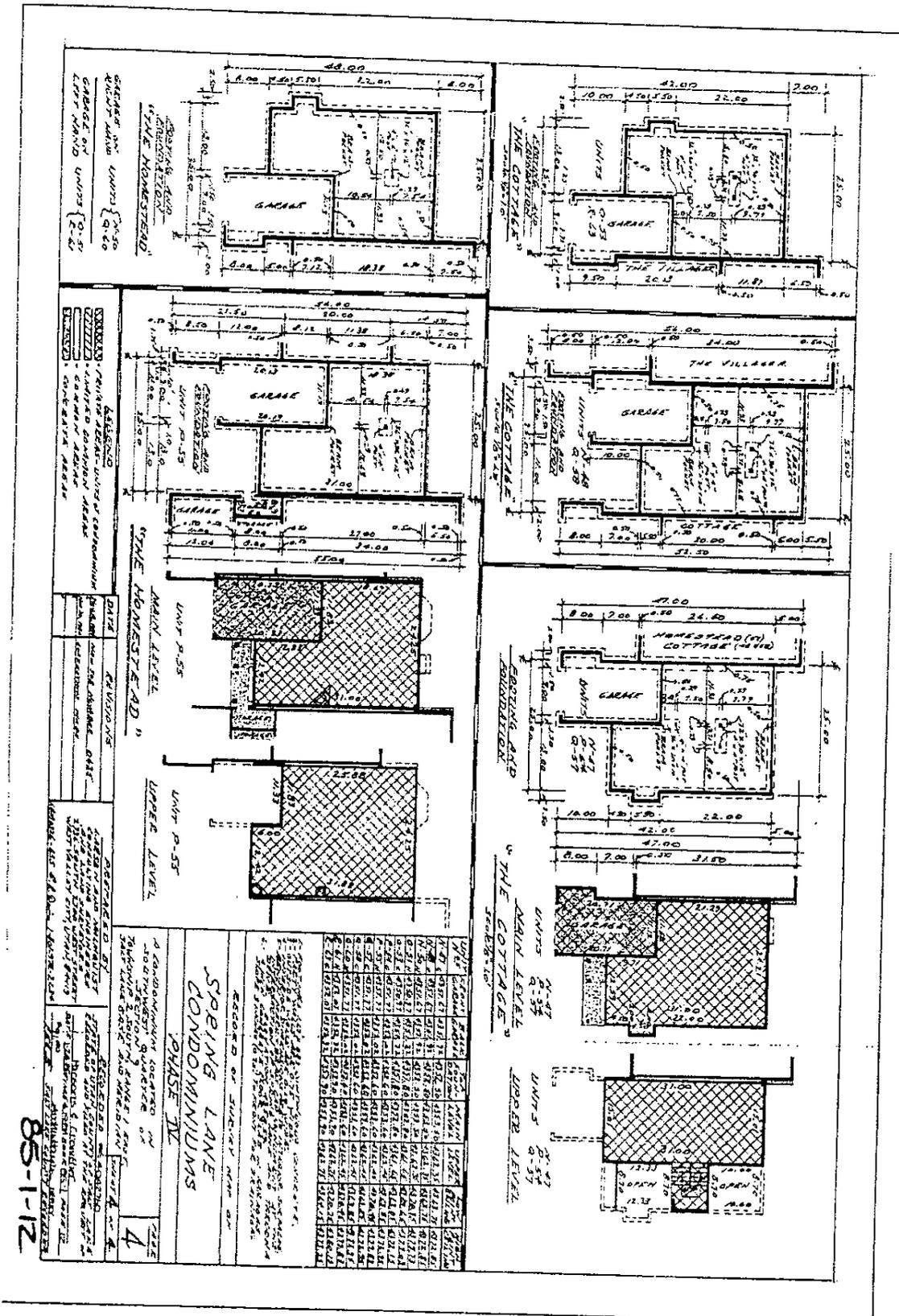




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4 of 4









EXHIBIT "C"

<u>Unit Number</u>	<u>Building Number</u>	<u>Ownership Percentage</u>
1	A	1.250
2	A	1.250
3	A	1.250
<i>Pl 1</i> 4	A	1.250
5	B	1.250
6	B	1.250
7	B	1.250
8	B	1.250
9	C	1.250
10	C	1.250
11	C	1.250
12	C	1.250
13	D	1.250
14	D	1.250
<i>Pl 2</i> 15	D	1.250
16	E	1.250
17	E	1.250
18	E	1.250
19	F	1.250
20	F	1.250
21	F	1.250
22	F	1.250
23	F	1.250
24	G	1.250
25	G	1.250
26	G	1.250
27	G	1.250
28	H	1.250
29	H	1.250
30	H	1.250
31	H	1.250
32	H	1.250
33	I	1.250
34	I	1.250
<i>Pl 2</i> 35	I	1.250
36	J	1.250
37	J	1.250
38	J	1.250
39	J	1.250
40	K	1.250
41	L	1.250
42	L	1.250
<i>Pl 5</i> 43	L	1.250
44	L	1.250
45	M	1.250
46	M	1.250
<i>Pl 4</i> 47	M	1.250
48	N	1.250



**EXHIBIT "D"**

**THIRD AMENDED**

**BYLAWS**

**OF**

**SPRING LANE CONDOMINIUM HOMEOWNERS' ASSOCIATION**

**A Nonprofit Corporation**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I - NAME AND PRINCIPAL OFFICE . . . . .	1
1.01. Name . . . . .	1
1.02. Offices . . . . .	1
ARTICLE II - DEFINITIONS. . . . .	1
2.01. Definitions . . . . .	1
ARTICLE III - MEMBERS . . . . .	1
3.01. Annual Meetings . . . . .	1
3.02. Special Meetings . . . . .	1
3.03. Place of Meetings . . . . .	2
3.04. Notice of Meetings . . . . .	2
3.05. Members of Record. . . . .	2
3.06. Quorum . . . . .	2
3.07. Proxies . . . . .	3
3.08. Votes . . . . .	3
3.09. Waiver of Irregularities . . . . .	3
3.10. Consent by Members . . . . .	3
ARTICLE IV - MANAGEMENT COMMITTEE . . . . .	3
4.01. General Powers . . . . .	3
4.02. Number, Tenure and Qualifications . . . . .	4
4.03. Regular Meetings . . . . .	4
4.04. Special Meetings . . . . .	4

4.05.	Quorum and Manner of Acting . . . . .	4
4.06.	Compensation . . . . .	4
4.07.	Resignation and Removal . . . . .	5
4.08.	Vacancies. . . . .	5
4.09.	Consent by committee members . . . . .	5
4.10.	Financial Management . . . . .	5
4.11.	Open Meeting Requirement . . . . .	6
4.12.	Record of Actions. . . . .	6
ARTICLE V - OFFICERS. . . . .		6
5.01.	Number. . . . .	6
5.02.	Election, Tenure and Qualifications. . . . .	6
5.03.	Resignation and Removal . . . . .	6
5.04.	Vancancies. . . . .	7
5.05.	The President or Chairman . . . . .	7
5.06.	The Vice-President . . . . .	7
5.07.	The Secretary . . . . .	7
5.08.	The Treasurer . . . . .	7
5.09.	Compensation . . . . .	7
ARTICLE VI - COMMITTEES . . . . .		8
6.01.	Designation of Committees . . . . .	8
6.02.	Proceedings of Committees . . . . .	8
6.03.	Quorum and Manner of Acting . . . . .	8
6.04.	Resignation and Removal . . . . .	8
6.05.	Vacancies. . . . .	8
6.06.	Finance Committee. . . . .	9
ARTICLE VII - LIABILITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS. . . . .		9
7.01.	No Liability. . . . .	9
7.02.	Indemnification of Directors and Officers. . . . .	9
7.03.	Other Rights. . . . .	9
7.04.	Committee Members' Immunity. . . . .	10
7.05.	Advances. . . . .	10
7.06.	Insurance. . . . .	10
7.07.	Fidelity Bonds. . . . .	10
7.08.	Payments and Premiums. . . . .	10

ARTICLE VIII - FISCAL YEAR. . . . . 10

    8.01. Fiscal Year. . . . . 10

ARTICLE IX - RULES AND REGULATIONS. . . . . 11

    9.01. Rules and Regulations. . . . . 11

ARTICLE X – AMENDMENT OF BYLAWS

    10.1. Amendment of Bylaws . . . . . 11

Pursuant to the provisions of the Utah Revised Nonprofit Corporation Act, the members of the Spring Lane Condominium Homeowners' Association and the Management Committee of the Spring Lane Condominium Homeowners' Association, a Utah nonprofit corporation, hereby adopt the following Bylaws for such nonprofit corporation.

## **ARTICLE I**

### **NAME AND PRINCIPAL OFFICE**

1.01. **Name.** The name of the nonprofit corporation is "The Spring Lane Homeowners' Association, Inc.", hereinafter referred to as the "Association".

1.02. **Offices.** The principal offices of the Association shall be at 5210 S. Spring Gate Drive in Spring Lane, a Condominium Project, hereinafter the "Project", situated upon the real property described on Exhibit "A" hereto in Salt Lake County, State of Utah.

## **ARTICLE II**

### **DEFINITIONS**

2.01. **Definitions.** Except as otherwise provided herein or required by the context hereof, all terms defined in Article I of the Third Amended Declaration of Condominium for Spring Lane Condominiums, a Condominium Project, hereinafter referred to as the "Declaration", shall have such defined meanings when used in these Bylaws.

## **ARTICLE III**

### **MEMBERS**

3.01. **Annual Meetings.** The annual meeting of members shall be held on the second Monday in April of each year at 7:00 p.m., beginning with the year following the year in which the Third Amended Declaration is filed, for the purpose of electing members of the Management Committee ("committee members") and transacting such other business as may come before the meeting. If the election of committee members shall not be held on the day designated herein for the annual meeting of the members, or at any adjournment thereof, the Management Committee 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 Management Committee may from time to time by resolution change the date and time for the annual meeting of the members.

3.02. **Special Meetings.** Special meetings of the members may be called by the Management Committee, the President, or upon the written request of members holding not less than twenty-five percent (25%) of the total votes of the Association, such written request to state the purpose or purposes of the meeting and to be delivered to the Management Committee or the

President.

3.03. Place of Meetings. The Management Committee may designate any place in Salt Lake County, State of Utah, as the place of meeting for any annual meeting or for any special meeting called by the Management Committee. Absent notice to the contrary, meetings will be held at the Association Clubhouse, 5210 South Spring Gate Drive. A waiver of notice signed by all 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.

3.04. Notice of Meetings. The Management Committee shall cause written or printed notice of the time, place and purpose of all meetings of the members (whether annual or special) to be delivered, not more than twenty (20) 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 United States mail addressed to the member at his or her 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 Unit address shall be deemed to be his or her registered address for purposes of notice hereunder.

3.05. Members of Record. Upon purchasing a Condominium in the Project, each Owner shall promptly furnish to the Association a copy of the recorded instrument by which ownership of such Condominium 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 Management Committee may designate a record date, which shall not be more than twenty (20) 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 Condominiums 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.

3.06. Quorum. At any meeting of the members, the presence of members holding, or holders of proxies entitled to cast, more than fifty percent (50%) of the total votes of the Association shall constitute a quorum for the transaction of business. In the absence of a quorum in person or by proxy, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and any number of Owners present at such subsequent meeting, in person or by proxy, shall constitute a quorum. At any such adjourned meeting held as set forth above, any business may be transacted which might have been transacted at the meeting as originally noticed.

3.07. 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 in writing. If a membership is jointly held, the instrument authorizing a proxy to act must have been executed by all holders of such membership or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered three days prior to 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. Votes granted by proxy to the "Management Committee" or to the "Association", without identifying or designating an individual, shall be divided equally among the committee members present at the meeting and entitled to vote. Proxies can be in the form of a Special or Directed Proxy, which acts as an absentee ballot.

3.08. 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, one vote. The total number of votes of all members shall be eighty (80).

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 committee members shall be by secret ballot. Voting with respect to units jointly held shall be in accordance with the Declaration.

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

3.10. Consent 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 and dated by the members holding two-thirds (2/3) of the votes entitled to vote with respect to the subject matter thereof.

#### **ARTICLE IV** **MANAGEMENT COMMITTEE**

4.01. General Powers. The property, affairs and business of the Association shall be managed by its Board of Directors which shall be known as the Management Committee. The Management Committee 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, or the Bylaws, or by the Declaration vested solely in the members. The Management Committee may by written contract delegate, in whole or in part, to a manager or individual such of its duties, responsibilities, functions and powers as are allowed by the Declaration.

The Management Committee has the power to proscribe the manner of maintaining the project, and to determine the annual budget. However, if any annual budget or assessment exceeds by fifteen percent (15%) or more from the previous annual budget or assessment, the Management Committee must submit the budget and/or assessment to all unit owners for their majority approval. Vote may be by mail and the budget or assessment will be deemed approved unless voted against by 21 or more unit owners, a majority of a quorum. Voting will be considered complete 15 days after the date of mailing.

4.02. Number, Tenure and Qualifications. The number of members of the Management Committee of the Association shall be five (5). At each annual meeting of the Association, the members of the Association shall elect, in accordance with these Bylaws and the Declaration, an appropriate number of members to replace the Committee members whose terms are expiring. At the expiration of the terms of office of committee members, successors shall be elected to serve for a term of two (2) years. All members of the Management Committee must be members of the Association and their names shall appear on record title in the Salt Lake County Recorder's office as evidence of their membership in the Association. If a prospective Management Committee member's name is omitted from the title of record, such individual is deemed ineligible to be a member of the Management Committee.

4.03. Regular Meetings. The Management Committee may provide by resolution the time and place, within Salt Lake County, State of Utah, for the holding of such regular meetings without other notice than such resolution.

4.04. Special Meetings. Special meetings of the Management Committee may be called by the President or at the request of any three (3) committee members. The person or persons authorized to call special meetings of the Management Committee may fix any place, within Salt Lake County, State of Utah, as the place for holding any special meeting of the Management Committee 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 committee member at his or her registered address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with first-class postage thereon prepaid. Any committee member may waive notice of a meeting.

4.05. Quorum and Manner of Acting. A majority of the then authorized number of committee members shall constitute a quorum for the transaction of business at any meeting of the Management Committee. All Management Committee actions require approval by a majority of the Committee of at least three of five votes. The committee members shall act only as a Board, and individual committee members shall have no powers as such. All contracts require the signature of two Management Committee members, one of which must be the President or his or her designee.

4.06. Compensation. No committee member shall receive compensation for any services that he or she may render to the Association as a committee member; provided, however, that committee members may be reimbursed for expenses incurred in performance of

their duties as committee members and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association other than in their capacities as committee members.

4.07. Resignation and Removal. A committee member may resign at any time by delivering a written resignation to either the President or the Management Committee. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any committee member may be removed at any time, for or without cause, by 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 of the Association at a special meeting of the members duly called for such purpose.

Any Committee Member who misses 25% or more of the Committee meetings or who misses three (3) consecutive meetings, in any calendar year, shall be automatically removed from the Committee.

4.08. Vacancies. If vacancies shall occur in the Management Committee by reason of the death or resignation of a committee member, or if the authorized number of committee members shall be increased, the committee members then in office shall continue to act, and such vacancies or newly-created positions shall be filled by a vote of the committee members then in office. In selection of the new committee members, priority should be given to candidates in the previous election in order of the votes received. Any vacancies in the Management Committee occurring by reason of the members' removal of a committee member may be filled by election by the members at the meeting at which such committee member is removed. Any committee member elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor.

4.09. Consent by Committee Members. Any action that is required or permitted to be taken at a meeting of the Management Committee, may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by three or more of the committee members. Notice of such action must be made to non-signing Committee Members.

4.10 Financial Management. The Association will maintain both operating and reserve accounts. The reserve account shall be used to save in advance for anticipated expenditures. It is recommended that a formal reserve study be conducted on a regular basis to determine reserve requirements. The annual assessment is expected to include funds which will be apportioned to the reserve account. One intent of this policy is to reduce the need for special assessments. Reserve funds will be spent through the Association's annual budget and any allocation of more than \$20,000 or 25% of total reserves, whichever amount is smaller, must be approved by a majority of a quorum of Unit Owners consistent with the regular budget approval process.

The Management Committee shall use its best efforts to invest funds in the reserve account using a conservative and broadly diversified strategy with an initial goal of having a net

return that exceeds inflation by 3% to 5%. The Management Committee is charged to set safety above return when making investment decisions.

Funds should be deposited in commercial banks insured by the FDIC, credit unions insured by the NCUA or brokerage firms insured by the Securities Investor Protection Corporation.

4.11 Open Meeting Requirement. All Management Committee meetings shall be open to all homeowners and first mortgage holders who will have the right to attend and speak. The intention of this rule is to guarantee the right of homeowners to participate in the decision making processes of the Management Committee. This rule does not create any obligation of any notice for any meeting of the Management Committee. Nothing in this section shall preclude the Management Committee from meeting, as necessary and appropriate, in executive session to discuss litigation, legal and employment matters, contractual bidding and other related matters that reasonably require confidential communications.

4.12 Record of Actions. A written record of Management Committee decisions and rules will be kept. This is in addition to minutes in a format that shows rules and major decisions made and date.

## ARTICLE V

### OFFICERS

5.01. Number. The officers of the Association shall be a President, a Vice-President, a Secretary, a Treasurer, and such other officers as may from time to time be appointed by the Management Committee. At the discretion of the Management Committee the duties of the Treasurer and Secretary may be combined in one person.

5.02. Election, Tenure and Qualifications. The officers of the Association shall be chosen by the Management Committee annually at the first regular meeting of the Management Committee following the annual meeting of members. In the event of failure to choose officers at such meeting of the Management Committee, officers may be chosen at any regular or special meeting of the Management Committee. Each such officer shall hold his or her office until the next ensuing regular annual meeting of the Management Committee and until his or her successor shall have been chosen and qualified, or until his or her death, or until his or her resignation or removal in the manner provided in these Bylaws, whichever first occurs.

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

5.04. Vacancies. 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 Management Committee at any regular or special meeting.

5.05. The President or Chairman. The President shall preside at meetings of the Management Committee and shall be an ex officio member of all committees. He shall do and perform such acts and duties as may be required of him by the Management Committee. The President may make emergency commitments of funds or allocations of Association assets or property in situations which affect the general safety or security of the community and which cannot wait until a regular or special meeting of the Committee can be convened.

5.06. The Vice-President. The Vice-President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Management Committee shall appoint some other member of the Management Committee to act in the place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him or her by the Management Committee or by the President.

5.07. 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 Management Committee may require him or her to keep. He or she 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 or she shall perform such other duties as the Management Committee may require of him or her.

5.08. The Treasurer. The Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Management Committee, and shall, report the state of the finances of the Association at each annual meeting of the members and, when requested by the President to do so, at any meeting of the Management Committee. He or she shall perform such other duties as the Management Committee may require of him or her. All officers shall be signatories on all banking and checking accounts of the Association. Two signatures, one of which shall be the Treasurer's unless delegated by the Treasurer, shall be required for all transactions which exceed the sum of Five Hundred Dollars (\$500.00).

5.09. Compensation. No officer shall receive compensation for any services that he or she may render to the Association as an officer; provided, however, that officers may be reimbursed for expenses incurred in performance of their duties as officers and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association other than in their capacities as officers.

## ARTICLE VI

### COMMITTEES

6.01. Designation of Committees. The Management Committee 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) Management Committee member. No committee member shall receive compensation for services that he or she may render to the Association as a committee member; provided, however, that committee members may be reimbursed for expenses incurred in performance of their duties as committee members and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association other than in their capacities as committee members. Committees may include, but are not limited to: finance, pool, hospitality, grounds and nominating.

6.02. Proceedings of Committees. Each committee designated hereunder by the Management Committee 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 Management Committee.

6.03. Quorum and Manner of Acting. At each meeting of any committee designated hereunder by the Management Committee, the presence of members constituting 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 Management Committee hereunder shall act only as a committee, and the individual members thereof shall have no powers as such.

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

6.05. Vacancies. If any vacancy shall occur in any committee designated by the Management Committee hereunder, due to death, resignation, disqualification, removal or otherwise, the remaining members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided two (2) or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Management Committee.

6.06. Finance Committee. The Management Committee will maintain a Finance Committee with at least two residents who are not Management Committee members. The Treasurer will always be one member of the Finance Committee.

## ARTICLE VII

### LIABILITY AND INDEMNIFICATION OF DIRECTORS

7.01. No Liability. Members of the Management Committee and officers of the Association are not personally liable to the Association or its members for civil claims arising from acts or omissions made in the performance of their duties as committee members or officers unless the acts or omissions are the result of intentional misconduct.

7.02. Indemnification of Directors and Officers. No committee member, officer, employee or agent of the Association shall be personally liable for any obligations of the Association or for any duties or obligations of the Association arising out of any acts or conduct of the committee member, officer, employee or agent performed for or on behalf of the Association. The Association shall and does hereby indemnify and hold harmless each person and his or her heirs and administrators who shall serve at any time hereafter as a committee member, officer, employee or agent of the Association from and against any and all claims, judgments and liabilities to which such persons shall become subject by reason of their having heretofore or hereafter been a committee member or officer of the Association, or by reason of any action alleged to have heretofore or hereafter been taken or omitted to have been taken by him or her as such committee member, officer, employee or agent and shall reimburse each such person for all legal and other expenses reasonably incurred by him or her in connection with any such claim or liability, including power to defend such person from all suits or claims as provided for under the provisions of Utah law; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of their own gross negligence or willful misconduct. The rights accruing to any person under the foregoing provisions of this section shall not exclude any other right to which the person may lawfully be entitled, nor shall anything herein contained restrict the right of the Association to indemnify or reimburse such person in any proper case, even though not specifically herein provided for. The Association, its committee members, officers, employees and agents shall be fully protected in taking any action or making any payment, or in refusing so to do in reliance upon the advice of counsel.

7.03. Other Rights. The indemnification herein provided shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested committee members, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a committee member, officer, employee or agent, and shall inure to the benefit of the heirs, executors, and administrators of such person.

7.04. Committee Members' Immunity. The liability of a committee member to the Association or its members for monetary damages due to a breach of fiduciary duty is eliminated. However, there shall be liability: (a) for any breach of a committee member's duty of loyalty to the Association or its members; (b) for any acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (c) for any transaction from which the committee member derived an improper personal benefit. This provision affects only transactions occurring subsequent to the effective date of the Declaration.

7.05. Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon a majority vote of a quorum of the Management Committee and upon receipt of an undertaking by or on behalf of the committee member, officer, employee or agent to repay such amount or amounts unless it ultimately be determined that he or she is entitled to be indemnified by the Association as authorized by this Article.

7.06. Insurance. The Association shall purchase and maintain insurance on behalf of any person who was or is a committee member, officer, employee or agent of the Association, or who 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), against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the laws of the State of Utah, as the same may hereafter be amended or modified.

7.07. Fidelity Bonds. Committee members shall be covered by fidelity bonds as provided in the Declaration.

7.08. Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute expenses of the Association and shall be paid with funds from the Common Expense Fund referred to in the Declaration.

## **ARTICLE VIII**

### **FISCAL YEAR**

8.01. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January each year and shall end on the 31st day of December of the same year.

## **ARTICLE IX**

### **RULES AND REGULATIONS**

9.01. Rules and Regulations. The Management Committee 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 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 Management Committee, and with copies of all amendments and revisions thereof.

## **ARTICLE X**

### **AMENDMENT**

10.01. Amendment. These Bylaws may be amended by the affirmative vote of fifty-one percent (51%) of the Owners present or represented by proxy at a special meeting of the Association noticed for the purpose of amendment to the Bylaws and at which a quorum is present. Notice of such amendment shall be recorded by instruments duly recorded in the office of the County Recorder of Salt Lake County, State of Utah.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this  
28 day May 2009.

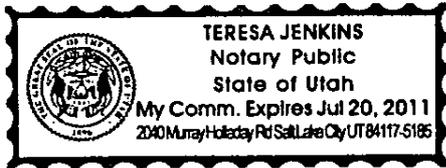
SPRING LANE HOMEOWNERS'  
CONDOMINIUM ASSOCIATION

By: Suzanne Barton  
Suzanne Barton  
President

By: Linda Bury  
Linda Bury  
Secretary

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

On the 28 day of May, 2009, personally appeared before me Suzanne Barton, who being by me duly sworn, did say that she is the President of Spring Lane Condominium Homeowners' Association, a Utah nonprofit corporation, that the within and foregoing instrument was signed on behalf of said non-profit corporation, that the within and foregoing instrument was duly approved and ratified by the required number of members of the Association. Suzanne Barton duly acknowledged to me that said corporation executed the same.



Teresa Jenkins  
NOTARY PUBLIC