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Gary W. Ott  
Recorder, Salt Lake County, UT  
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WHEN RECORDED PLEASE RETURN TO: )  
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520/500 CONDOS, LLC )  
9980 SOUTH 300 WEST STE 310 )  
SANDY, UT 84070 USA )  
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**SECOND AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS**

**FOR**

**HUNTINGTON TOWNHOMES  
CONDOMINIUMS  
(NOW KNOWN AS TROLLEY PLACE  
CONDOMINIUMS)**

**A Utah Residential Condominium Project**

Salt Lake County, State of Utah

**SECOND AMENDMENT TO  
DECLARATION OF COVENANTS, CONDOMINIUMS AND RESTRICTIONS  
FOR  
HUNTINGTON TOWNHOMES CONDOMINIUMS  
(NOW KNOWN AS TROLLEY PLACE CONDOMINIUMS)**

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THIS SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HUNTINGTON TOWNHOMES CONDOMINIUMS, now known as TROLLEY PLACE CONDOMINIUMS (this "Second Amendment"), is made and executed in Salt Lake County, State of Utah, as of the 27<sup>th</sup> day of April 2010, by 520/500 condos, LLC, a Utah Liability company (the "Declarant"), pursuant to the provisions of the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code Annotated, 1953), as amended (the "Act").

**W I T N E S S E T H :**

**WHEREAS**, Declarant is the owner of certain real property located at or about 520 South 500 East, Salt Lake City, Salt Lake County, State of Utah (the "Property")

**WHEREAS**, a Declaration of Covenants, Conditions and Restrictions for Huntington Townhomes Condominiums was recorded April 4, 2008, in the Salt Lake County Recorder's Office as Entry No. 10392024 (the "Original Declaration").

**WHEREAS**, an Amended and Restated Declaration of Covenants, Condominiums and Restrictions for Huntington Townhomes Condominiums was recorded July 2, 2008 in the Salt Lake County Recorder's Office as Entry No. 10470133 which superseded in its entirety the Original Declaration (the "Amended and Restated Declaration").

**WHEREAS**, an Amendment to the Declaration of Covenants, Condominiums and Restrictions for Huntington Townhomes Condominiums (also known as Trolley Place Condominiums) was recorded April 20, 2010 in the Salt Lake County Recorder's Office as Entry No. 10936934 (the "First Amendment").

**WHEREAS**, this Second Amendment to the declaration (this "Second Amendment") deletes and replaces in its entirety the First Amendment and reinstates the Amended and Restated Declaration as amended by the Second Amendment (the Amended and Restated Declaration as amended by the Second Amendment shall hereafter be referred to as the "Declaration") and shall be binding on all Units within the Condominium Project.

**WHEREAS**, the Property is, or will be, so constructed as to contain separate individual units and certain other improvements heretofore constructed or hereafter to be constructed upon the Property which shall constitute a condominium development project previously known as Huntington Townhomes Condominiums, hereby amended to be known as Trolley Place Condominiums (the "Project"), under the terms of the provisions of the Act.

**WHEREAS**, Declarant desires to record with this Second Amendment, the Articles of Incorporation of Initial Bylaws of Trolley Place Owners' Association, Inc.;

**WHEREAS**, the Declarant reserves the right to subsequently amend the Declaration;

**WHEREAS**, Declarant owns all Units in the Project now desires to amend the covenants, conditions and restrictions for the Project pursuant to Article 13 of the Declaration to which all Owners shall be bound.

AGREEMENT:

NOW, THEREFORE, Declarant does hereby amend the Declaration as follows:

1. Definitions. Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Amended and Restated Declaration. The following terms are hereby modified by this Second Amendment:

1.2. "Association" means the Trolley Place Owners' Association, Inc., a Utah non-profit corporation.

1.7. "Declarant" means 520/500 condos, LLC, a Utah limited liability company, or its successors and/or assigns to the rights and obligations of the Declarant under this Declaration.

1.8. "Declaration" means and refers to the Amended and Restated Declaration together with this Second Amendment (but not the First Amendment), and all amendments thereto.

1.11. "Governing Documents" means the Act, this Declaration, the Plat, and the Articles of Incorporation, Bylaws and Rules and Regulations of Trolley Place Owners' Association, Inc.

2. Amendment to Declaration Text. Declarant does hereby amend the Declaration to include the following revised sections as if originally included in the Declaration:

**ARTICLE 2  
PROJECT DESCRIPTION**

2.1. Name. The Project, as subject to the provisions of the Act, shall be known as Trolley Place Condominiums. The official Plat is recorded under the name Huntington Townhomes Condominiums.

**ARTICLE 3  
UNITS**

3.12. Rental/Leasing of Units. The rental and leasing of Units by Owners will be allowed subject to this Section. "Lease" or "rent" shall mean allowing another the right to occupy the Unit in exchange for something of value.

3.12.1. Minimum Rental/Lease Term; Rental/ Lease Limit. Owners and Units shall be subject to the following restrictions:

3.12.1.1. No Owner may lease or rent less than the entire Unit (i.e., renting individual rooms is not permitted) and no Owner may lease or rent any Unit for a period of less than six (6) consecutive months.

3.12.1.2. No Unit may be rented or leased if the rental or lease results in more than forty nine percent (49%) of the Units ("Rental-Lease Limit") being rented or leased at the same time.

3.12.2. Application and Approval. Prior to renting or leasing any Unit, an Owner shall apply to the Board of Trustees for approval. The Board shall review the application and make a determination of whether the rental or lease will exceed the Rental-Lease Limit. The Board shall:

3.12.2.1. Approve the application if it determines that the rental or lease will not exceed the Rental-Lease Limit;

3.12.2.2. Deny the application if it determines that the rental or lease will exceed the Rental-Lease Limit;

3.12.3. Hardship Exemption. In an effort to avoid undue hardships or practical difficulties such as the Owner's job relocation, extended vacation, disability, military service deployment, charitable service, occupancy by a Unit Owner's parent, child, or sibling, estate planning, estate sales and disputes or other similar circumstances, the Board shall have sole discretion to approve an Owner's application to temporarily rent or lease the Owner's Unit. Provided, however, the Board may not approve an application to rent or lease less than the Owner's entire Unit.

3.12.4. Multiple Unit Ownership. An Owner is not eligible to rent more than one Unit until the pending applications of:

3.12.4.1. All Owners who are not currently renting or leasing a Unit have been approved; and

3.12.4.2. All Owners who are currently renting or leasing fewer Units than the applicant have been approved.

3.12.5. Review of Rental Applications. Applications from an Owner for permission to rent or lease shall be reviewed and approved or denied by the Board of Trustees pursuant to the following:

3.12.5.1. The Board shall review applications for permission to rent or lease in chronological order based upon the date of receipt of the application. Within ten (10) business days of receipt, the Board shall approve or deny an application and shall notify the Owner within fifteen (15) business days of receipt of the application if permission is not given and the reason for the denial. If the Board fails to notify the Owner within fifteen (15) days of receipt of the application, the application shall be deemed to be denied.

3.12.5.2. If an Owner's application is denied, the applicant may be placed on a waiting list according to the date the application was received so that the Owner whose application was earliest received will have the first opportunity to rent or lease.

3.12.6. Application Form; Approval Process; Waiting List. An application form, the application and approval process, a waiting list, and any other rules deemed necessary by the Board of Trustees to implement a rental restriction shall be established by rules adopted by resolution of the Board consistent with any adopted rental restriction amendments, if any.

3.12.7. Approved Lease Agreement. All Owners shall use and provide the Board of Trustees with a copy of the Approved Residential Lease/Rental Agreement (“Approved Lease/Rental Agreement”) which shall be kept on file with the books and records of the Association so that the Association may determine the number of Units rented or leased. The Approved Lease/Rental Agreement shall be on a form approved by the Board.

3.12.8. Violations of Rental Restrictions. If an Owner fails to submit the required application, fails to use and submit a copy of the Approved Lease Agreement and rents or leases any Unit, and/or rents or leases any Unit after the Board of Trustees has denied the Owner’s application or without proper Board approval, the Association may assess fines against the Owner and the Owner’s Unit in an amount to be determined by the Board pursuant to a schedule of fines adopted in accordance with Utah law. In addition, regardless of whether any fines have been imposed, the Board may proceed with any other available legal remedies, including but not limited to, an action to terminate the rental or lease agreement and removal of any tenant or lessee.

3.12.9. Recovery of Costs and Attorney Fees. The Association shall be entitled to recover from the offending Owner its costs and attorney’s fees incurred for enforcement of any rental restrictions in this Declaration or any amendment adopted by the Members of the Association, regardless of whether any lawsuit or other action is commenced.

3.12.10. Termination of Lease or Rental Agreement for Violations. In addition to any other remedies available to the Association, the Board of Trustees may require the Owner to terminate a lease or rental agreement if the Board determines that any lessee or tenant has violated any provision of this Declaration, the Articles of Incorporation, the Bylaws, or any amendments thereto, or the Rules and Regulations adopted thereto.

#### ARTICLE 4 USES OF UNITS, COMMON AREA AND LIMITED COMMON AREA

4.2.4. Pets and Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Areas except that household pets may be kept or housed in Units when expressly permitted in writing by the Board of Trustees. Each occupant who desires to keep a pet in a Unit shall apply in writing to the Board of Trustees for permission to keep such pet. In no event shall any pet be permitted in any portions of the Common Areas unless carried or on a leash. In no event shall any dog be permitted to be outside a building unless on a leash. Each occupant who keeps a pet in a Unit shall promptly remove all pet waste from the Common Areas. Each occupant who keeps a pet in a Unit and each Owner of such Unit shall indemnify and hold all other Owners and the Association harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having such pet in the Project. If a pet disturbs other occupants by barking or biting or in other ways becoming obnoxious, the Board of Trustees may give notice to the owner of such pet and/or the Owner of such Unit where the pet resides to cause such annoyance to be discontinued; and if such annoyance is not discontinued and corrected after two (2) written warnings, the Board may revoke its permission to keep the pet in the Project and the pet shall be removed therefrom. Nothing in this Section 4.2.4 shall be construed as authorizing the keeping of any animal capable of inflicting harm or discomfort or endangering the health and safety of any person or property. No animal shall be raised, bred, or kept in any Unit for any commercial purpose. The Board of Trustees may adopt Rules and Regulations specifying the manner in which the provisions of this Section 4.2.4 will be implemented.

4.2.6. Utilities, Digital Satellite System, Antenna or Other Equipment. All utilities must be installed underground. Any equipment installed on the roof of the Project must not be visible from the ground level within the Project. No utilities, digital satellite system, antenna or other equipment may be placed, attached, affixed or maintained on the exterior walls or roof of the Project without prior approval of the Board which may be withheld in its sole discretion in accordance with this Declaration and local, state and federal law. In general, DSS (Digital Satellite System) Dishes are allowed, provided Owners meet the following criteria:

- Dishes may not exceed 1 meter in size.
- DSS systems must be owned by the Unit Owner; and may not be leased or rented.
- Dishes must be placed on the roof of the units directly above the Owner's Unit.
- No cables may be exposed on the outside walls or roof of the building.
- Dishes must be properly grounded in compliance with all local and state electrical codes.
- Any damage caused to the roof, walls, or other Common Areas of the Project because of the installation of the DSS is the sole responsibility of the DSS owner.
- Once installed, the DSS system becomes a permanent fixture of the Owner's Unit and may not be removed upon the selling or leasing of the Unit to another party.
- A Unit Owner who subscribes to a satellite service will still be responsible for the complete Association dues. No reduction will be given for duplicating services such as TV programming or Internet services.
- The DSS system must not be visible from the roadway directly in front of the Project.

## **ARTICLE 6 ASSESSMENTS**

6.1.2. Maintenance Expenses. Water and sewer charges; landscaping and care of grounds; common lighting and heating and cooling; repairs and renovations; painting; replacements; reserves for replacements; resurfacing and reserves for resurfacing; re-roofing and appropriate reserves therefore; garbage collections; etc.

6.6. Reinvestment Fee Covenant. The Association may impose a reinvestment fee that shall be payable to the Association by a buyer as an assessment to apply toward Common Expenses in an amount not less than \$200 or more than 0.5% of the value of the Unit (the "Reinvestment Fee"). A Reinvestment Fee Notice shall be separately recorded in the Salt Lake County Recorder's Office.

## **ARTICLE 9 INSURANCE**

9.4. Named Insured. The name of the insured under such policy shall be "Trolley Place Owners' Association, Inc., on behalf of and for the use and benefit of the individual Owners", and the Declarant for so long as Declarant continues to own any interest in the Project. Any loss payable shall be in favor of the Association, as trustee for each Owner and such Owner's mortgagee. Each Owner and such Owner's mortgagee shall be beneficiaries of such policy in the percentage of such Owner's undivided interest in the Common Areas.

## **ARTICLE 14 MORTGAGEE PROTECTION**

14.6. Eligible Holder Rights in Event of Foreclosure. Each Eligible Holder who comes into possession of the Unit by the virtue of mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments and charges against the Unit which accrue prior to six months in advance of the time such Eligible Holder or purchaser comes into possession of the Unit, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units in the Project, including the Unit which is the subject of such mortgaged unit. If the Association's lien priority includes costs of collecting unpaid dues, the seller will be liable for any fees or costs related to the collection of the unpaid dues and charges.

3. **Survival of Remaining Terms of Declaration.** Except as specifically amended herein, the Declaration and all of its terms and provisions remains in full force and effect.

4. **Effective Date.** This Second Amendment shall be effective as of the date of recording in Salt Lake County, Utah, of an original of this Second Amendment properly executed and acknowledged hereto.

5. **Exhibits.** The following exhibits of the Declaration have been amended by this Second Amendment and attached and incorporated hereby this reference: Exhibit "A" Legal Description, Exhibit "C" Bylaws, Exhibit "D" Articles of Incorporation.

\* \* \* \* \*

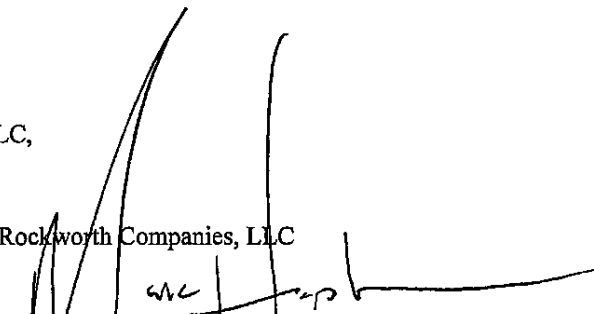
IN WITNESS WHEREOF, the Declarant has duly executed this Declaration.

**DECLARANT:**

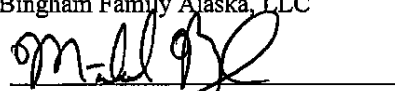
520/500 condos, LLC  
a Utah limited liability company

By: Blue Rock Capital, LLC,  
Its: Manager

By Its Manager: Rockworth Companies, LLC

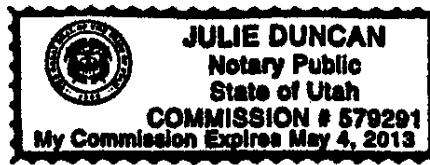
  
By: Mark Hampton  
Its: Manager

By Its Manager: Bingham Family Alaska, LLC

  
By: Michael Bingham  
Its: Manager

**ACKNOWLEDGEMENT:**

STATE OF UTAH )  
 ) ss.  
COUNTY OF Salt Lake )



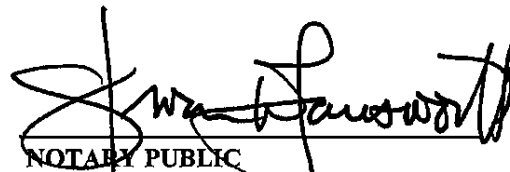
The foregoing Second Amendment of Covenants, Conditions and Restrictions of Trolley Place Condominiums were acknowledged before me by Mark Hampton, the Manager of Rockworth Companies, LLC, a Utah limited liability company, a Manager of Blue Rock Capital, LLC, a Utah limited liability company, the Manager of the Declarant, this 27 day of April, 2010.

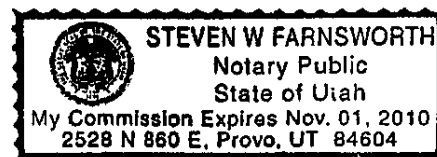
  
\_\_\_\_\_  
NOTARY PUBLIC

**ACKNOWLEDGEMENT:**

STATE OF UTAH )  
 ) ss.  
COUNTY OF Utah )

The foregoing Second Amendment of Covenants, Conditions and Restrictions of Trolley Place Condominiums were acknowledged before me by Michael Bingham, the Manager of Bingham Family Alaska, LLC, an Alaska limited liability company, a Manager of Blue Rock Capital, LLC, a Utah limited liability company, the Manager of the Declarant, this \_\_\_\_\_ day of April, 2010.

  
\_\_\_\_\_  
NOTARY PUBLIC





**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

Units 101-109, 201-202, and 301-322, contained within the Huntington Townhomes, a Utah Condominium project as identified in the Record of Survey Map recorded April 4, 2008, as Entry No. 10392023, in Book 2008, at Page 78 (as said Record of Survey Map may have been amended and/or supplemented), and as further defined and described in the Amended and Restated Declaration of Covenants, Conditions and Restrictions of the Huntington Townhomes Condominiums, recorded July 2, 2008, as Entry no. 10470133, in Book 9623, at Page 6992 (as said Declaration may have been amended and/or supplemented).

Together with the undivided ownership interest in and to the Common Areas as the same are established and identified in the Declaration (as said Declaration may have heretofore been amended or supplemented).

Tax ID Nos. 16-06-466-001 thru 16-06-466-043

**EXHIBIT "C"**  
**BYLAWS**  
**OF**  
**TROLLEY PLACE OWNERS' ASSOCIATION, INC.**  
**[Attach Executed Copy]**

**BYLAWS**  
**OF**  
**TROLLEY PLACE OWNERS' ASSOCIATION, INC.**  
(a Utah non-profit corporation)

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Pursuant to the provisions of the Utah Non-Profit Corporations Act, as amended, the Board of Trustees of TROLLEY PLACE OWNERS' ASSOCIATION, INC., a Utah non-profit corporation (the "Association"), hereby adopt the following Bylaws of the Association.

These Bylaws serve to govern the powers, duties and actions of the Association, and all terms, definitions and provisions are subject to and governed by the Declaration of Covenants, Conditions and Restrictions of Huntington Townhomes Condominiums (also known as Trolley Place Condominiums), together with any amendments thereto or restatements thereof (the "Declaration").

**ARTICLE I**  
**NAME AND OFFICE**

- 1.1. Name. The name of the corporation is TROLLEY PLACE OWNERS' ASSOCIATION, INC.
- 1.2. Registered Office. The initial registered office of the Association within the State of Utah will be located at 9980 South 300 West #310, Sandy, UT 84070. The Association may change its registered office at any time.
- 1.3. Use of Terms. Except as otherwise provided herein, all of the terms which are used in the Declaration shall have the same meaning when used in these Bylaws.

**ARTICLE II**  
**MEMBERS AND MEETINGS**

- 2.1. Membership. Upon purchasing a Unit, each Owner shall promptly furnish the Association with a copy of the deed or other instrument under which the owner acquired title to the Unit. Ownership of a Unit at the Project entitles the Owner to membership in the Association. Members of the Association shall be referred to herein as "Members". A Member of the Association shall remain a Member for the period of ownership.
- 2.2. Annual Meetings. The annual meeting of the Members of the Association shall be held at such time, date and place as may be determined by the Board of Trustees, and if no determination is made, at the Association's registered office as set forth above, with the first such meeting to be held at 3:00 P.M. on the one year anniversary date of the Association's incorporation. The Board of Trustees may designate such other time, date and place for the annual meeting by giving proper notice in advance of the meeting. The purpose of the annual meeting is the election of officers and Trustees, and to consider such other business that comes before the meeting. If the Trustees are not elected at the annual meeting, the existing Trustees shall continue to serve until their successors are named in a special meeting called for that purpose or until

the next annual meeting. The Trustees may change the time, date and place of the annual meeting as they see fit by formal resolution.

2.3. Special Meetings. Special Meetings of the Members may be called by any member of the Board of Trustees or by the President as they see fit or by the Members of the Association representing not less than one-third (1/3) of the total votes of the Association. Any notice of Special Meeting shall state the time, place and date of the meeting, and the matters to be considered at that meeting. When a Special Meeting is called by the Members of the Association, the notice shall be in writing and delivered to the President. The President will then provide written notice to the Members of the Association.

2.4. Notice of Meetings. The Board of Trustees shall cause written or printed notice of the date, time, place and purposes of all meetings of the Members to be sent to each of the Members not more than sixty (60) but not less than ten (10) days prior to the meeting. In the case of the annual meeting, no purpose need be stated in the notice. All notices shall be deemed to be given and received either: (i) on the date of delivery if personally delivered; or (ii) on the third business day following mailing, if delivered by regular first-class or certified mail, return receipt requested. Each Member shall register such Member's address with the Association, and it shall be the obligation of the Member to provide notice of any change of address to the Association. If no address is registered, the Association may mail that Member's notice to the Unit owned by the Member. Only one notice will be mailed on each Unit, so if there are multiple owners, they must designate one of them to receive the notice of the meeting on their behalf. Waiver of this notice requirement may be obtained by written consent of all Members.

2.5. Members of Record. For purposes of determining a quorum, determining the persons entitled to vote, and all other matters before a meeting of the Members according to the Association records, the Association may designate a record date, not more than sixty (60) days nor less than ten (10) days prior to the meeting date to determine the Members entitled to notice and to vote at the meeting. If no record date has been fixed, the record date is deemed to be the date on which notice of the meeting was mailed to the Members. The persons appearing as Members as of the record date are deemed entitled to notice and to vote at the meeting. Persons who become Members subsequent to the record date, or whose ownership is not registered with the Association until subsequent to the record date shall not be entitled to notice, shall not be counted in comprising a quorum and shall not be entitled to vote at the meeting. This shall not preclude a person who acquires such Member's Membership subsequent to the record date from voting the interest of such Member's predecessor under a written proxy.

2.6. Quorum. At any meeting of the Members, the presence of members, in person or by proxy, holding the right to cast more than 50% of the total votes of the Association shall constitute a quorum for the transaction of business. In the event that a quorum is not present at a meeting, the Members present, in person or by proxy, though less than a quorum, may adjourn the meeting to a later date set by those Members present. Notice of the rescheduled meeting will be sent to the Members providing at least ten (10) days notice of the new meeting. At any rescheduled meeting, a quorum will be deemed to exist comprised of those Members present in person or by proxy at the reconvened meeting.

2.7. Proxies. At each meeting of the Members, each Member entitled to cast a vote shall be entitled to vote in person or by written proxy. All proxies must be in writing and signed by the Member as shown on the records of the Association. When a Unit is jointly held, the proxy must be signed by all of the joint owners of the Unit. Proxies must be presented to the Secretary of the Meeting at the beginning of the meeting for purposes of determining a quorum. The secretary will make an entry of proxies in the minutes of the meeting.

2.8. Voting Rights. There initially shall be two classes of voting rights. Members shall not be entitled to split, partially abstain, or partially cast the votes attributed to their Unit. All votes attributed to a Unit must be voted together. In the event that multiple owners of a Unit are not able to agree on how to cast their votes, no votes attributed to that Unit will be counted. In such event, notwithstanding that such votes will not be counted, the Unit may still be counted as for purposes of determining whether a quorum exists for the conduct of business of the Association. If only one of the multiple owners of a Unit is present at any meeting, the other owners are deemed to have consented to that owner voting the interests of the Unit. In the event of Units held subject to foreclosed Trust Deeds or Mortgages, the Trustor or Mortgagor will be entitled to vote, and the Lender shall have no right to vote; provided however that when a Lender has taken possession of any Unit, the Lender shall be deemed to have succeeded to the interest of the Trustor or Mortgagor and shall then be entitled to cast that vote.

The Class A Members shall be all Owners other than the Declarant until the Class B membership ceases. Class A Members shall be entitled to cast the number of votes attributed to the Unit(s) that the Member owns according to the Association records and as described in Exhibit B of the Declaration, which is incorporated herein by reference.

The Class B Member shall be the Declarant. The Class B Member shall be entitled to four (4) times the number of votes attributed to the Unit(s) owned by it according to the Association records and as described in Exhibit B of the Declaration. The Class B Membership shall automatically cease and be terminated when Declarant, its successors or assigns, sell all Units owned by it or occupy its Units in a manner inconsistent with the development, build-out, sale, marketing, or other regular development activities of Declarant.

2.9. Simple Majority. Unless otherwise provided in the Declaration, any matter placed before the Members for a vote shall pass if there is an affirmative vote of the majority of the Members present at the meeting (and there is a quorum present). Election of Trustees will be by secret ballot. Other matters may be voted by secret ballot or by show of hands or such other means as the officer conducting the meeting shall determine.

2.10. Waiver of Irregularities. Any inaccuracies, irregularities, or errors in any call for a meeting or notice of meeting, inaccuracies or irregularities in the determination of a quorum or acceptance of proxies are deemed waived unless there is an objection stated at the meeting prior to the vote being taken.

2.11. Informal Action. Any act which is required to be taken or approved at a meeting may be taken or approved without a formal meeting if a majority of the Members consent to the action in writing prior to the action being taken. The Members may hold meetings for which formal notice was not given if at least a majority of the Members waive notice prior to the conduct of the meeting. In any such case, notice of action taken without a meeting or without formal notice of any meeting shall then be given in writing to the Members who did not participate in the informal action, or who did not attend the meeting, within 10 days of the action or meeting.

### ARTICLE III

#### BOARD OF TRUSTEES

3.1. General Powers. The Board of Trustees shall have authority to manage and control the Property and affairs of the Association. The Board of Trustees may exercise all powers conferred upon them by law, by the Articles of Incorporation, or by these Bylaws, provided, however, that those powers which are specifically reserved to the Members by law, the Articles of Incorporation, the Declaration or these Bylaws shall be exercised only by the Members. The Board may delegate its powers to officers, managers, or others such of its powers as are appropriately delegated.

3.2. Number and Tenure. The initial Board of Trustees shall be composed of: Shane Peery, Michael Bingham, and Tom Henriod (the "Initial Trustees"). The Initial Trustees shall serve until the next annual meeting in which Trustees are elected, and shall continue to serve until successors have been elected and assumed office. Immediately after the election of the first Board of Trustees by the Members, the Trustees shall, by drawing lots, divide themselves into terms of two (2) years and terms of one (1) year. Thereafter, at each annual meeting, only those Trustees whose terms have expired will stand for election. Trustees need not be residents of the State of Utah or Members of the Association.

3.3. Board Meetings. The Board of Trustees shall have at least one meeting per year, which shall be within ninety (90) days preceding the Annual Meeting of Members for the purpose of setting the agenda for that meeting. The Trustees may meet as often as they see fit and as required by law or the Articles for purposes of approving annual reports, tax returns, and similar matters. Special Meetings may be called by the President or by a majority of the Board by giving notice to the other Board members. Notice of Board meetings will be given in writing or by telephone not more than fifteen (15) days and not less than five (5) days prior to the date of the meeting.

3.4. Quorum. A quorum at a Board meeting will consist of a simple majority of the Board. Board members may be counted as present if they are participating in the meeting by telephone. No proxies will be given among Board members. Actions of the Board may be taken without meetings so long as a majority of the Board members consent to the action taken in writing, and, within ten (10) days thereafter, notice of the action taken is given in writing to any Board member not in attendance or not consenting to the action taken.

3.5. Assessment. Assessments of the Members, as called for in the Declaration, shall be levied by the Association and shall be a personal expense and obligation of every Member. The Trustees shall prepare an annual budget for presentation to the Members.

3.6. Deadlock. In the event of a deadlock by the members of Board, the President shall immediately call for a special meeting of the Members and, at the direction of the President, shall submit the matter to the Members for determination. A majority of the vote of the Members shall decide the action to be taken in such event.

3.7. Compensation. The Board of Trustees shall serve without compensation, provided that their reasonable out of pocket expenses for Association business, including the costs of attending Board meetings, if any, may be reimbursed by the Association.

3.8. Resignation or Removal. Any Trustee may resign at any time. If a Trustee is a Unit owner, the Trustee is deemed to have resigned when he or she sells (or otherwise is divested of) his or her Unit and therefore ceases to be Member of the Association. Any Trustee may be removed prior to the end of his or her term of office by an affirmative vote of sixty percent (60%) of the Members of the Association at a regular or special meeting called for that purpose.

3.9. Vacancies. Vacancies on the Board of Trustees will be filled by appointment of a successor by the remainder of the Board, provided that any such appointee will be confirmed or rejected at the next regular meeting of the Members. Any such Trustee is to fill the balance of the vacant term which he or she has filled, and will stand for election at the expiration of that term.

3.10. Informal Action by Trustees. The Trustees may take any action they could take in a formal meeting without a formal meeting, provided that the action is authorized in advance in writing signed by a majority of the Board. The Trustees may waive notice of meetings by signing written waivers at the time of the meeting or by participating in any such meeting. Minutes of all board meetings will be kept, and when a

meeting is held without prior notice, the minutes will reflect the written waiver of notice or that the Trustees waived notice by attendance and participation.

3.11. Restrictions on Board of Trustees and Members. Neither the Board of Trustees nor the Members of the Association shall take any action which would in, any way restrict, impair or impede the Declarant from completing the sale of all Units, or which would restrict ownership in such a way as to make any Unit less saleable by Declarant. No restriction adopted in these Bylaws will have the effect of restricting use of any Unit to the extent that any particular use was allowed under the Declaration.

## ARTICLE IV

### OFFICERS

4.1. Number. The officers of the Association shall consist of at least a President and a Secretary/Treasurer, all of which positions may be filled by the same person. The Board may establish a Vice President and such other officers as it deems appropriate.

4.2. Appointment and Tenure. The officers will be appointed by the Board of Trustees at their annual meeting, and all officers serve at the pleasure of the Board. An officer need not be a Member of the Association.

4.2. Resignation and Removal. Any officer may be removed from office with or without cause by a majority vote of the Board in a meeting called for that purpose. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.4. Duties of the President. The President shall preside at meetings of the Board of Trustees and at meetings of Members. The President shall sign, on behalf of the Association, all legal documents approved by the Board, including deeds and mortgages and other contracts. The President shall supervise and be primarily responsible for the day to day operation of the Association's affairs, including the firing and termination of employees and subordinates. The President shall perform such other duties as assigned by the Board.

4.5. Duties of the Vice President. The Vice President, if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President of the Board.

4.6. Duties of the Secretary/Treasurer. The Secretary/Treasurer is responsible to keep accurate records of the Members of the Association and the transfer of their interests to others, to keep minutes at the meetings of the Association Members and the Trustees, and cause notice of any meetings to be issued as called for in these Bylaws, to file annual reports, to prepare financial reports, maintain adequate financial records for the Association, and to perform all other assignments of the Board.

4.7. Compensation. The Officers may be compensated for their services in the discretion of the Board. Reasonable out of pocket expenses incurred in the course of performing duties for the Association will be reimbursed according to policies approved by the Board. The Board may fix such other compensation as it finds appropriate given the responsibility of the officers.

4.8. Delegation. The duties of the day to day operation of the Association, and all duties of maintenance required of the Association may be delegated by the President, when approved by the Board

of Trustees, to such companies or persons as may be determined in the discretion of the President, and as approved by the Board of Trustees.

## ARTICLE V INDEMNIFICATION

5.1. Indemnification Against Third Party Actions. The Association shall defend and indemnify the officers and Trustees against all actions, claims, and lawsuits brought by third parties against them individually which arise from the exercise of their obligations and duties as officers and Trustees. This shall include all civil, administrative, criminal, or investigative actions whether brought by an individual or a government agency. The indemnification shall extend to the payment of reasonable attorney fees and costs incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment. This indemnity is limited in scope to those acts or omissions arising from the good faith exercise of the authority of the office held, or the discharge of the duties as a Trustee on behalf of the Association.

5.2. Indemnification Against Member Actions. The Association shall defend and indemnify the officers and Trustees against all actions, claims, and lawsuits brought by Members of the Association against them individually which arise from the exercise of their obligations and duties as officers and Trustees. This shall include all civil, administrative, criminal, or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorney fees and costs incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment. This indemnity is limited in scope to those acts or omissions arising from the good faith exercise of the authority of the office held, or the discharge of the duties as a Trustee on behalf of the Association.

5.3. Request for Indemnification. When any officer, Trustee or employee of the Association receives notice of any action referred to above, he or she must give notice to the President and to the Board of Trustees, stating the nature of the claim, the claimant, and providing all pertinent information about the claim. The Board, in the case of an action against an officer or employee, or against a single Trustee, may vote to indemnify the officer, employee or Trustee. In the event that the action is against the Board of Trustees as a whole, or names more than a single Trustee individually, and the claim is entirely covered by and within the policy limits of the Association's insurance coverage, the Board may vote to indemnify itself and the individuals named. In the event that the claim exceeds the limits of any insurance coverage, or is not covered, the Board may not agree to indemnify itself without presenting the matter to the Association for a vote at a special meeting called for that purpose.

## ARTICLE VI MISCELLANEOUS

6.1. Amendment. These Bylaws may be amended by the Board of Trustees from time to time as they may determine. The Members may, during any annual meeting, or special meeting called for that purpose, amend the Bylaws. Any amendment must be consistent with the Declaration and the Articles of Incorporation, must comply with Utah law, and may not restrict the use of Units to the extent that such use was expressly allowed under the Declaration.

6.2. Access to Books, Records and Governing Documents. The books and records of the Association shall at all times during reasonable business hours, be subject to inspection by any Member. The Association shall also make available to Members, to lenders and to the holders and insurers of the first



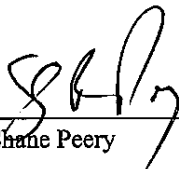
mortgage on any Unit, upon request, the books and records of the Association and current copies of the Declaration, the Bylaws and other rules governing the Association and the Units. The Association shall make available to prospective purchasers current copies of the Declaration, the Bylaws and any other rules governing the Association and the Units.

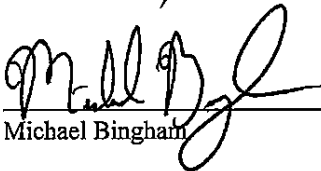
6.3. Disclosure of Financial Statements. Upon written request from any local, state or federal agency, or any corporation or other organization with an interest or prospective interest in the Units, the Association shall prepare and furnish, within a reasonable time, a financial statement of the owners' association for the immediately preceding fiscal year.

\* \* \* \* \*

ADOPTED this 27<sup>th</sup> day of April, 2010.

FOR THE ASSOCIATION, BY THE BOARD OF TRUSTEES:

  
\_\_\_\_\_  
Shane Peery

  
\_\_\_\_\_  
Michael Bingham

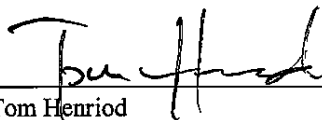
  
\_\_\_\_\_  
Tom Henriod

EXHIBIT "D"

**ARTICLES OF INCORPORATION OF  
TROLLEY PLACE OWNERS' ASSOCIATION, INC.**

**[Attach Executed Copy]**

**ARTICLES OF INCORPORATION OF  
TROLLEY PLACE OWNERS' ASSOCIATION, INC.**

**A Utah Non-Profit Corporation**  
(Pursuant to the provisions U.C.A. Section 16-6a-202)

I, the undersigned natural person being of the age of eighteen years or more, acting as incorporator under the Utah Revised Non-Profit Corporation Act, adopt the following Articles of Incorporation for such Corporation.

**ARTICLE I  
NAME**

The name of this corporation is TROLLEY PLACE OWNERS' ASSOCIATION, INC. (also known as the "Corporation" or "Association").

**ARTICLE II  
DURATION**

The period of duration of this Association shall be perpetual.

**ARTICLE III  
PURPOSE**

1. The corporation is an association of homeowners for the condominium project known as Trolley Place Condominiums located at or about 520 South 500 East, Salt Lake City, Salt Lake County, State of Utah (the "Project"), and is organized and shall be operated as a nonprofit corporation for the purpose of maintaining and administering the common areas, collecting and disbursing the assessments and charges provided for in the Declaration of Covenants, Conditions and Restrictions, as amended (the "Declaration") and/or Bylaws, and otherwise administering, enforcing, and carrying out the terms, covenants and restrictions of the Declaration and Bylaws and any Rules and Regulations of the Association, and generally providing for and promoting the health, safety, and welfare of the Owners (as defined in the Declaration).
2. No part of the net earnings of the Association shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered to the Association and to make payments and distributions in furtherance of the purposes set forth herein.
3. The Association shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal income tax under 528(c) of the Internal Revenue Code of 1954, as amended )or the corresponding provision of any future United States Internal Revenue law).

**ARTICLE IV  
MEMBERS & VOTING**

The Association shall have Members with voting rights. The terms and conditions of Membership will be set forth in the Bylaws of the Association. There shall be two classes of Membership and voting power, Class A and Class B.

The Class A Members shall be all Owners other than the Declarant until the Class B membership ceases. Class A Members shall be entitled to cast the number of votes attributed to the Unit(s) as described in Exhibit B of the Declaration (which is incorporated herein by reference), that the Member owns as is ascertainable from the official records of Salt Lake County.

The Class B Member shall be the Declarant. The Class B Member shall be entitled to four (4) times the number of votes attributed to the Unit(s) as described in Exhibit B of the Declaration that the Declarant owns as is ascertainable from the official records of Salt Lake County. The Class B Membership shall automatically cease and be terminated when Declarant, its successors or assigns, sells all Units owned by it or Declarant occupies its Units in a manner inconsistent with the development, build-out, sale, marketing, or other regular development activities of Declarant.

**ARTICLE V  
BYLAWS**

Provisions for the regulation of the internal affairs of the Association shall be set forth in the Bylaws (U.C.A. Section 16-6a-206). The Bylaws are attached and recorded with the Declaration.

**ARTICLE VI  
TRUSTEES**

Unless otherwise amended in the Bylaws, the affairs of the Association shall be managed by a Board of Trustees composed of three (3) to nine (9) individuals elected by the Association as set forth in the Bylaws. Each Trustee shall hold office until his/her successor has been duly elected and qualified.

The current names and addresses of the Trustees are:

- |    |  |    |   |
|----|--|----|---|
| 1. | Shane Peery<br>9980 South 300 West #310<br>Sandy, UT 84070 | 2. | Michael Bingham<br>P.O. Box 185<br>Orem, Utah 84059 |
| 3. | Tom Henriod<br>9980 South 300 West #310<br>Sandy, UT 84070 |    |   |

**ARTICLE VII  
INCORPORATORS**

The Names and Addresses of the Incorporator are:

Zachary I. Olson  
9980 South 300 West #310  
Sandy, UT 84070

**ARTICLE VIII  
REGISTERED OFFICE AND AGENT**

The address of the Association's registered agent and office shall be:

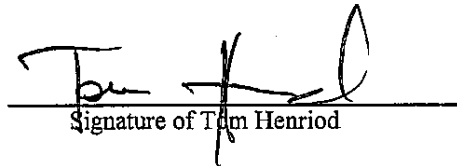
9980 South 300 West #310  
Sandy, UT 84070

Such office may be changed at any time by the Board of Trustees without amendment to these Articles of Incorporation as allowed by the Utah Department of Commerce, Division of Corporations and the Utah Revised Nonprofit Corporation Act.

The Association's registered agent at such address shall be:

Tom Henriod

I hereby acknowledge and accept appointment as Association registered agent:

  
\_\_\_\_\_  
Signature of Tom Henriod

**ARTICLE IX  
DISTRIBUTIONS**

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to its trustees, officers, or their private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof. No substantial part of the activities of the Association shall be the carrying on the propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Notwithstanding any other provision of these Articles of Incorporation, the Association shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 528(c) of the Internal Revenue Code, as amended or supplemented, or (b) by a corporation, contributions to which are deductible under Section 170(c) (2) of the Internal Revenue Code, as amended or supplemented.

**ARTICLE X  
DISSOLUTION**

Upon dissolution of the Association, the assets of the Association shall be dedicated to an appropriate business agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted for such similar purposes.

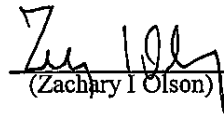
**ARTICLE XI  
MISCELLANEOUS**

1. Amendment. Any amendment of these Articles must be authorized and approved in the manner prescribed in the Declaration relating to amendments. Any amendment so authorized and approved shall be accomplished in conformity with the law of the State of Utah.

2. Interpretation. The captions preceding the various portions of these Articles are for convenience and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, 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. The invalidity or enforceability of any provision contained in these Articles shall not affect the validity or enforceability of the remainder hereof. These Articles have been prepared in conjunction with the Amended Declaration and should be read in light of that fact and liberally so as to affect the purposes of both instruments. In the event of a conflict between the provisions of these Articles and provisions of the Declaration, the provisions of the Declaration shall prevail.

In Witness Whereof, I, (Zachary I Olson), have executed these Articles of Incorporation in duplicate this 27<sup>th</sup> day of April, 2010, and say:

That I am an incorporator herein; that I have read the above and foregoing Articles of incorporation; know the contents thereof and that the same is true to the best of my knowledge and belief, excepting as to matters herein alleged upon information and belief and as to those matters I believe to be true.

  
\_\_\_\_\_  
(Zachary I Olson)