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AMENDED AND RESTATED DECLARATION
FOR
THE CORNELL CONDOMINIUMS
(Including Bylaws)
A Utah Condominium Project

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AMENDED AND RESTATED DECLARATION

FOR

THE CORNELL CONDOMINIUMS

A. THIS FIRST AMENDED AND RESTATED DECLARATION OF CONDOMINIUM for the Cornell Condominiums is made on the date evidenced below by the Cornell Condominium Homeowners Association, a domestic nonprofit corporation (the "Association"), established to govern the common affairs of the Association's members and enforce the covenants, conditions, restrictions and rules of the Association.

B. This Amended and Restated Declaration of Condominium including Bylaws supersedes and replaces the Declaration for the Cornell Condominiums recorded September 4, 1997, as Entry No. 6731728, records of the Salt Lake County Recorder, in its entirety and including all subsequent amendments or supplements thereto (the "Original Declaration") and including the Bylaws attached to the Original Declaration.

C. Pursuant to Section 18 of the Original Declaration, at least sixty seven percent (67%) of the voting interests and 51% of eligible mortgage holders have affirmatively approved the adoption of this document.

D. This Amended and Restated Declaration of Condominium including Bylaws shall be binding upon all real property described in Exhibit A attached hereto and it is agreed by acceptance of a conveyance, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of use or enjoyment, respecting the property or any unit in the property regime created by this Declaration, that this Declaration, together with the Survey Map and Plans referred to herein, states covenants, conditions, restrictions, and reservations effecting a common plan for the condominium development mutually beneficial in all of the described units, and that the covenants, conditions, restrictions, reservations and plan are binding upon the entire property and upon each such unit as a parcel of realty, and upon its owners or possessors, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the property or any security interests therein without requirement of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosures, or sales of units under security instruments.

E. The Cornell Condominiums, a Utah condominium project, has been and continues to be submitted to Utah Condominium Ownership Act, Utah Code Ann. §57-8-1 *et seq.* (the "Act"), as amended from time to time, with the rights, privileges and obligations as set forth herein and in the Act.

ARTICLE I - DEFINITIONS

The following words when used in this Declaration shall have the following meanings:

1.1 "Act" means the Utah Condominium Ownership Act (Section 57-8-1 et seq., Utah Code Annotated, 1953), as the same may be amended from time to time.

1.2 "Assessment" means any charge imposed or levied by the Association on or against an Owner or Unit pursuant to the terms of this Declaration, the Bylaws or applicable law, including (1) annual/regular assessments; (2) special assessments; and (3) individual assessments as set forth below.

1.3 "Association" means and refers to the Cornell Condominium Homeowners Association.

1.4 "Bylaws" means the Bylaws of the Association and recorded simultaneously with this Declaration, as they may be amended from time to time and attached hereto as **Exhibit "C."**

1.5 "Common Area" means, refers to, and includes: (a) The real property, excluding all Units as defined herein, and interests in the real property which this Declaration submits to the terms of the Act; (b) The real property, excluding all Units as defined herein, and interests which comprise the Project; (c) All common areas and facilities designated as such on the Plat Map; (d) All Limited Common Areas and facilities; (e) All foundations, roofs, columns, girders, beams, supports and perimeter walls constituting a portion of or included in the improvements which comprise a part of the Project; (f) All installations for and all equipment connected with the furnishing of the project's utility services, such as electricity, gas, water and sewer; (g) In general, all apparatus, installations and facilities included within the Project and existing for common use; (h) The Project's outdoor lighting, fences, landscape, sidewalks, parking spaces, driveways and roads (unless the parking spaces and/or roads have been dedicated to the public); (i) All portions of the Project not specifically included within the individual Units; (j) All other parts of the project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management; (k) All common areas as defined in the Act, whether or not enumerated herein.

1.6 "Common Expenses" means and refers to all sums which are required by the Management Committee to effect the purposes of the Association and to perform or exercise its functions, duties, or rights under the Act, this Declaration, the Bylaws and such rules and regulations as the Management Committee may adopt from time to time.

1.7 "Community" means all of the land described in attached **Exhibit A**, including any property annexed into the Project.

1.8 "Community Wide Standard" means the standard of conduct, maintenance, or other activity generally prevailing in the community, as set forth in this Declaration, the Bylaws and as defined by the Management Committee from time to time.

1.9 "Eligible Holder" shall mean any holder, insurer, or guarantor of a first Mortgage who makes a written request to the Association to receive any of the notices provided to Eligible Holders under this Declaration. The written request shall state the name and address of the Eligible Holder and the Unit number to which the Eligible Holder's mortgage interest applies.

1.10 “Governing Documents” shall mean and refer to a written instrument by which the Association may exercise powers or manage, maintain, or otherwise affect the property under the jurisdiction of the Association, including Articles of Incorporation, Bylaws, Plat, this Declaration, Rules and Regulations and architectural guidelines.

1.11 “Improvements” means every structure or improvement of any kind, including but not limited to landscaping, Units, decks, porches, awnings, fences, garages, carports, driveways, storage compartments or other products of construction efforts on or in respect to the Property (but does not include any exterior antenna or satellite dish, authorized in accordance with the Declaration).

1.12 “Limited Common Areas” means all of the real property identified as limited common area on the plat map for the Project and maintained pursuant to the terms of this Declaration and shall include parking stalls assigned to specific Units, patios, entrance ways, shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, exterior doors, and exterior windows designated or obviously intended for use by particular Units as shown on the Plat. Limited Common Areas are Common Areas limited to the use of certain Units to the exclusion of other Unit Owners.

1.13 “Management Committee” or “Committee” shall mean and refer to the Management Committee of the Association vested with the authority to manage the Community and to enforce this Declaration, Bylaws and Rules and Regulations. The term Management Committee is synonymous and interchangeable with the term “Board of Directors” as that term may be used in the governing documents of the Association or the Utah Nonprofit Corporation Act.

1.14 “Manager” or “Managing Agent” shall mean and refer to the person or entity that may be retained from time to time by the Association to manage the Property at the option and according to the direction of the Management Committee.

1.15 “Mortgage” means any mortgage or deed of trust encumbering any Unit and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Recorder's Office.

1.16 “Mortgagee” means the person or entity secured by a Mortgage.

1.17 “Notice” including any requirements for notice hereunder shall be defined and carried out as set forth in the Bylaws.

1.18 “Owner” means the person, persons or other entity owning any Unit, as such ownership is reflected in the records of the County Recorder, but does not include a tenant or holder of a leasehold interest or person holding only a security interest in a Unit.

1.19 “Percentage Interest” means and refers to the percentage of undivided ownership interest of each Unit Owner in the Common Areas as set forth in **Exhibit B** attached hereto.

1.20 “Plat” or “Plat Map” or “Record of Survey Map” (these terms may be used interchangeably herein) means the record of survey map recorded at the County Recorder's Office and any plats recorded among the Recorder's Office in substitution therefor or amendment

thereof.

1.21 “Property” or “Project” means the Cornell Condominiums, including all of the real property described in attached **Exhibit A** and all Units and Common Area.

1.22 “Rules and Regulations” means and refers to those rules and regulations adopted by the Management Committee from time to time that are deemed necessary by the Committee for the enjoyment of the Property and Community.

1.23 “Single Family” shall mean: (a) one or more persons related by blood, marriage, adoption, or legal guardianship, including foster children, living together as a single housekeeping unit in a Unit; or (b) a group of not more than three persons not related by blood, marriage, adoption, or legal guardianship living together as a single housekeeping unit in a Unit; or (c) two unrelated persons and their children living together as a single housekeeping unit in a Unit.

1.24 “Unit” means and refers to a separate physical part of the Property intended for independent use and ownership, consisting of rooms and spaces located within a building structure. Units are shown on the appropriate Record of Survey Map. Mechanical equipment and appurtenances located within any one Unit or located outside of said Unit but designated and designed to serve only that specific Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning or air cooling apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior walls, floors and ceilings; all interior windows, and window frames, doors and door frames, and trim; all lath, furring, wallboard or drywall, plasterboard, plaster, paneling, tiles, wallpaper, paint, flooring, carpeting and tile. All interior partitions, all exterior windows, doors, pipes, shut-off valves, breaker boxes, wires, conduits or public utility lines or installations serving only a specific Unit, and any structural features or any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety, or usefulness of the remainder of the structure/building within which the Unit is situated shall be considered part of the Unit.

ARTICLE II - PROPERTY DESCRIPTION

2.1. *Property Subject the Declaration and Bylaws.*

Cornell Condominiums, a Utah Condominium Project, is hereby submitted to Utah Code Ann. §57-8-1 et seq. (the Act), and any subsequent amendments thereto, with the rights, privileges and obligations of condominium ownership as set forth herein and in the Act.

2.2. *Description of Improvements.*

The significant improvements within The Project include one residential building containing a basement and three floors with four units per floor for a total of 12 Units, and other improvements as shown by the Plat. The building is composed of masonry construction and interior walls with plaster and/or sheet rock.

2.3 *Description and Legal Status of Units.*

The Map shows the Units and Building designations, their locations, dimensions from which its areas may be determined, those Limited Common Areas which are reserved for such use, and the

Common Areas to which it has immediate access. A single parking space is assigned to and shall at all times remain appurtenant to each Unit. No parking space may be transferred apart from the Unit. All Units are residential Units. All Units shall be capable of being independently owned, encumbered, and conveyed.

2.4 Ownership Interest in Common Areas.

Neither the percentage interest in the Common Areas nor the right of exclusive use of the Limited Common Areas shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, the percentage interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which they related.

2.5 Computation of Percentage Interests

The proportionate share of the Unit Owners in the Common Areas may be based on the square footage that each of the Units bears to the total square footage of all Units. For all purposes under this Declaration and Bylaws, however, each Unit shall have the same voting rights, pay an equal assessment (except for individual assessments defined below), and share equally in the common profits and expenses of the Association.

2.6 Covenants Run with the Land.

All of the Property shall be owned, conveyed hypothecated, encumbered, used, occupied and improved subject to this Declaration. The easements, covenants, conditions, restrictions and charges, described in this Declaration shall run with the Property and shall be binding upon all parties having or acquiring any right, title or interest in such property or any part thereof and shall inure to the benefit of the Association, and each Owner thereof.

2.7 Form of Unit Conveyance - Legal Description of Unit.

Each conveyance or installment contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the number shown on the Record of Survey Map with appropriate reference to said Map and to this Declaration, as each shall appear on the records of the County Recorder for Salt Lake County, State of Utah, and in substantially the following form:

Unit ___ shown on the Record of Survey Map for _____
Condominiums, a Utah Condominium Project, appearing in the records of the
_____ County Recorder as Entry No. ___ Map No. ___, and as
identified in the Declaration of Condominium appearing as Entry No. ___ in
Book ___ at Pages _____ of the official records of the _____
County Recorder together with an undivided interest in and to the Common Areas
appertaining to said Unit as established in said Declaration, as may be amended,
and the Map. This conveyance is subject to the provisions of the aforementioned
Declaration, including any amendments thereto.

2.8 No Right of First Refusal

The right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit shall not be subject to any right of first refusal or similar restriction.

ARTICLE III - PROPERTY RIGHTS AND EASEMENTS

3.1 Use and Occupancy.

A Unit Owner shall not permit his or her Unit to be occupied or used other than as a private residence for a Single Family. Except as otherwise expressly provided in this Declaration or the Bylaws, the Owner(s) of a Unit shall be entitled to the exclusive use and benefits of ownership of such Unit. Each Unit, however, shall be bound by, and the Owner shall comply with, the restrictions contained below and all other provisions of the Governing Documents for the mutual benefit of the Owners.

3.2 Parking Rights.

Assigned parking spaces are available on the Property. No parking of vehicles may occur anywhere upon the Property except in assigned parking spaces.

3.3 Restriction on Unit Division.

All Owners are prohibited from dividing any and all Units subject to this Declaration unless expressly permitted, in writing, by the Management Committee. However, Owners' allocated ownership interests in the Common Areas may not be altered without the consent of sixty-seven percent (67%) of all Owners.

3.4 Easements Reserved.

In addition to the easements shown on the Plat or provided for under this Declaration, the Bylaws or law, the following easements are hereby reserved for the benefit of the Owners and the Association:

(a) Right of Entry. The Association and any person authorized by the Association may at any reasonable time, and from time to time at reasonable intervals, enter upon any Unit for the purpose of performing maintenance as set forth herein and determining whether or not the Unit is in compliance with this Declaration and Bylaws or whether the use of the Unit is causing damage or harm to the Common Areas or Limited Common Areas. Requests for entry shall be made in advance and at a time convenient to the Owner, except in the case of an emergency, when such right shall be immediate. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Unit.

(b) Utility Easements. The Association and any public utility provider shall have an easement through all Units and the Common Areas for the installation, maintenance and development of utilities and drainage facilities, as may be necessary. The easement area within each Unit and all improvements therein shall be maintained continuously by the Owner of the Unit of the Association, except for those improvements for which a public authority or utility provider is responsible. Each Unit Owner shall have an easement in common with all Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other Unit and serving his or her Unit.

(c) Common Areas. All Owners are hereby granted a non-exclusive right and easement of enjoyment to the Common Areas.

3.5 No Encroachment

No Unit shall encroach upon an adjoining Unit without the express written consent of the Management Committee. If, however, an encroachment occurs due to the settlement or shifting of a structure/building or any other reason whatsoever beyond the control of the Management Committee or any Owner, there shall forthwith arise, without the necessity of any further or additional act or instrument, a good and valid easement for the maintenance of such encroachment, for the benefit of the Owner, its heirs, personal representatives and assigns, to provide for the encroachment and non disturbance of the Structure. Such easement shall remain in full force and effect so long as the encroachment shall continue.

ARTICLE IV - ASSESSMENTS

4.1 Covenant for Assessments.

(a) Each Owner, by acceptance of a deed conveying any Unit to such Owner, whether or not so expressed in the deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association the following types of assessments, as provided for and defined below: Annual Assessments, Special Assessments, and Individual Assessments. No member may exempt itself from liability for Assessments by abandonment of any Unit owned by such member. No offsets against Assessment amounts shall be permitted for any reason, including, without limitation, a claim that the Association or Committee is not properly exercising its duties and powers.

4.2 Annual Budget and Assessment.

(a) Adoption of Budget. The Management Committee shall prepare, or cause the preparation of, an annual budget for the Association, which shall provide, without limitation, for the maintenance of the Common Areas and for the administration, management and operation of the Association. If the Management Committee fails to adopt an annual budget, the last adopted budget shall continue in effect.

(b) Determination of Annual Assessment.

(1) The Management Committee of the Association shall fix the amount of the annual assessment ("Annual Assessment") against each Unit for each assessment period at least thirty (30) days in advance of the beginning of the period. Written notice of the Annual Assessments shall be sent to all members of the Association at least thirty (30) days in advance of the beginning of any assessment period, or thirty (30) days in advance of any increase in the Annual Assessment that is to take effect during any assessment period.

(2) The omission by the Management Committee, before the expiration of any assessment period, to fix the amount of the Annual Assessment for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this article or a release of any member from the obligation to pay the Annual Assessment, or any installment thereof, for that or any subsequent assessment period. In the event of such omission, the Annual Assessment fixed for the preceding period shall continue until a new assessment is fixed.

(3) If the Annual Assessments levied at any time are, or will become,

inadequate to meet all expenses incurred by the Association for any reason, including nonpayment of any Owner's Assessments on a current basis, the Management Committee may determine the approximate amount of the inadequacy and adopt a resolution which establishes a supplemental budget and establishes the equitable change in the amount of the Annual Assessment.

4.3 *Apportionment of Assessments.*

All Units shall pay a pro rata share of the Annual Assessment and Special Assessments commencing upon the date the Units are made subject to this Declaration. The pro rata share shall be based upon the percentage of undivided ownership interests of Units. Individual Assessments shall be apportioned exclusively against the Units benefitted or to which the expenses are attributable as provided for below.

4.4 *Lien.*

The Annual Assessment and all other Assessments imposed shall be a charge and continuing lien upon each of the Units against which the assessment is made in accordance with the terms and provisions of this Article and shall be construed as a real covenant running with the land.

4.5 *Personal Obligation and Costs of Collection.*

Assessments imposed under this Declaration, together with interest at a rate to be established by resolution of the Management Committee, not to exceed the maximum permitted by law, and costs and reasonable attorneys' fees incurred or expended by the Association in the collection thereof (whether or not a lawsuit is initiated), shall also be the personal obligation of the Owner holding title to any Unit at the time when the assessment became due.

4.6 *Purpose of Assessments.*

The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Community, and including, but not limited to: (a) The improvement and maintenance, operation, care, and services related to the Common Areas; (b) The payment of insurance premiums; (c) The costs of utilities and other services which may be provided by the Association for the Community; (d) The cost of labor, equipment, insurance, materials, management, legal and administrative fees incurred or expended in performing the duties under this Declaration or the Bylaws; (e) The cost of funding all reserves established by the Association, including a general operating excess and a reserve for replacements; and (f) Any other items properly chargeable as a Common Expense of the Association.

4.7 *Special Assessments.*

In addition to the Annual Assessments authorized in this article, the Association may levy in any assessment year, a special assessment ("Special Assessment"), applicable for that year only, for the purpose of defraying, in whole or in part, the cost of accomplishing those purposes authorized or required by this Declaration. The Management Committee may authorize a special assessment for any lawful purpose in any given calendar year provided, however, that any such assessment in an amount exceeding \$500 per Member shall first be approved by a majority of those Members of the Association who cast a vote for or against the proposition, after a quorum is established of Members entitled to cast one-third (1/3) of all of the votes of Members.

4.8 Individual Assessments.

Any expenses benefitting or attributable to fewer than all of the Units may be assessed exclusively against the Units affected or benefitted. Individual Assessments shall include, but are not limited to: (1) Assessments levied against any Unit to reimburse the Association for costs incurred in bringing the Unit or its Owner into compliance with or to otherwise defend or uphold, or carry out the provisions of this Declaration or rules and regulations of the Association and for fines or other charges imposed pursuant to this Declaration for violation of this Declaration, the Bylaws or any rules and regulations of the Association; (2) Expenses relating to the cost of maintenance, repair, or replacement of the individual Units.

4.9 Nonpayment of Assessments.

Unless otherwise provided by resolution of the Management Committee, the Annual Assessments shall be levied and due and payable on a monthly basis on the first calendar day of each month and shall be delinquent if not paid within fifteen (15) days after the due date.

4.9.1 Interest. Delinquent payments shall bear interest from the sixteenth (16th) day of the month, or such other date established by the Committee (the "date of delinquency"), at the rate established by resolution of the Committee, not to exceed the maximum rate permitted by law, and

4.9.2 Late Charge. Each delinquent payment shall be subject to a late charge of Twenty-Five Dollars (\$25.00) or such other amount established by the Management Committee from time to time.

4.9.3 Acceleration. If the delinquent installments of Annual Assessments and any charges thereon are not paid in full, the Committee, or its authorized agent, may declare all of the unpaid balance of the Annual Assessment to be immediately due and payable upon not less than ten (10) days' written notice to the Owner, and may enforce the collection of the full Annual Assessment and all charges thereon in any manner authorized by law and this Declaration. If, however, the Assessment is accelerated and an Owner subsequently files bankruptcy or the Committee otherwise decides acceleration is not in its best interest, the Committee, at its option and in its sole discretion, may elect to decelerate the obligation.

4.9.4 Future Lease Payments. If the Owner of a Unit who is leasing the Unit fails to pay an assessment for more than 60 days after the assessment is due, the Management Committee, upon compliance with this section, may demand that the tenant pay to the Association all future lease payments due to the Owner, beginning with the next monthly or other periodic payment, until the amount due to the Association is paid.

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

including any interest or late payment fee; and (3) state that any costs of collection, and other assessments that become due, may be added to the total amount due.

(b) Notice to the Tenant. If the Owner fails to pay the assessment due by the date specified in the notice described in Subsection (a), the manager or Management Committee may deliver written notice to the tenant that demands future payments due to the Owner be paid to the Association. The manager or Management Committee shall mail a copy of such notice to the Owner. The notice shall state: (i) that due to the Owner's failure to pay the assessment within the time period allowed, the Owner has been notified of the intent of the Management Committee to collect all lease payments due to the Association; (ii) that until notification by the Association that the assessment due, including any interest, collection cost, or late payment fee, has been paid, the tenant shall pay to the Association all future lease payments due to the Owner; and (iii) that payment by the tenant to the Association in compliance with this Section will not constitute a default under the terms of the lease agreement.

(c) If a tenant makes payments in compliance with (b) above, the Owner may not initiate an action against the tenant.

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

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

4.9.5 Termination of Common Services.

(a) If an Owner fails or refuses to pay an assessment when due, the Management Committee may, after giving notice and an opportunity to be heard in accordance with Subsection (b) below, terminate an Owner's right to receive any service paid as a common expense, including but not limited to utility services.

(b) Notice to Owner. Before terminating services, the Committee or its agent shall give written notice to the Owner. The notice shall state: (1) utility service will be terminated if payment of the assessment is not received within 48 hours; (2) the amount of the assessment due, including any late fees, interest, and costs of collection; and (3) that the Owner has a right to request a hearing by submitting a written request to the Management Committee within 14 days from the date the notice is received.

(c) If a hearing is requested, utility services may not be terminated until after the hearing has been conducted and a final decision has been entered. In the event that the Association incurs costs to terminate any such utility service, the defaulting Owner shall be responsible for all such costs. Upon payment of the assessment due, including any interest, late charge, and costs of collection, the Committee shall immediately take action to reinstate the terminated utility services to the Unit.

4.10 Subordination of Lien to Mortgages.

The lien of the Assessments provided for in this article shall be subordinate to the lien of any first mortgagees or deeds of trust now or hereafter placed upon the Unit subject to assessment, except as follows: the sale or transfer of any Unit pursuant to mortgage or deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Such sale or transfer shall not relieve the Unit from liability for any Assessments thereafter becoming due, nor from the lien of any future assessment.

4.11 Enforcement of Lien.

The Association may establish and enforce the lien for any Assessment, including Annual, Special, Individual or otherwise, pursuant to the provisions of this Declaration. The lien is imposed upon the Unit against which the Assessment is made. The lien may be established and enforced for damages, interest, costs of collection, late charges permitted by law, and attorneys' fees provided for in this Declaration (whether or not a legal proceeding is initiated) or by law or awarded by a court for breach of any provisions of this Declaration, the Bylaws or any rules and regulations of the Association. The lien may be foreclosed judicially or non-judicially consistent with the laws of the State of Utah for the non-judicial foreclosure of Deeds of Trusts. In such an event, the Owner hereby irrevocably appoints the Association, or its authorized agent, to act as Trustee for purposes of foreclosing any lien hereunder. The Association, through duly authorized agents, shall have the power to bid on the Unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Upon completion of the foreclosure sale, an action may be brought by the Association or the purchaser at the sale in order to secure occupancy of the defaulting Owner's Unit, and the defaulting Owner shall be required to pay the reasonable rental value of such Unit during any period of continued occupancy by the defaulting Owner or any persons claiming under the defaulting Owner. The Association shall be entitled to the appointment of a receiver to collect the rental income or the reasonable rental value without regard to the value of the security.

4.12 Reserve Funds.

(a) The Association shall establish and maintain a reserve fund for repairs and replacement of the Common Areas by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Management Committee in its sole discretion and best business judgment. The fund shall be conclusively deemed to be a Common Expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Management Committee, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

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

(c) The proportional interest of any member of the Association in any reserve fund established under this section shall be considered an appurtenance of such Owner's Unit and shall not be separated from the Unit to which it appertains and shall be deemed to be transferred with the Unit.

(d) The Management Committee's reasonable determination with respect to the

amount of the reserve fund contribution shall be conclusively deemed appropriate absent intentional misconduct or gross mismanagement of Association funds. Except in such instances, individual Management Committee members shall not be held liable for any potential or alleged under funding of the reserve account.

4.13 Certificate of Assessment.

The Association shall, upon demand at any time, furnish to any Owner liable for assessment a certificate in writing signed by an officer of the Association setting forth whether Assessments has been paid. The certificate shall be conclusive evidence of payment of any assessment therein stated as having been paid. A reasonable charge, determined by the Management Committee, may be levied in advance by the Association for each certificate so delivered.

ARTICLE V - RESTRICTIONS ON USE

5.1 Animals.

(1) The Management Committee shall have the express and unrestricted authority and right to promulgate rules, beyond those stated herein, restricting or prohibiting animals.

(2) No more than two (2) dogs and two (2) cats shall be kept within any Unit. Additionally, no animals, livestock, or poultry of any kind may be raised, bred, kept or permitted within any Unit, except birds, fish or other household pets provided that they are not kept, bred, or maintained for any commercial purpose or in any unreasonable numbers.

(3) Those animals which are permitted shall not cause any noise or disturbance that would be deemed a nuisance to other Owners or residents within the Community. Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective Owners thereof and Owners shall be responsible for removal of wastes of their animals from the Common Areas and Limited Common Areas.

(4) An Owner may be required to remove a pet upon receipt of a written notice from the Management Committee given pursuant to a resolution relating to rules and regulations governing pets within the Community and enforcement of such rules and regulations and provisions of this subsection. In addition to other remedies that may be available, the Management Committee may levy fines or apply for appropriate judicial relief in the event that an Owner violates this Article.

5.2 Lease Restrictions.

5.2.1 **Rental Cap.** No Unit may be rented if the rental results in more than three (3) of the Units within the Project being rented at the same time, except as provided below (the "Rental Cap"). Prior to renting any Unit, an Owner shall apply to the Management Committee. The Committee shall review the application and make a determination of whether the rental or lease will exceed the Rental Cap and the Association shall deny the application if it determines that the rental of the Unit will exceed the Rental Cap. "Renting" of a Unit means the granting of a right to use or occupy a Unit for a specific or indefinite term (with rent stated on a periodic basis), in exchange for the payment of rent (money, property or other goods or services of value).

5.2.2 **Rental Restrictions.** No Unit Owner shall rent less than the entire Unit, and no

Owner shall rent such Owner's Unit for an initial term of less than twelve (12) months.

5.2.3 Grandfather Status. Notwithstanding Section 5.2.1, all Owners who are renting their Unit at the time that this Amended Declaration is recorded may continue to rent such Unit until the time that they convey ownership of their Unit or until the Owner occupies the Unit, whichever first occurs. Any Owner renting less than the entire Unit at the time this Amended Declaration is recorded may continue to rent less than the entire Unit until the time that he or she conveys ownership of the Unit.

5.2.4 The Lease Agreement. Any lease agreement between an Owner and a lessee must be in writing, and must provide, among other things, that the terms of the lease shall in all respects be subject to the provisions of the Declaration, the Articles of Incorporation of the Association, the Bylaws, and the Rules and Regulations. All lease agreements shall contain as an attachment to the lease agreement, a copy of the current Rules and Regulations of the Association. Within 10 days of a Unit being rented, the Owner must provide the Association with a copy of the signed lease agreement and the name(s) of all tenants, including the tenants' family members who will occupy the Unit, and the Owner must keep such information updated with the Association within 15 days of any change.

5.3 Residential Use.

Units are Single Family dwellings and are restricted to occupancy by a Single Family. There shall be no more than three persons per bedroom permanently occupying a Unit. Units shall be used for residential purposes in accordance with, and subject to, the other provisions of this Declaration and the Bylaws and rules and regulations adopted pursuant thereto. Except as provided in this subsection, no trade, craft, business, profession, commercial or similar activities that causes additional pedestrian or vehicular traffic, creates a sight or noise nuisance, shall be conducted on any Unit or in any other portion of the Project.

5.4 Offensive Activities.

No noxious, offensive or unsightly conditions, including, but not limited to, the placement or storage of inoperable vehicles, car parts and appliances, or activities shall be permitted on any Unit or other portion of the Common Areas, nor shall anything be done in or placed upon any Common Area which interferes with or jeopardizes the enjoyment of other Units or which is a source of annoyance to residents.

5.5 Unlawful Activities.

No unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

5.6 Rubbish and Trash.

No part of the Property may be used or maintained as a dumping ground for rubbish, trash, garbage, or any other waste. No garbage, trash, or other waste may be kept or maintained on any part of the Property except in a sanitary container as specified by the Association or within a trash enclosure screened from public view. All such waste and garbage must be promptly and periodically removed.

5.7 *Parking of Automobiles and Other Vehicles.*

(1) Parking of boats, trailers, campers, motorhomes, RVs and like vehicles and equipment is prohibited for any time period whatsoever.

(2) Units shall have the exclusive use of the parking space bearing the same number as the Unit. Parking space numbers will be assigned to the spaces as determined by the Management Committee from time to time. Parking spaces shall be used only for parking of currently registered and operational vehicles.

(3) The Management Committee may adopt and amend further rules and restrictions governing parking and vehicles and to govern the enforcement of this Section, which rules may include assessing an Owner the expense of removing any automobile, vehicle or equipment parked in violation of this subsection and the cost of any storage thereof. Vehicles in violation of the Governing Documents may be towed at the cost of the owner.

5.8 *Vehicles in Disrepair.*

(1) No Owner shall permit any vehicle which is in an extreme state of disrepair to be abandoned or to remain parked upon any part of the Property. A vehicle shall be deemed in an "extreme state of disrepair" when the Management Committee reasonably determines that its presence offends the occupants of the other Units.

(2) If an Owner fails to remove a vehicle deemed to be in an extreme state of disrepair within seventy-two (72) hours after the date and time on which written notice is securely placed on such vehicle or delivered to the responsible Owner by the Management Committee, the Management Committee may have such vehicle removed from the Property (i.e., towed) and assess the Owner the expense of such removal and any storage necessitated thereby.

5.9 *Clothes Lines and Materials.*

No clothes lines, clothing racks, or other apparatus on which clothes, rags, or similar items are exposed for the purpose of drying or airing shall be located on the Property except within a Unit, unless in an area screened from public view. No garments, rugs, rags, laundry, or other clothing or materials shall be allowed to hang from the windows or from any of the facades or any other part of a Unit unless in an area screened from public view.

5.10 *Signs.*

Unless written approval is first obtained from the Management Committee, no advertisement, sign, banner or poster of any kind may be posted in or upon the Properties except: (1) Not more than one (1) "For Sale" sign, not exceeding 17" by 22", may be temporarily displayed to public view within a Unit by the Owner, (2) "Political" signs may be temporarily displayed to public view within a Unit unless and until prohibited or otherwise limited by the Management Committee by rule, and (3) other signs expressly allowed by the Management Committee by rule from time to time.

5.11 *Antennas and Service Facilities.*

Owners are encouraged to use cable service for television and internet. Satellite dishes and antennas not regulated by the FCC are prohibited. Satellite antennas, such as Direct Broadcast Satellite ("DBS") antennas (dishes) one meter in diameter or less, and designed to receive

direct broadcast satellite service, including direct-to-home satellite service, or receive or transmit fixed wireless signals via satellite, may be installed only to the extent and in locations allowed by local, state or federal law.

(1) Satellite dishes may only be installed inside the Owner's Unit or on any porch, patio, deck, balcony or other area over which the owner has exclusive use and control under the terms of this Declaration (i.e., Limited Common Area). No owner may install a satellite dish on the exterior, roof, or restricted areas of any building, or in the Common Area of the building or Project. No satellite dish may extend beyond balcony railings. Owners need to be aware that their Unit may not be in a proper location to receive satellite broadcast signals even if they install a satellite dish. Prior to installation, owners should check with a qualified and reputable company to determine if they are able to receive adequate signals at their unit. Owners shall notify the Committee in writing prior to any installation. Such notice shall include a description of the location for the satellite dish and the installation (attachment) method. No owner may drill holes in walls, doors or window frames in order to install the satellite dish or run cable from the dish to the television. All installations must be performed in such a manner as not to cause legitimate safety concerns. These would include, but not be limited to, danger of falling, danger of permanent damage to the building or proximity to power lines.

(2) Owners are responsible for any injury or damage to persons or property caused by their satellite dish. Owners must purchase and maintain liability insurance for the use of a satellite dish, which insurance must name the association as an additional insured. Owners shall provide the Committee with proof of insurance upon request. All installations must be performed in complete compliance with all applicable statutes, rules and regulations. If permits are required, Owner will obtain all such permits prior to installation. These rules are meant to comply with 47 CFR § 1.4000, as may be amended from time to time. All requirements of such section are hereby incorporated herein. In the event any portion of this section is held to conflict with applicable law, those portions shall be deemed stricken and all other portions of this Installation Policy will remain in full force and effect.

(3) No portion of the Installation Policy may be waived or changed by the Committee verbally. Any such waiver or change will be effective only when in writing. If any owner receives the benefit of any waiver or change of the Installation Policy, it shall be that owner's responsibility and obligation to keep and safeguard the written waiver or change and to produce it upon any future request of the Committee.

(4) In the event of a violation of this Section, the Association may bring an action for declaratory and/or injunctive relief and the Owner is subject to a \$50.00 fine to the Association for each violation. If the violation is not corrected within a reasonable length of time as determined by the Committee, additional fines of \$10.00 per day will be imposed for each day that the violation continues. The Association shall be entitled to recover its reasonable attorney's fees, costs and expenses incurred in the enforcement of this Section.

5.12 Noise Disturbance.

Residents shall exercise extreme care about making noises or the use of musical instruments,

radios, televisions, or amplifiers and may not disturb other residents and residents may be fined for this, and other, offensive behavior. No noxious, offensive, or illegal activity shall be carried on in any Unit, Limited Common Area, or Common Area, nor shall anything be done therein which may be or become an annoyance or nuisance to the other owners, or which may cause damage to the Limited Common Area or Common Area.

5.13 Increase in Insurance Cost.

Nothing shall be done or kept within any Unit or on the Common Areas, including Limited Common Areas, which will increase the cost of insurance to the Association or to other Owners. No Owner shall permit anything to be done or kept within his or her Unit or Common Areas which will result in cancellation of insurance on any Unit.

5.14 Swamp Coolers.

Swamp cooler are strictly prohibited anywhere in or upon the Property, except those swamp coolers existing upon the property as of the date of the recording of this Declaration. Any existing swamp coolers are the sole responsibility of the Owner of the Unit serviced by the swamp cooler and such Owner shall be solely responsible for any and all maintenance, damage, and liability associated with or arising out of the existence of the swamp cooler.

5.15 Drainage System.

There shall be no interference with the established drainage patterns or systems, if any, over or through any Unit so as to affect any other Unit or any real property outside the Property unless adequate alternative provision is made for proper drainage and is approved by the Management Committee.

5.16 Architectural Control.

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to, or change or alteration therein, of any sort, whether structural, landscaping, cosmetic or otherwise, be made by an Owner until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Management Committee. Such approval shall be solely at the discretion of the Management Committee as it deems appropriate from time to time. Any such request shall be deemed to have been denied if the relevant Owner, including any subsequent Owner, cannot produce the written approval granted by the Committee upon request, and any changes or alterations made by an Owner, or prior Owner, shall be removed and the property restored to its original condition at the request of the Committee. In the event the Management Committee fails to approve or disapprove a request by an Owner, the request will be deemed to have been denied.

5.17 Association Rules and Regulations.

In addition to the restrictions and requirements above, the Management Committee from time to time may, by resolution, adopt, modify, or revoke such rules and regulations governing the conduct of persons and the operation, aesthetics and use of the Units and Common Areas, including Limited Common Areas, as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Property and the accomplishment of the purposes

of the Association and the Project. Reasonable fines may be levied and collected as an assessment for violations of the Governing Documents. A schedule of fines may be adopted by the Management Committee specifying the amounts of such fines, and any other provisions or procedures related to the levying of such fines.

ARTICLE VI - ASSOCIATION

6.1 Organization; Management Committee.

(a) The Association has been or will be organized as a nonprofit corporation under the nonprofit corporation laws of the State of Utah (Utah Code Annotated, Title 16, Chapter 6a, as may be amended from time to time). In the event the Association is at any time dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. All of the property, powers and obligations of the incorporated Association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association.

(b) The affairs of the Association shall be governed by a Management Committee as provided in the Bylaws.

6.2 Membership.

Each Owner during the entire period of Owner's ownership of one or more Units within the Community shall be a member of the Association. The membership shall commence, exist and continue by simply virtue of the ownership, shall expire automatically upon termination of ownership and need not be confirmed or evidenced by any certificate or acceptance of membership.

6.3 Voting Rights.

The method of voting shall be as provided in the Bylaws and each Owner shall have such vote in matters of the Association for each Unit owned equal to the percentage of undivided interest in the Common Areas and facilities appertaining to such Unit, as set forth in Exhibit B.

6.4 Powers and Authority of the Association.

The Association shall have such powers and duties as may be granted to it or imposed by this Declaration, the Articles of Incorporation, the Bylaws and any applicable statute, as such statute may be amended to expand the scope of association powers, together with its general powers as a corporation, and the power to do any and all things which may be authorized, required or permitted to be done by the Association under and by virtue of this Declaration, including the power to levy and collect assessments and fines as provided in this Declaration. Without in any way limiting the generality of the foregoing, the Association shall have the following powers:

6.4.1 The Association shall have the power and authority at any time and from time to time and without liability to any Owner for trespass, damage or otherwise, to enter into any Unit for the purpose of maintaining and repairing such Unit or any improvement thereon if for any reason the Owner fails to maintain and repair such Unit or improvement, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such Unit in violation of this Declaration.

The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoy any breach or threatened breach of this Declaration or any rules and regulations promulgated by the Officers, or to enforce by mandatory injunction or otherwise all of the provisions of this Declaration and such rules and regulations.

6.4.2 In fulfilling any of its duties under this Declaration, including its duties for the maintenance, repair, operation or administration of the Community or in exercising any of its rights to construct, maintain and repair the Common Areas, the Association shall have the power and authority (i) to pay and discharge any and all liens placed upon any Unit on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration and (ii) to obtain, contract and pay for, or to otherwise provide for (a) such utility services, including (without limitation) water, sewer, trash removal, snow removal, electrical, telephone and gas services, as the Officers may from time to time deem desirable, and (b) the services of architects, engineers, attorneys and certified public accountants and such other professional or nonprofessional services as the Officers may deem desirable.

6.4.3 Telecommunications/Fiber Optic/Related Contracts. The Management Committee shall have the power, in its own discretion, to enter into, accept an assignment of, or otherwise cause the Association to comply with contracts with Telecommunication Service providers and Telecommunication Facilities owners (both, a "Telecommunication Provider"), pursuant to which the Telecommunication Provider serves as the exclusive provider of Telecommunication Services and/or Telecommunication Facilities to each Condominium and Lot in the Properties. The Committee shall also have the power to enter into or contract on behalf of the Association for similar bulk rate service contracts of any nature deemed in the Association's best interests.

ARTICLE VII - MAINTENANCE OBLIGATIONS

7.1 *Owner's Responsibility.*

(a) Units. Maintenance of the Units shall be the sole responsibility of the Owner(s) thereof, who shall maintain such Unit in good repair so as to not interfere with other Owner's Units or the Common Areas. Each Owner at his or her sole expense shall maintain, repair, paint, re-paint, tile, paper or otherwise re-finish or decorate the interior surfaces of the walls, ceilings, floors, interior and exterior windows, and interior and exterior doors/door frames forming the boundaries of his or her Unit and all walls, ceilings, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of his or her Unit in good repair and in a clean and sanitary condition, he or she shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, heating equipment, air conditioners and air cooling units of any type, lighting fixtures, refrigerators, dishwasher, disposal equipment, ranges, toilets, or other appliances or fixtures that may be in, connected with, or servicing solely his or her Unit. Each Unit shall be maintained so as to not detract from the appearance of the Community and so as to not adversely affect the value or use of any other Unit.

(b) Limited Common Area. Each Unit Owner shall, at its own cost, keep the Limited Common Areas in a clean, sanitary and attractive condition at all times, but the Association shall be responsible to maintain, repair and replace the Limited Common Areas.

7.2 Maintenance by Association.

The Association shall maintain the Common Areas of the Property, including the Limited Common Areas. However, if the Common Areas are damaged by the willful misconduct of an Owner, their guests, tenants, or invitees, the Owner shall be responsible for all such damage.

Additionally, the Association, by and through the Management Committee, may, but shall not be obligated to, assume the Owner's general maintenance responsibility over a Unit and Limited Common Area if, in the opinion of the Management Committee, the Owner is unwilling or unable to adequately provide such maintenance. Before assuming such maintenance responsibility, the Management Committee shall provide notice to the Owner of its intention to do so, and if such Owner has not commenced and diligently pursued remedial action with ten (10) days after mailing of such written notice, then the Association may proceed to maintain the Unit. The expenses of such maintenance incurred by the Association shall be reimbursed to the Association by the Owner. Such expenses shall be levied and collected in the same manner as assessments pursuant to this Declaration and the Bylaws.

ARTICLE VIII - COMPLIANCE AND ENFORCEMENT

8.1 Compliance.

Each Owner, tenant or occupant of a Unit shall comply with the provisions of the Governing Documents and any applicable statute. Failure to comply therewith shall be grounds for an action or suit maintainable by the Association or an aggrieved Owner.

8.2 Remedies.

Violation of any provisions of the Governing Documents, or of any decision of the Association made pursuant to such documents, shall give the Management Committee acting on behalf of the Association, the right, but not the obligation, in addition to any other rights set forth in this Declaration or the Bylaws, or under law, to do any or all of the following after giving notice:

(a) Subject to the provisions of this Declaration, to enter the Unit as to which such violation exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist contrary to the intent and meaning of such provisions, and the Management Committee shall not thereby be deemed guilty of any manner of trespass, provided that judicial proceedings shall be instituted before any items of construction may be altered or demolished;

(b) To enjoin, abate, or remedy such thing or condition by appropriate legal proceeding;

(c) To levy fines, and any violation of any express rule, regulation, covenant, restriction, or term of any of the Governing Documents of the Association shall be subject to

a fine in the amount of \$50 for a first offense and \$100 for subsequent offenses or \$10 a day for a continuing violation, or such other amount or amounts as may be determined by the Committee from time to time. A subsequent violation of the same specific type occurring within 12 months of a prior violation shall be deemed the same violation for the purpose of notice and shall be subject to an immediate fine without further warning or notice;

(d) To terminate the right to receive utility or other services paid for by the Association, and to terminate the right of access to and use of recreational and service facilities of the Association until the correction of the violation has occurred;

(e) To suspend the voting rights after notice and an opportunity to request a hearing for any period not to exceed sixty (60) days (except in the case of a continuing violation) for any violation of the Governing Documents, including failure to timely pay an assessment; or

(f) Bring suit or action against the Owner on behalf of the Association and other Owners to enforce the Governing Documents and the Association shall be entitled to recovery of its attorneys' fees and costs in such case.

8.3 Action by Owners.

Subject to any limitation imposed under this Declaration, the Bylaws, or Utah law, an aggrieved Owner may bring an action against such other Owner or the Association to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

8.4 Injunctive Relief.

Nothing in this section shall prevent an Owner, the Association, or other interested party from resort to a court of competent jurisdiction in those instances where injunctive relief may be appropriate.

8.5 Notification of First Mortgagee.

The Management Committee shall notify in writing any first Mortgagee of any individual Unit of any default in performance of the terms of this Declaration by the Unit Owner which is not cured within sixty (60) days provided such Mortgagee has requested in writing to be so notified.

ARTICLE IX - INSURANCE

9.1 Association Insurance.

9.1.1. The Association shall maintain a master insurance policy which includes: (1) blanket property insurance with not less than 100% of the full replacement cost for the physical structures in the condominium project, including common areas and facilities, limited common areas and facilities, and units, and including fixtures and betterments to a unit made by a unit owner, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils; and (2) liability insurance having at least a One Million Dollar (\$1,000,000.00) limit per total claims that arise from the same occurrence, including medical payments insurance covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common areas and facilities.

9.1.2. The master insurance policy shall include coverage for any fixture, improvement, or betterment installed by a unit owner to a unit or to a limited common area, including a floor covering, cabinet, light fixture, electrical fixture, heating or plumbing fixture, paint, wall covering, window, and any other item permanently part of or affixed to a unit or to a limited common element.

9.1.3. If, in the exercise of the business judgment rule, the Management Committee determines that a claim is likely not to exceed the policy deductible of the Association: (i) the unit owner's policy is considered the policy for primary coverage to the amount of the policy deductible of the Association; (ii) a unit owner who does not have a policy to cover the Association's insurance deductible is responsible for the loss to the amount of the deductible, as provided below; and (iii) the Association need not tender the claim to the Association's insurer.

9.1.4. The Association shall obtain fidelity coverage covering all Committee members, officers, employees, Managing Agents, and other persons handling or responsible for the funds of, or administered by, the Association, in such amounts as the Management Committee deems appropriate, subject to the requirements in this paragraph. All such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum amount of funds, including reserve funds, in the custody of the Association or Managing Agent, as the case may be, at any given time during the term of each bond, but in no event less than three (3) months assessment on all Units, plus reserves. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the Managing Agent, shall be paid by the Association as a common expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Association or insurance trustee.

9.1.5. The Association shall obtain such other insurance as the Committee deems necessary from time to time such as workers' compensation insurance and director's and officer's insurance and shall obtain flood insurance if any portion of the Project is deemed to be located within an area which has been officially identified by the Secretary of Housing and Urban Development as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program, in which case the Association shall be required to obtain and pay the premiums upon a "master" or "blanket" policy of flood insurance on the buildings and any other property covered by the required form of policy in an amount deemed appropriate by the Association but not less than an amount equal to eighty percent (80%) of the current replacement costs of all buildings and other insurable property within the Project.

9.1.6. The Association shall use generally acceptable insurance carriers. Specific requirements for qualifications of insurance carriers may be found in the FNMA Conventional Home Mortgage Selling Contract Supplement and the FHLMC Sellers Guide.

9.2. Unit Owner Insurance Responsibility. For units, the Association's policy is primary but the unit owner is responsible for the deductible as follows:

9.2.1. If a loss occurs that is covered by the Association's policy and by a unit owner's policy, the Association's policy provides primary insurance coverage; and, the unit owner's policy applies to that portion of the loss attributable to the policy deductible of the Association.

9.2.2. If a unit, or limited common area or facility appurtenant to a unit, suffers damage as part of a covered loss, the unit owner is responsible for an amount calculated by applying the percentage of total damage resulting in a covered loss that is attributable to unit damage for that unit to the amount of the deductible under the Association's policy. The Association shall provide notice to the unit owners of any change in the amount of the deductible.

9.2.3. The Association's policy does not cover the contents of a unit or a unit owner's personal property. Each unit owner is strongly encouraged to obtain insurance coverage for contents of their unit, as well as for coverage in the event the owner has to pay the Association's deductible as provided above

9.3 *Obligation of Unit Owner to Repair and Restore.*

9.3.1 In the event that any damage or destruction of the improvements in a Unit or to an adjoining Unit are due to the neglect and/or fault of a particular Owner, the insurance proceeds from the "at fault" Owner's insurance policy on an improved Unit, unless retained by a Mortgagee of a Unit, shall be applied first to the repair, restoration or replacement of the damaged or destroyed improvements.

Any such repair, restoration or replacement shall be done in accordance with the plans and specifications for such improvements originally approved by the developer or the Management Committee as the case may be; unless the Owner desires to construct improvements differing from those so approved, in which event the Owner shall submit plans and specifications for the improvements to the Management Committee and obtain its written approval prior to commencing the repair, restoration or replacement.

9.4 *Power of Attorney*

9.4.1 Notwithstanding any of the foregoing provisions and requirements relating to Association property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any insurance trust agreement (the "Insurance Trustee") who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. By purchasing a Unit, all Owners appoint the Association or any Insurance Trustee designated by the Association as attorney-in-fact for the purpose of purchasing and maintaining the insurance specified in this section, including: (1) the collection and appropriate disposition of the proceeds thereof; (2) the negotiation of losses and execution of releases of liability; (3) the execution of all documents; and (4) the performance of all other acts necessary to accomplish such purpose.

9.4.2 By purchasing a Unit, all Owners appoint the Association or any trustee designated by the Association as attorney-in-fact for the purpose of representing the Owners in condemnation proceedings or negotiations, settlements, and agreements with the condemning authority for acquisition of the Common Areas, or part thereof, by the condemning authority.

9.5 *Miscellaneous Insurance Policy Requirements.*

The Association shall be named as the insured on the master policy. The policies required herein for the Association must provide that they may not be cancelled or substantially modified

without at least thirty (30) days prior written notice to the Association and to each holder of a first mortgage listed as a scheduled holder of a first mortgage in the policies. No policies shall require that contributions or assessments may not be made against borrowers, FNMA, FHLMC, or the designee of FNMA or FHLMC. Loss payments shall not be contingent upon action by the carrier's board of directors, policyholders, or members.

ARTICLE X - AMENDMENT AND DURATION

10.1 Amendments.

(a) How Proposed. Amendments to the Declaration shall be proposed to the membership only by the Management Committee, either on its own initiative, or after it receives a written request to do so signed by Owners holding twenty percent (20%) or more of the voting rights of the Association. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for approval or consent to the amendment.

(b) Approval Required. This Declaration may be amended if such amendment is approved by Owners holding sixty percent (60%) of the voting rights of the Association, subject to the approval of Eligible Holders as required herein. Notwithstanding anything herein to the contrary, the Governing Documents may be amended by the Management Committee without approval of the Members if necessary to comply with FHA or other regulatory or lending guidelines or restrictions in order to facilitate the ability to secure financing for the sale of Units.

(c) Execution and Recordation. An amendment shall not be effective until the amendment is certified by the president of the Association as being adopted in accordance with this Declaration and is acknowledged and recorded in the appropriate County Recorder's Office.

10.2 Duration.

All provisions, covenants, conditions and restrictions contained in this Declaration shall continue and remain in full force and effect until there is recorded an instrument directing the termination of this Declaration after the vote and approval of (i) eighty percent (80%) of all of the Owners of the Units, and (ii) sixty-seven percent (67%) of the votes of Eligible Holders. Any such termination shall become effective only if a certificate of the president and secretary of the Association, certifying that termination as of a specified termination date has been approved in the manner required herein, is duly acknowledged and recorded in the County Recorder's Office not less than six (6) months prior to the intended termination date.

ARTICLE XI – MORTGAGEE RIGHTS

11.1 Approval Required.

In addition to any other approvals required by this Declaration or the Bylaws, the prior approval of fifty-one percent (51%) of the Eligible Holders (based upon one vote for each Mortgage owned) must be obtained for the following:

(a) The abandonment, termination, or removal of the Property from the provisions of

this Declaration, except when provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(b) The addition of Common Property;

(c) Any material amendment to this Declaration or the Bylaws. Except for an amendment to the Declaration or Bylaw if its purpose is to correct technical errors or to clarify, a change to the following would be considered as material: (1) Voting rights; (2) The funding of reserves for maintenance, repair, and replacement of the Common Areas; (3) Changing general responsibility for maintenance and repairs (excluding minor changes); (4) Redefinition of any Unit boundaries; (5) Convertibility of Units into Common Property or vice versa; (6) Expansion or contraction of the project, or the addition, annexation, or withdrawal of property from the project; (7) Insurance or fidelity bond; (8) Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration or the Bylaws; (9) Any action to terminate the legal status of the project after substantial destruction or condemnation occurs; (10) Assessments, assessment liens, or subordination of such liens; (11) Rights to use of Common Areas; (12) The interest in the general or limited Common Area; (13) Imposition of any right of first refusal of similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit; (14) Change by the Association from professional management to self-management and vice versa; (15) Any provisions that expressly benefit mortgage holders, insurers, or guarantors; or

(d) Use of hazard insurance proceeds for losses to any planned community property, whether to Units, for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units.

11.2 Additional Rights.

In addition to the approvals required above, each mortgagee (or beneficiary of a trust deed or vendor and including guarantors) shall have the following rights:

(a) Right to Examine Books and Records. All mortgagees shall have the right to examine the books and records of the Association upon reasonable notice and at reasonable times.

(b) Right to Annual Reports. All mortgagees shall, upon written request, be entitled to receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

11.3 Request for Approval of Mortgagees.

If an Eligible Holder's consent is a condition for amending the Declaration or Bylaws, then, subject to Section 11.4, the Eligible Holder's consent is presumed if: (a) written notice of the proposed amendment or action is sent by certified or registered mail to the Eligible Holder's address provided to the Association by such Eligible Holder; (b) 60 days have passed after the day on which notice was mailed; and (c) the person designated for receipt of the response in the notice has not received a written response from the Eligible Holder either consenting to or refusing to accept the amendment or action.

11.4 Rights of Eligible Holders.

In addition to the approvals required and the rights provided above, each Eligible Holder shall

have the following rights:

(a) **Right to Receive Written Notice of Meetings.** The Association shall give all Eligible Holders written notice of all meetings of the Association, and such Eligible Holders shall be permitted to designate a representative to attend all such meetings.

(b) **Right to Notice of Proposed Amendments.** All Eligible Holders, upon written request to the Association, will be entitled to timely written notice of any proposed amendment effecting a change in: (1) the boundaries of any Unit or the exclusive easement rights appertaining thereto; (2) the interests in the general or limited Common Areas appertaining to any Unit or the liability for common expenses appertaining thereto; (3) the number of votes in the Association appertaining to any Unit; or (4) the purposes to which any Unit or the Common Areas are restricted.

(c) **Other Rights to Notice.** All Eligible Holders, upon written request to the Association, will be entitled to timely written notice of: (1) any proposed termination of the condominium regime; (2) any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Unit on which the Eligible Holder holds a Mortgage interest; (3) any delinquency in the payment of assessments or charges owed by the Owner of a Unit subject to a Mortgage of the Eligible Holder, where such delinquency has continued for a period of 60 days; (4) any lapse, cancellation or material modification of any insurance policy maintained by the Association.

ARTICLE XII - MISCELLANEOUS PROVISIONS

12.1 Premises Liability.

The Association and the Management Committee is and shall remain wholly free and clear of any and all liability to, or claims by, all Unit Owners and all persons and entities, of whatever kind or character, whether sounding in contract or tort, deriving from the occurrence of any injury or damage to any person or property on, or in respect of the use and operation of, the Common Area or any of its improvements, fixtures, and facilities and a Unit Owner shall defend, indemnify and hold harmless the Association and Management Committee against such claim, loss or liability asserted by such Unit Owner or his or her guest, invitee, licensee, tenant, or visitor. In this respect, it shall be the affirmative duty and responsibility of each Unit Owner and user of the Common Area facilities to continuously inspect the same for any defects or perils or other unsafe conditions or circumstances, prior to and during such use or enjoyment thereof; and all users of, and visitors to, the Common Area and its improvements and facilities shall use, enjoy, and visit, the same at their own risk and peril.

12.2 Interpretation

All questions of interpretation or construction of any of the covenants or restrictions in the Governing Documents shall be resolved by the Management Committee, and its decision shall be final, binding and conclusive on all parties affected for all purposes.

12.3 Invalidity; Number; Captions.

The invalidity of any part of this Declaration shall not impair or affect in any manner the validity, enforceability, or effect of the balance of this Declaration. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include

the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Declaration.

12.4 Joint Owners.

In any case in which two or more persons share the ownership of any Unit, regardless of the form of ownership, the responsibility of such persons to comply with this Declaration shall be a joint and several responsibility and the act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Management Committee, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter in accordance with the Bylaws.

12.5 Lessees and Other Invitees.

Lessees, invitees, contractors, family members and other persons entering the Property under rights derived from an Owner shall comply with all of the provisions of this Declaration, the Bylaws and rules and regulations adopted by the Association restricting or regulating the Owner's use, improvement or enjoyment of such Owner's Unit and other areas within the Property. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner.

12.6 Waiver, Precedent and Estoppel.

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

12.7 Notice of Sale, Mortgage, Rental, or Lease.

Immediately upon the sale, mortgage, rental, or lease of any Unit, the Owner shall promptly inform the secretary or manager of the name and address of said grantee, vendee, mortgagee, lessee, or tenant.

12.8 Person to Receive Service of Process.

The person designated to receive service of process on behalf of the Project, in the cases provided by the Utah Condominium Ownership Act, is the registered agent of the Association, as that agent may be designated by the Association from time to time and as reflected in the records of the Utah Division of Corporations and Commercial Code.

IN WITNESS WHEREOF, Cornell Condominium Homeowners Association, has executed this Declaration this 31 day of January, 20 14.

**CORNELL CONDOMINIUM
HOMEOWNERS ASSOCIATION**

Lori K. McDonald
By: Lori K. McDonald
Its: President, HOA

STATE OF UTAH)
)ss:
County of SALT LAKE)

The foregoing instrument was acknowledged before me on this 31 day of
JANUARY, 20 14 by LORI McDONALD, of Cornell
Condominium Homeowners Association.

James D. Grierson
Notary Public for Utah

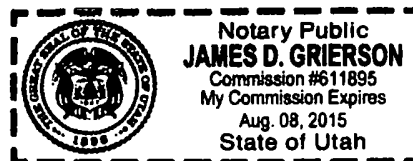


EXHIBIT A

Legal Description

Units 1 – 12, CORNELL CONDOMINIUMS, according to the official plat thereof recorded in the records of the Salt Lake County Recorder.

First Parcel #: 16062330010000

EXHIBIT B

Unit Numbers, Square Footage, and Undivided Interests in Common Areas

The undivided interest in the common areas and facilities allocated to Units 1 - 12 are equal and are each 8.3333%.

Approximate square footage is shown on the plat.

Units shall have the exclusive use of the parking space bearing the same number as the Unit. Parking space numbers will be assigned to the spaces by the Management Committee.

EXHIBIT C

BYLAWS

OF

CORNELL CONDOMINIUM HOMEOWNERS ASSOCIATION

ARTICLE 1

PLAN OF UNIT OWNERSHIP

1.1 Name and Location. These are the Bylaws of the Cornell Condominium Homeowners Association (the "Association"). Cornell Condominiums is a residential condominium project that has been subjected to a Declaration for the Cornell Condominiums, recorded concurrently herewith in the records of the County Recorder (the "Declaration").

1.2 Principal Office. The principal office of the Association shall be located at such office as may be designated by the Management Committee from time to time.

1.3 Purposes. This Association is formed to serve as a means through which the Unit Owners may take action with regard to the administration, management and operation of the properties and Units therein.

1.4 Applicability of Bylaws. The Association, all Unit Owners and all persons using the Property shall be subject to these Bylaws and to all rules and regulations which may be adopted pursuant to the Declaration and these Bylaws.

1.5 Composition of Association. The Association shall be composed of all Unit Owners and the Association, itself, to the extent any of these own any Unit or Units of the Property.

1.6 Definitions. The definitions contained in or adopted by the Declaration shall be applicable to these Bylaws.

ARTICLE 2

MEETING OF ASSOCIATION

2.1 Place of Meeting. The Association shall hold meetings at such suitable place as may be designated by the Management Committee from time to time.

2.2 Annual Meetings. Each regular annual meeting of the members shall be held each

year on the day and at a time and place within the State of Utah selected by the Management Committee of the Association.

2.3 Special Meetings. The Association shall hold a special meeting of its members on call of (1) the Management Committee, or (2) if the Association receives one or more written demands for the meeting that state the purpose or purposes for which the meeting is to be held, and are signed and dated by members holding at least twenty-five percent (25%) of all the votes entitled to be cast on any issue proposed to be considered at the meeting. If a notice for a special meeting demanded by the members is not given by the Committee within 30 days after the date the written demand is delivered to an Association officer, a person signing the demand may set the time and place of the meeting and give notice pursuant to the requirements herein. Business transacted at a special meeting shall be confined to the purposes stated in the notice of the meeting.

2.4 Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, in a fair and reasonable manner, including by delivering a copy of such notice to each member entitled to vote thereat, in accordance with the notice requirements specified in these Bylaws, and sufficiently in advance of the meeting to provide fair and reasonable notice of the meeting, as determined by the Committee. Notice shall always be deemed fair and reasonable if given 10 days before the meeting, but shorter notice may also be fair and reasonable when all the circumstances are considered. The notice shall specify the place, day and hour of the meeting, and must include a description of any matter that must be approved by the members and, in the case of a special meeting, the purpose of the meeting.

2.5 Voting. Each Unit shall be allocated such vote in the affairs of the Association equal to the percentage of undivided interest in the Common Areas and facilities appertaining to such Unit, as set forth in Exhibit B. The Management Committee shall be entitled to vote on behalf of any Unit which has been acquired by or on behalf of the Association, except the Management Committee shall not be entitled to vote such Units in any election of Committee members.

2.6 Proxies, Absentee Ballots and Rights of Mortgagees.

2.6.1 Proxies. A vote may be cast in person or by proxy. A proxy given by an Owner to any person who represents the Owner at meetings of the Association shall be in writing, dated and signed by such Owner and shall be filed with the secretary in accordance with procedures adopted by resolution of the Management Committee. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy; however, no proxy may be valid for more than eleven (11) months after the date of execution. No proxy shall be valid if it purports to be revocable without notice. An Owner may not revoke a proxy given except by actual notice of revocation to the person presiding over a meeting of the Association, or to the Management Committee if a vote is being conducted by written ballot in lieu of a meeting. Every proxy shall automatically cease upon sale of the Unit.

2.6.2 Absentee Ballots. A vote may be cast by absentee ballot.

2.6.3 Mortgagee Rights. An Owner may pledge or assign the owner's voting rights to a Mortgagee. In such a case, the Mortgagee or its designated representative shall be entitled to receive all notices to which the owner is entitled hereunder and to exercise the owner's voting rights from and after the time that the Mortgagee shall have given written notice of the pledge or assignment to the Management Committee. Any first Mortgagee may designate a representative to attend all or any meetings of the Association.

2.7 Fiduciaries and Joint Owners.

(a) Fiduciaries. An executor, administrator, guardian, or trustee may vote in person or by proxy, at any meeting of the Association with respect to any Unit owned or held in such capacity, whether or not the same shall have been transferred to his or her name; provided, that the person shall satisfy the secretary that he or she is the executor, administrator, guardian, or trustee holding the Unit in such capacity.

(b) Joint Owners. Whenever any Unit is owned by two or more persons jointly, according to the records of the Association, the vote of the Unit may be exercised by any one of the Owners then present, in the absence of protest by a co-owner. In the event of a protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of the Unit shall be disregarded completely in determining the proportion of votes given with respect to the matter.

2.8 Quorum of Owners.

(a) At any regular annual meeting of the Association, the Members that are represented for any purpose at the annual meeting shall constitute a quorum, except for matters requiring a higher quorum as provided in the Declaration or these Bylaws. For any other meeting of the Association, including special meetings or action taken without a meeting, and except as otherwise provided in the Declaration or these Bylaws, Members holding thirty percent (30%) of the voting rights, represented in person, by proxy, or by written ballot, shall constitute a quorum.

(b) The subsequent ratification of an Owner of the action taken at a meeting shall constitute the presence of the person for the purpose of determining a quorum. When a quorum is once present to organize a meeting it cannot be broken by the subsequent withdrawal of an Owner or Owners.

(c) If any meeting of Members cannot be organized because of a lack of quorum, the Members who are present may adjourn the meeting to a time at least 48 hours from the time of the meeting at which a quorum was not present and the quorum requirement at any such adjourned meeting shall be 15% of the voting rights of Members.

2.9 Binding Vote. The vote of the holders of more than fifty percent (50%) of the voting rights present, in person, by proxy, or by absentee ballot at a meeting at which a quorum is constituted shall be binding upon all owners for all purposes except where a higher percentage vote is required by law, the Declaration, or these Bylaws.

2.10 Order of Business. The order of business at annual meetings of the Association shall be according to the order established by the President, and by way of example, may include the following: (a) Calling of the roll and certifying of proxies; (b) Proof of notice of meeting or waiver of notice; (c) Reading of minutes of preceding meeting; (d) Reports of officers; (e) Reports of committees, if any; (f) Election of Committee members; (g) Unfinished business; (h) New business; and (i) Adjournment.

2.11 Meeting Procedure. Rules of order may be adopted by resolution of the Management Committee, otherwise, the President shall conduct meetings according to the procedure he or she deems fit. A decision of the Association may not be challenged on the basis that appropriate rules of order were not used.

2.12 Action by Written Ballot in Lieu of a Meeting.

2.12.1 Action by Written Ballot. At the discretion of the Management Committee, any action, except removal of Committee members, that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Owner that is entitled to vote on the matter not less than fifteen (15) days prior to the date on which the ballots must be received by the Association in order to be counted.

2.12.2 Form and Effect of Ballot. The written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action. A written ballot may not be revoked.

2.12.3 Information Required in Ballot Solicitations. All solicitations for votes by written ballot must state the number of responses needed to meet any applicable quorum requirements and the total percentage of votes needed for approval, and specify the time by which a ballot must be received by the Association in order to be counted.

2.12.4 Secrecy Procedure. The Management Committee may elect to conduct a vote pursuant to this section by a secrecy procedure whereby a written ballot is accompanied by: (1) A secrecy envelope; (2) A return identification envelope to be signed by the owner; and (3) Instructions for marking and returning the ballot.

2.12.5 Determination of Vote. The outcome of a vote by written ballot in lieu of a meeting shall be determined by the Management Committee within seventy-two (72) hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within forty-eight (48) hours of the postponed date. Matters that may be voted on by written ballot shall be deemed approved or rejected as follows:

(a) If approval of a proposed action would otherwise require a meeting at which a certain quorum must be present and at which a certain percentage of total votes cast is required to authorize the action, the proposal will be deemed to be approved when the date for return of ballots has passed, a quorum of owners has voted and the required percentage of approving votes has been received. Otherwise, the proposal shall be deemed to be rejected.

(b) If approval of a proposed action otherwise would require a meeting at which a specified percentage of owners must authorize the action, the proposal shall be deemed to be approved when the percentage of total votes cast in favor of the proposal equals or exceeds such required percentage. The proposal shall be deemed to be rejected when the number of votes cast in opposition renders approval impossible or when both the date for return of ballots has passed and such required percentage has not been met.

(c) Except as provided in Subsection 2.12.5(4), votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are entered.

(d) Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

2.12.6 Owner Notification of Ballot Results. The Committee shall notify each Owner within fifteen (15) days after the ballots have been counted of the results of the ballot meeting, or that a quorum of ballots was not returned.

2.13 Action Without a Meeting.

(a) Any action that may be taken at any annual, regular or special meeting of the Association, may be taken without a meeting and without solicitation of written ballots pursuant to this Section 2.13, if the action is taken by the number of owners required to pass the action.

(b) The action must be evidenced by one or more written consents describing the action taken, signed by the number of owners required to pass the action, and delivered to the Association for inclusion in the minutes or filing with the Association records.

(c) Action taken under this section is effective when the last owner signs the consent, unless the consent specifies an earlier or later effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

ARTICLE 3 MANAGEMENT COMMITTEE – SELECTION, TERM OF OFFICE

3.1 Number, Term and Qualifications.

(a) The affairs of the Association shall be governed by a Management Committee composed of at least three (3) and not more than five (5) Committee members, as determined by the Committee.

(b) Members of the Management Committee shall serve for a term of three (3) years.

(c) All Committee members must be an Owner or the co-owner of a Unit. However, multiple owners of the same Unit may not serve as Committee members simultaneously. An

officer or employee of a corporation, a partner of a partnership, a trustee of a trust, a personal representative of an estate or an employee of a trust or estate, may serve on the Committee if the corporation, partnership, trust or estate owns a Unit.

3.2 Vacancies. Vacancies on the Management Committee, caused by any reason other than the removal of a Committee member by a vote of the Association, shall be filled for the balance of the term of each Committee membership by vote of a majority of the remaining Committee members even though they may constitute less than a quorum. Each person so elected shall be a Committee member until a successor is elected upon expiration of the term for which the person was elected by the other Committee members to serve.

3.3 Removal of Committee members.

(a) At any annual or special meeting, any one or more of the Committee members, other than interim Committee members, may be removed, with or without cause, by a majority of the voting interests of the Members. A successor may be elected at that meeting to fill the vacancy thus created. The notice of the meeting must state that the removal is to be considered and any Trustee whose removal has been proposed by the owners may be given an opportunity to be heard at the meeting.

(b) The Management Committee may declare the office of a member of the Management Committee to be vacant in the event such member is absent from three (3) consecutive regular meetings of the Management Committee. The vacancy shall be filled as provided in Section 3.2 above.

3.4 Compensation. No Committee member shall receive compensation for any service he or she may render to the Association. However, any Trustee may be reimbursed for actual expenses incurred in the performance of his or her duties.

3.5 Action Taken Without A Meeting. The Committee members shall have the right to take any action in the absence of a meeting which they could take a regular or special meeting by obtaining the written approval of all the Committee members. Any action so approved shall have the same effect as though taken at a meeting of the Committee members.

ARTICLE 4

NOMINATION AND ELECTION OF MANAGEMENT COMMITTEE MEMBERS

4.1 Nomination.

(a) Method of Nomination. Nomination for election to the Management Committee may be made by a Nominating Committee. Nominations may also be made from the floor at a meeting. The Nominating Committee shall make as many nominations for election to the Management Committee as it shall in its discretion determine, but not less than the number of vacancies.

(b) Nominating Committee. The Nominating Committee, if any, shall consist of a

chairman, who shall be a member of the Management Committee; and two (2) or more members of the Association.

4.2 Election. At the election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE 5 MEETINGS OF MANAGEMENT COMMITTEE

5.1 Organizational Meeting.

(a) Location, Date and Time. The first meeting of a newly-elected Management Committee shall be held within fourteen (14) days of election at such place, date and time as shall be fixed by the Committee members at the meeting at which the Committee members were elected and no notice shall be necessary to owners or to the newly elected Committee members in order to legally hold the meeting providing a majority of the elected Committee members are present.

(b) Procedure and Business. Until the election of new officers, the meeting shall be chaired by the outgoing president, or in the absence of such person, the outgoing secretary, regardless of whether the outgoing president or secretary is as member of the newly constituted Committee. At the organizational meeting, the Management Committee shall elect officers in accordance with Section 7.2 below and may conduct any other Association business.

5.2 Regular Meetings. Regular meetings of the Management Committee shall be held at such place and hour as may be fixed from time to time by the Committee, and if so fixed, no notice thereof need be given. Should the meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday, or at another date and time agreed upon by the Management Committee with notice to all members of the Management Committee.

5.3 Special Meetings. Special meetings of the Management Committee shall be held when called by the president of the Association, or by any two (2) Committee members, after not less than three (3) days notice to each Committee member by mail, electronic mail, telephone, or facsimile, unless waived pursuant to 5.7 below. The notice must state the time, place, and purpose of the meeting.

5.4 Meeting Procedure. Unless other rules of order are adopted by resolution of the Management Committee: (a) Meetings of the Management Committee shall be conducted by the President; (b) A decision of the Management Committee may not be challenged because the appropriate rules of order were not used; (c) A decision of the Management Committee is deemed valid without regard to any procedural errors related to the rules of order unless the error appears on the face of a written instrument memorializing the decision.

5.5 Open Meetings; Executive Sessions.

5.5.1 Open Meetings. Except as provided in subsection 5.5.2, all meetings of the Management Committee shall be open to Unit Owners. However, no Owner shall have a right to participate in the Management Committee meeting unless the Owner is also a member of the Committee. The president or Committee shall have the authority to exclude an Owner who disrupts the proceedings at a Committee meeting.

5.5.2 Executive Sessions. In the discretion of the Committee, the following matters may be considered in executive session:

- (a) Consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation or criminal matters;
- (b) Personnel matters, including salary negotiations and employee discipline;
- (c) The negotiation of contracts with third parties;
- (d) Collection of unpaid assessments; and
- (e) Other matters of a sensitive, private, or privileged nature at the discretion of the Committee.

5.5.3 Executive Session Procedure. Except in the case of an emergency, the Management Committee shall vote in an open meeting whether to meet in executive session. If the Committee votes to meet in executive session, the president or other presiding officer shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

5.6 Meetings by Telephonic or Electronic Communication. In the event of an emergency, or by decision of the Committee, meetings of the Management Committee may be conducted by telephonic communication or by the use of a means of communication that allows all members of the Management Committee participating to hear each other simultaneously or otherwise to be able to communicate during the meeting.

5.7 Waiver of Notice. Any Committee member may, at anytime, waive notice of any meeting of the Management Committee in writing, and the waiver shall be deemed equivalent to the giving of the notice. Attendance by a Committee member at any meeting of the Committee shall constitute a waiver of notice by the Committee member, except where the Committee member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all Committee members are present at any meeting of the Committee, no notice to Committee members shall be required and any business may be transacted at the meeting.

5.8 Quorum and Acts. At all meetings of the Management Committee a majority of the existing Committee members shall constitute a quorum for the transaction of business and the acts of the majority of the Committee members present shall be the acts of the Management Committee. If, at any meeting of the Management Committee, there be less than a quorum

present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

ARTICLE 6 POWERS, RIGHTS, AND DUTIES OF THE MANAGEMENT COMMITTEE

6.1 General Powers and Duties. The Management Committee shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, the Declaration or by these Bylaws directed to be exercised and done by the Owners.

6.2 Specific Powers. In addition to powers imposed by the Declaration, these Bylaws or by resolutions of the Association, the Utah Revised Nonprofit Corporation Act or other applicable law, the Management Committee shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area, including any improvements and amenities located thereon, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

(b) Suspend the voting rights and right to use of any recreational facilities located on any Common Area of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended for a period not to exceed sixty (60) days for infraction of published rules and regulations or any provisions of the Declaration.

(c) Declare the office of a member of the Management Committee to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Management Committee.

(d) Employ a manager, independent contractor, or such other individuals, entities or employees as they deem necessary and to prescribe their duties.

(e) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

(f) As more fully provided in the Declaration, to foreclose the lien against any Units for which Assessments are not paid within thirty (30) days after the due date thereof or to bring an action at law against the Owner personally obligated to pay the same;

(g) As more fully provided in the Declaration, to procure and maintain adequate liability and hazard insurance on property owned by the Association or maintained by the Association.

(h) Cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate.

(i) Cause to be maintained the Common Area and any other areas shown on the Plat that may be owned by governmental entities who are not maintaining such areas and any other property required to be maintained by the Declaration or any supplemental declaration annexing Additional Property to the Community.

(j) Establish and maintain the financial accounts of the Association.

(k) Establish a budget for payment of all Common Expenses of the Association, and institute and maintain a voucher system for payment, which may require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of the Association's funds.

(l) In the Management Committee's discretion, appoint such committees as deemed appropriate in carrying out its purpose.

6.3 Best Interest of Association and Reliance on Information. A Committee member or officer shall discharge the Committee member or officer's duties (a) in good faith, (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and (c) in a manner the Committee member or officer reasonably believes to be in the best interests of the nonprofit corporation. The Management Committee shall, at all times, keep themselves informed and take such steps and necessary actions as a reasonable, prudent person would do to serve the best interest of the Association.

In discharging duties, a Committee member or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (a) one or more officers or employees of the nonprofit corporation whom the Committee member or officer reasonably believes to be reliable and competent in the matters presented, (b) legal counsel, a public accountant, or another person as to matters the Committee member or officer reasonably believes are within the person's professional or expert competence, or (d) in the case of a Committee member, a sub-committee of the Association or Management Committee of which the Committee member is not a member if the Committee member reasonably believes the sub-committee merits confidence.

ARTICLE 7 OFFICERS AND THEIR DUTIES

7.1 Designation and Qualification.

(a) **Designation.** The principal officers of the Association shall be a president, a vice-president, a secretary and a treasurer. The Committee members may designate the office of assistant treasurer and assistant secretary.

(b) **Qualifications.** The president and vice-president shall be a member of the Management Committee, but the other officers need not be Committee members or Owners. Any Committee member may be an officer of the Association.

(c) **Multiple Offices.** The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices specified in subsection (a) of this section.

(d) **Special Appointments.** The Committee may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Committee may, from time to time, determine.

7.2 Election and Vacancies. The officers of the Association may be elected by the Management Committee at the organizational meeting of each new Committee or any Management Committee meeting thereafter to serve until their respective successors are elected at the next organizational meeting. If any office becomes vacant by reason of death, resignation, removal, disqualification or any other cause, the Management Committee shall elect a successor to fill the unexpired term at any meeting of the Management Committee.

7.3 Resignation. Any officer may resign at any time by giving written notice to the Management Committee, the president or the secretary. The resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

7.4 Removal of Officers. Officers shall hold office at the pleasure of the Management Committee. Upon an affirmative vote of a majority of the members of the Management Committee any officer may be removed, either with or without cause.

7.5 Compensation of Officers. No officer who is a member of the Management Committee may receive any compensation from the Association for acting as an officer, unless the compensation is authorized by a binding vote of the Owners. The Management Committee may fix any compensation to be paid to any officers who are not also Committee members.

7.6 Duties of Officers. The duties of the officers are as follows:

(a) President. The president shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Management Committee. The president shall have all of the general powers and duties which are usually vested in the office of president of an association. The president shall have the authority to sign all leases, mortgages, deeds and other written instruments.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Committee. The Vice-President shall likewise have the authority to sign all leases, mortgages, deeds and other written instruments.

(c) Secretary. The secretary shall keep the minutes of all meetings of the Management Committee and the minutes of all meetings of the Association, have charge of such books, papers and records as the Management Committee may direct, and in general, perform all of the duties incident to the office of secretary.

(d) Treasurer. The treasurer shall have responsibility for the Association's funds and securities not otherwise held by a managing agent, and shall be responsible for causing full and accurate accounts of all receipts and disbursements to be kept in books belonging to the Association. The treasurer shall be responsible for causing the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may, from time to time, be designated by the Management Committee and disbursing funds as

directed by resolution of the Management Committee.

ARTICLE 8 INDEMNIFICATION OF OFFICERS AND COMMITTEE MEMBERS

Each officer and Committee member of the Association, in consideration of his or her services, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he or she may be a party by reason of being or having been a Committee member or officer of the Association. The foregoing right to indemnification shall be exclusive of any other rights to which the Committee member or officer or person may be entitled by law or agreement or vote of the members or otherwise.

ARTICLE 9 RECORDS AND AUDITS

The Association shall maintain within the State of Utah, all documents, information and other records of the Association in accordance with the Declaration, these Bylaws and the Utah Revised Nonprofit Corporation Act in the manner prescribed by a resolution adopted by the Management Committee.

9.1 General Records.

(a) The Management Committee and managing agent or manager, if any, shall keep records of the actions of the Management Committee and managing agent or manager; minutes of the meetings of the Management Committee; and minutes of the meeting of the Association.

(b) The Management Committee shall maintain a Book of Resolutions containing the rules, regulations, and policies adopted by the Association and Management Committee.

(c) The Management Committee shall maintain a list of Owners. The list of Owners may specify whether the Owner is an Owner in Good Standing or a Suspended Owner.

(d) The Association shall retain within this State, all records of the Association for not less than the period specified in applicable law.

9.2 Records of Receipts and Expenditures. The Management Committee or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Community, itemizing the maintenance and repair expenses of the Common Area or Association property and any other expenses incurred.

9.3 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. The account shall designate the Unit number, the name and address of the Owner or Owners, the amount of each Assessment against the Owners, the dates and amounts in which the Assessment comes due, the amounts paid upon the account, and the balance due on the Assessments.

9.4 Financial Reports and Audits.

(a) An annual report of the receipts and expenditures of the Association and a balance sheet showing assets and liabilities shall be rendered by the Management Committee to all Owners and to all mortgagees of Units who have requested the same in writing within ninety (90) days after the end of each fiscal year.

(b) From time to time, the Management Committee, at the expense of the Association, may obtain an audit by a certified public accountant or other financial review of the books and records pertaining to the Association and furnish copies thereof to the Owners and Mortgagees of Units.

9.5 Inspection of Records by Owners.

(a) Except as otherwise provided in Section 9.6 below, all records of the Association shall be reasonably available for examination by an Owner and any Mortgagee of a Unit pursuant to rules adopted by resolution of the Management Committee or if no such resolution has been adopted, pursuant to the Utah Revised Nonprofit Corporation Act.

(b) The Management Committee shall maintain a copy, suitable for the purposes of duplication, of the following: (1) The Declaration, Bylaws and any amendments in effect or supplements thereto, and rules and regulations of the Association; (2) The most recent financial statement prepared pursuant to Section 9.4 above; and (3) The current operating budget of the Association.

(c) The Association, within five (5) business days after receipt of a written request by an owner, shall furnish the requested information required to be maintained under Subsection (b) of this section, subject to a reasonable fee for furnishing copies of any documents, information or records described in this section. The fee may include reasonable personnel costs incurred to furnish the information.

(d) The Management Committee, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of Association records and the imposition of a reasonable fee for furnishing copies of any documents, information or records described in this section. The fee may include reasonable personnel costs incurred to furnish the information.

9.6 Records Not Subject to Inspection. Records kept by or on behalf of the Association may be withheld from examination and duplication to the extent the records concern:

(a) Personnel matters relating to a specific identified person or a person's medical records.

(b) Contracts, leases and other business transactions that are currently under negotiation to purchase or provide goods or services.

(c) Communications with legal counsel that relate to matters specified in subsections (a) and (b) of this section, and any other communications with legal counsel that are protected by any privilege, including the attorney client privilege.

(d) Disclosure of information in violation of law.

(e) Documents, correspondence or management or Committee reports compiled for or on behalf of the Association or the Management Committee by its agents or committees for consideration by the Management Committee in executive session held in accordance with these Bylaws.

(f) Documents, correspondence or other matters considered by the Management Committee in executive session held in accordance with these Bylaws and the minutes of any executive session.

(g) Files of individual Owners, other than those of a requesting Owner or requesting mortgagee of an individual Owner, including any individual Owner's file kept by or on behalf of the Association.

9.8 Notice of Sale or Mortgage. Immediately upon the sale or Mortgage of any Unit, the Owner shall promptly inform the secretary or manager of the name and address of the purchaser, vendee or Mortgagee.

ARTICLE 10 AMENDMENTS

10.1 Adoption. Approval of a majority of the voting rights of the Members is required for approval of any amendment to these Bylaws, except that the approval of members representing at least 67% of the total voting rights of the Association and the approval of 51% of the Eligible Holders shall be required for any amendment or change to the material provisions of the Bylaws pertaining to voting rights.

10.2 Execution and Recording. An amendment shall not be effective until certified by the president and secretary of the Association as being adopted in accordance with these Bylaws, acknowledged and recorded with the County Recorder's Office.

10.3 Challenge to Validity. No action to challenge the validity of an adopted amendment may be brought more than two (2) years after the amendment is recorded.

ARTICLE 11 MISCELLANEOUS

11.1 Notices.

11.1.1 Association. All notices to the Association or the Management Committee shall be sent care of the managing agent or, if there is no managing agent, to the principal office of the Association or to such other address as the Management Committee may hereafter designate from time to time.

11.1.2 Owners.

(a) Notice by Electronic Means. In any circumstance where notice is required

to be given to the Members, the Association may provide notice by electronic means, including text message, email, or an Association website, if the Management Committee deems the notice to be fair and reasonable. A Member may require the Association, by written demand, to provide notice to the Member by mail. The Management Committee is authorized to promulgate rules and procedures facilitating the implementation of this section as it deems fit from time to time, including requiring members to furnish the Association with a current email address.

(b) Except as otherwise provided in the Declaration, these Bylaws or law, all notices to any Owner shall be sent to such address as may have been designated by him or her, from time to time, in writing to the Management Committee, or if no address has been designated, then to the Owner's Unit.

(c) If a Unit is jointly owned or the Unit has been sold under a land sale contract, notice shall be sent to a single address, of which the secretary has been notified in writing by such parties. If no address has been given to the secretary in writing, then mailing to the Unit shall be sufficient.

11.2 Affairs, Electronic Means. Any transaction or action involving the business or affairs of the Association, including but not limited to voting and providing notice or records, may be conducted by electronic means. The Association may accept a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation as the act of the member if the Committee does so in good faith and has no reason to believe it is not the act of the member. A writing may be delivered in an electronic medium or by electronic transmission, and may be signed by photographic, electronic, or other means. An electronic record or electronic signature is attributable to a person if it was the act of the person. An electronic signature may consist of a mark, symbol, character, letter, or number or any combination thereof attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record and the same shall be considered the signature of such person. A writing includes any document, record, vote, ballot, proxy, or instrument required or permitted to be transmitted by a Member or by the Association.

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

11.4 Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

11.5 Fiscal Year. The fiscal year of the Association shall be determined by the Committee in its discretion.

11.6 Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, the Association has caused these Bylaws to be executed by its duly authorized officers on this 3 day of February, 20 14.

(Sign): Lori K. McDonald
(Print Name): Lori K. McDonald, President

(Sign): Julie Ewing
(Print Name): Julie Ewing, Secretary