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SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS OF THE TERRACES AT MT.
OLYMPUS CONDOMINIUMS
ALL PHASES
(Including Bylaws)

TABLE OF CONTENTS

ARTICLE I - DEFINITIONS	2
ARTICLE II - PROPERTY DESCRIPTION	4
ARTICLE III - RESTRICTIONS ON USE.....	5
3.1 ANIMALS.....	5
3.2 LEASING OF UNITS.....	6
3.3 OCCUPANCY OF A UNIT LIMITED.....	8
3.4 PARKING OF AUTOMOBILES AND OTHER VEHICLES.....	8
3.5 RESTRICTIONS ON ATTACHMENTS.....	9
3.6 WINDOWS AND WINDOW COVERINGS.....	9
3.7 MODIFICATIONS TO UNIT OR COMMON AREA.....	9
3.8 SIGNS.....	10
3.9 ANTENNAS/DISHES.....	10
3.10 BUSINESS USE.....	10
3.11 OFFENSIVE ACTIVITIES, PROHIBITED BEHAVIOR AND USE.....	11
3.12 RUBBISH AND TRASH.....	11
3.13 CLOTHES LINES AND MATERIALS.....	12
3.14 FENCES.....	12
3.15 ASSOCIATION RULES AND REGULATIONS.....	12
ARTICLE IV - MAINTENANCE OBLIGATIONS	12
ARTICLE V - ASSESSMENTS	16
ARTICLE VI - PROPERTY RIGHTS AND EASEMENTS.....	21
ARTICLE VII – THE ASSOCIATION	23
ARTICLE VIII – COMPLIANCE, ENFORCEMENT & DISPUTE RESOLUTION	25
ARTICLE IX - INSURANCE	29
ARTICLE X - AMENDMENT AND DURATION.....	32
ARTICLE XI – MORTGAGEE RIGHTS	33
ARTICLE XII - MISCELLANEOUS PROVISIONS.....	35
EXHIBIT A – LEGAL DESCRIPTION	39
EXHIBIT B – UNDIVIDED INTERESTS IN COMMON AREAS	40
EXHIBIT C - BYLAWS	41
EXHIBIT D – PLAT MAP (“MAP” OR “PLAT”)-----	58

A. THIS SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTION OF THE TERRACES AT MT. OLYMPUS CONDOMINIUMS is made on the date evidenced below by the Mt. Olympus Homeowners Association, Inc., a domestic nonprofit corporation (the "Association"), established to govern the common affairs of the Association's members and enforce the covenants, conditions, restrictions, Bylaws and rules of the Association.

B. This Second Amended and Restated Declaration of Covenants, Conditions and Restrictions, including Bylaws supersedes and replaces the Amended and Restated Declaration of Covenants, Conditions and Restrictions of the Terraces at Mt. Olympus Condominiums recorded August 28, 2001, as Entry No. 7987200, 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 embedded within the Original Declaration.

C. Pursuant to Section 18 of the Original Declaration (as amended in 2001), at least sixty-seven percent (67%) of a majority of the Owners of the Association who have cast votes, in person, by proxy, by special ballot, or other methods, have affirmatively approved the adoption of this document.

D. This Amended and Restated Declaration of Covenants, Conditions and Restrictions including Bylaws shall be binding upon all real property described in **Exhibit A** attached hereto ("Exhibit A Property" or "Property"). It is agreed that by the 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 Exhibit A Property or any Unit in the property regime created by this Declaration, that this Declaration, together with the Plat Map and plans referred to herein, states covenants, conditions, restrictions, and reservations effecting a common plan for the condominium development mutually beneficial to all of the described Units, and that the covenants, conditions, restrictions, reservations and plans are binding upon the entire Exhibit A Properties 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. **Exhibit "A"** contains the legal description of the Property; **Exhibit "B"** contains a chart of the undivided ownership interests each unit / owner has in the Common Areas; **Exhibit "C"** contains the Bylaws; and **Exhibit "D"** contains an unrecorded and unofficial Plat Map for the Property.

F. The Terraces at Mt. Olympus 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 capitalized in this Declaration 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.

1.3 “Association” means and refers to The Terraces at Mt. Olympus Homeowner’s Association, a Utah nonprofit corporation, and its successors and assigns, or all of the Unit Owners acting as a group in accordance with the Declaration and Bylaws.

1.4 “Bylaws” means the Bylaws of the Association, as they may be amended from time to time and are attached hereto in their current form as **Exhibit “C.”**

1.5 “Common Area and Facilities” means all portions of the Project other than the Units, and shall include the Property on which all Units are located and all portions of the Project not included as part of any Unit, including, but not by way of limitation, the foundation, columns, girders, beams, supports, exterior and bearing walls, roofs, exterior siding, stairwells, lobbies, fire escapes and entrances and exits of the Buildings; the grounds and recreational facilities, if any, and certain parking areas in the Project, if any, designated as part of the Common Areas and Facilities on the Map; the areas used for storage of janitorial supplies and maintenance equipment and materials; installations of all central services, including power, light, gas, hot and cold water, heating, ventilating and garbage collection; tanks, pumps, motors, fans, ducts and, in general, all apparatuses and installations existing for common use of the Owners and all utility pipes, lines or systems servicing the Units; all ducts, flues, chutes, wires, conduits and other accessories and utility installations to the outlets used therewith; all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities on the Map.

1.6 “Common Area Sprinkler System” means the landscape sprinkling system serving the Common Areas and Facilities.

1.7 “Common Expenses” means sums which are required by the Association to effect the purposes of the Association and to perform or exercise its functions, duties, or rights under the Act and the Governing Documents including (1) expenses of administration, general maintenance, repair or replacement of the Common Area and Facilities; (2) expenses agreed upon as Common Expenses by the Association and expenses declared Common Expenses by the Act, this Declaration or the Bylaws.

1.8 “Community” means The Terraces at Mt. Olympus Condominiums, including all Units and Common Area, and all other real property and interests described in the Plat and herein.

1.9 “Eligible Holder” means 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” means 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, and Rules and Regulations.

1.11 “Improvements” means every structure or improvement of any kind, including but not limited to landscaping, Units, decks, patios, awnings, fences, garages, carports, driveways, 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), as well as landscaping, including trees and shrubs.

1.12 “Individual Sprinkling System” means a landscape system installed by a Unit Owner or such Unit Owner’s predecessor(s), which system serves such Unit Owner’s Limited Common Area and Facilities.

1.13 “Limited Common Areas and Facilities” means a portion of the Common Areas and Facilities reserved for the use of certain Owners to the exclusion of other Owners, including but not limited to any decks, patios, attics, rear and side yards, gardens and courtyards and other areas as indicated by this Declaration, as may be described on any applicable Map, or the Act to be used for the exclusive use of one or more but fewer than all of the Units. Mechanical systems serving only certain Units shall be deemed and treated as Limited Common Areas and Facilities with respect to the Units which they serve.

1.14 “Management Committee” or “Committee” means 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” or “Board of Trustees” as that term may be used in the governing documents of the Association or the Utah Nonprofit Corporation Act.

1.15 “Manager” or “Managing Agent” means the person or entity that may be retained from time to time by the Association to manage the Property, in whole or in part.

1.16 “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 in the records of the Recorder's Office.

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

1.18 “Notice” means notice as defined, and shall be carried out as set forth, in the Bylaws.

1.19 “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.

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

1.21 “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. An unofficial Map is attached as **Exhibit "D."**

1.22 "Property" or "Project" means The Terraces at Mt. Olympus Condominium Project, including all Units and Common Area, and all other real property and interests described in the Plat herein as and shown on **Exhibit "A."**

1.23 "Rules and Regulations" means and refers to those rules and regulations adopted by the Association from time to time that are deemed necessary by the Association for the enjoyment of the Community.

1.24 "Unit" means a physical portion of the project designed for separate ownership and occupancy. The boundary lines of each Unit are as set forth on the Map and consist of the undecorated and/or unfinished interior surfaces of its perimeter walls, bearing walls, lowermost floor, uppermost ceiling, and the interior surfaces of windows and doors. The interior surfaces of the doors and windows mean the points at which such surfaces are located when such window or door is closed. Each Unit shall include both the portions of a Building that are not Common Areas and Facilities within such boundary lines and the space so encompassed, excepting Common Areas and Facilities. Garages attached to Units shall be deemed to be part of the Unit to which it is attached. Without limitation, a Unit shall include any finishing material applied or affixed to the interior surfaces of the interior walls, floors and ceilings; non-supporting interior walls; and all utility outlets, fixtures or appliances found within the boundary lines of the Unit and servicing only that Unit. Notwithstanding the fact that they may be within the boundaries of the Unit, the following are not part of any Unit: bearing walls, floors, ceilings and roofs (except the interior finished surfaces thereof), foundations, ceiling equipment, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires and other utility installations, except the outlets thereof when located within the Unit.

ARTICLE II - PROPERTY DESCRIPTION

2.1. Property Subject the Declaration, Bylaws and the Act. The Project ("Exhibit "A") is submitted and subject to the Act and shall be transferred, held, sold, conveyed, used, occupied and improved subject to, and the rights and obligations of all parties interested in the Project shall be governed and controlled by, this Declaration, the Governing Documents, and all agreements, decisions and determinations made by the Association, and the Act and any amendments thereto as codified from time to time. To the extent that the Governing Documents are or become inconsistent with the provisions of any future amendments to the Act, this Declaration and the Bylaws shall control unless the Act expressly provides otherwise. This Declaration and covenants, conditions and restrictions herein shall run with the land and shall be binding upon each and every party which shall, at any time, have any right, title or interest in or to the Property.

2.2. Description of Improvements. The significant improvements within the Project consist of forty (40) residential Units, Common Areas and related infrastructure and amenities as described in this Declaration and as further set forth on the Plat Map.

2.3. Description and Legal Status of Units. The Plat 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. All

Units are residential Units. All Units shall be capable of being independently owned, encumbered, and conveyed.

2.4. Ownership Interest in Common Areas, Percentage Interests. 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 relate. The proportionate share of the Unit Owners in the Common Areas is based on the currently approved square footages of each of the Units as they relate to the total square footage of all Units. The common profits of the Property, if any, the Common Expenses, Assessment obligations and voting rights shall be distributed among, and the Common Expenses shall be calculated and charged to the Unit Owners according to their respective percentage or fractional undivided interests in the Common Areas and Facilities as set forth in **Exhibit B**.

2.5. 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 Plat Map with appropriate reference to said Plat and to this Declaration, as each shall appear on the records of the County Recorder. Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Areas, and to incorporate all the rights and obligations incident to ownership of a Unit within the Project.

2.6 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 - RESTRICTIONS ON USE

3.1 Animals/Pets.

3.1.1. No animals, livestock or poultry of any kind shall be raised, bred, or kept in or on the Property for commercial or other purposes, except that no more than (2) dogs or two (2) cats per Unit, or one (1) dog and one (1) cat may be kept as a household pet, provided:

- (a) the animal owner abides by the rules and regulations adopted by the Committee, and
- (b) the dog or cat does not have a known propensity for violence.

Dogs must be kept on a leash or in a carrier when outside of a Unit. Owners shall be responsible for immediate removal of wastes of their animals from the Properties. Subject to each Owner's right to keep one dog and one cat, or two dogs or two cats, the Association may promulgate rules, beyond those stated herein, further restricting the keeping of pets. Exotic pets (including but not limited to snakes, spiders, rats, mice) as may be further defined by Management Committee rule, shall not be kept or bred on the Property.

3.1.2. Those animals which are permitted shall not cause any noise or disturbance that would be deemed a nuisance to other Owners, residents within the Community, or the Association.

Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective Owners thereof.

3.1.3. Upon violation of this Section, an Owner may be required to remove a pet, and if the Owner fails to comply, in addition to other remedies that may be available, the Association may levy fines or apply for appropriate judicial relief.

3.2 *Prohibition of Leasing of Units*

3.2.1. Definition of Rental. “Rental,” “Rented,” or “Renting” means:

- (a) a Unit owned by an entity or trust, regardless of who occupies the Unit, or
- (b) a Unit not owned by an entity or trust, that is occupied by someone while no Owner occupies the Unit as the Owner's primary residence.

3.2.2. Rental Prohibition. It is the intent of this Article to require that all Units to be Owner-occupied resulting in zero (0) rental Units.

(a) Grandfather Status / Procedure to Obtain Grandfathered Status. Notwithstanding Section 3.2.2, an Owner who has a rental in the Association at the time this Declaration is recorded and who submits to the Committee, within 60 days of recording of this Declaration, a written statement that the Owner is currently renting the Unit and that they desire to be grandfathered as a permissible rental Unit, then upon submitting their name with their current occupied address, Unit address, email address and phone number, the Owner shall be allowed to continue renting such Unit until **(that is ‘grandfathering’ expires upon)**:

- (1) the Owner transfers or conveys the Unit (including, if the Unit is owned by a limited liability company, corporation, partnership, or other business entity, the sale or transfer of more than 75% of the business entity's shares, stock, membership interests, or partnership interests in a 12-month period),
- (2) the Owner occupies the Unit; or
- (3) an officer, owner, member, trustee, beneficiary, director, or person holding a similar position of ownership or control of an entity or trust that holds an ownership interest in the Unit, occupies the Unit; or
- (4) the Unit is transferred.
- (5) a failure of the grandfathered Owner to re-let their Unit within 120 days from the termination of the tenancy for any reason.

A grandfathered Unit pursuant to this Section does not lose its grandfathered status if the Unit is conveyed or transferred to a family trust or other estate planning entity of the Unit Owner.

3.2.3 Minimum Requirements. No Owner shall rent less than the entire Unit, and no Owner shall be permitted to lease his Unit for transient or hotel purposes. No Owner shall rent such Owner's Unit for a term of less than twelve (12) months. Nightly, weekly or other short-term rentals of the Unit are strictly prohibited.

3.2.4. Exemptions from Rental Prohibition. The following Owners and Units are exempt from the restrictions on the number and term of rentals contained in this Amendment, but not from the requirement to apply to the Association in 3.2.2 (which application shall be granted upon a determination by the Management Committee that the Owner or Unit qualifies as one of the following):

- (a) an Owner in the military for the period of the Owner's deployment;
- (b) a Unit occupied by an Owner's parent, child, or sibling;
- (c) an Owner whose employer has relocated the Owner for two years or less;
- (d) a Unit owned by a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for:
 - (1) the estate of a current resident of the Unit; or
 - (2) for the parent, child, or sibling of the current resident of the Unit; or
- (e) a Unit owned by an entity that is occupied by an individual who:
 - (1) has voting rights under the entity's organizing documents; and
 - (2) has a 25% or greater share of ownership, control and rights to profits and losses of the entity; or
- (f) a Unit transferred to or administered by the heirs of a deceased Owner for a period of no more than two years from the death of the Owner unless an additional period of time is granted pursuant to Section 3.2.5.

The Management Committee may require an Owner to provide relevant proof in writing that the Owner qualifies under any of the above exemptions.

3.2.5. Hardship Exemptions. Notwithstanding Section 3.2.4 above, the Management Committee may, upon special consideration, and as determined by the Committee on a case-by-case basis, grant a temporary hardship exemption for reasons, which may include, but are not limited to: death, estate administration, entity dissolution, financial hardship, disability, or charitable or religious service. The Management Committee, through Resolution, may limit the amount of hardship exemptions that may be granted at any time, including the duration thereof and number of repeat hardships, if any.

3.2.6. The Lease Agreement. Notwithstanding the above, any permitted 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 Association rules and regulations. The Management Committee may adopt rules requiring the Owner to provide relevant information related to the tenant (or individual(s) who qualify for a statutory exemption) for the effective management of the Association.

3.2.7. Administration of Rental Restrictions. The Association shall create, by rule or resolution, procedures to:

(a) determine and track the number of rentals and Units in the Association which are grandfathered or exempt pursuant to the provisions described in this Section; and

(b) enable or aid in the consistent administration and enforcement of the rental restrictions contained herein.

3.3 *Occupancy of a Unit Limited.*

3.3.1 Occupants. In order to maintain the safety and health, and to promote the general welfare of the Community, no more than two (2) persons may occupy any one-bedroom Unit; no more than four (4) persons may occupy any two-bedroom Unit; and no more than six (6) persons may occupy any three bedroom Unit, unless this has the practical effect of discriminating on the basis of familial status as defined in the Fair Housing Act in which case reasonable occupancy of any Unit will be permitted. In the Committee's sole discretion, the Committee may approve occupancy of a Unit by more persons than specified above upon written application to the Committee by an Owner.

3.4 *Parking of Automobiles and Other Vehicles.*

Owners and occupants may only park their vehicles within their garages or in designated parking areas. Visitors may only park temporarily in designated spaces and in accordance with rules and regulations of the Management Committee. No Owners or occupants shall repair or restore any vehicle of any kind upon the Common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility. No garage may be altered or used in such a manner that the number of automobiles which may reasonably be parked therein after the alteration or use is less than the number of automobiles that could have been reasonably parked in the garage as originally constructed.

No motor vehicle or trailer, including but not limited to any automobile, commercial vehicle, truck, tractor, mobile home or trailer (either with or without wheels), camper, camper trailers, boat or other watercraft, boat trailer, or any other transportation device of any kind may be parked or stationed in front of any garage, walkway or Unit, or on any driveway or Common Area, except in designated parking areas. The Committee may adopt reasonable rules for the temporary loading and unloading of trailers and like vehicles and equipment.

The Association may adopt further rules and restrictions regarding parking and vehicles within the Property and to govern the enforcement of parking and vehicle restrictions, which rules may require owner identification of vehicles, current license plate information and verification that all such vehicles have current registrations. In addition, the Committee, may at its discretion, issue and require vehicles of residents to have appropriately numbered identifying stickers affixed on the inside of the front or rear window.

In addition to fines and any other remedy available by law, vehicles in violation of the Governing Documents (this Declaration, the Bylaws and any Rules and Regulations) may be towed at the cost (including the cost of any storage thereof) of the owner. The Association shall be indemnified and held harmless by the owner of a vehicle from any loss, damage or claim caused by or arising out of the impounding, towing or storing of a vehicle pursuant hereto.

3.5 *Restrictions on Attachments, Exterior Attachments, Flags; Items Visible from the Common Areas; Holiday Decorations.*

No Owner shall cause or permit anything, including, without limitations, an awning, flag, hanging plant, window-mounted air conditioning unit, or any exterior attachments or attachments visible from outside of a Unit, to hang, be erected, be displayed, or be visible or otherwise be placed in any part of the Community without the prior written consent of the Committee. If the Committee consents to the erection of any such attachment, the same shall be removed promptly at the request of the Committee. Seasonal Christmas decorative lights may be displayed without preapproval of the Committee between December 1 and January 10 only.

3.6 *Windows, Window Coverings, Window Trims, Doors, Door Trims.*

The Committee shall have the right to establish rules regarding doors, draperies, blinds, shades and other interior window coverings in order to regulate their appearance from the exterior of Buildings. No tinted windows shall be permitted. Aluminum foil, newspapers, reflective film coatings, after market or secondary or any other similar materials may not be used to cover the windows in any Unit. All windows and window panes must conform in design, color and general quality to the other Units in the community. Window and door replacements, the color of window trim, doors, door trims must be approved by the Management Committee to the extent that they change or deviate in design, color or general quality from the existing windows and doors to be replaced.

3.7 *Modifications to Unit or Common Area.*

No structural interior changes to a Unit shall be performed unless a building permit is first obtained, if one is required by a local authority, and a copy must be provided to the Committee. If a building permit is not required and/or no common walls, bearing walls, common utility lines or pipes are involved, approval from the Committee is not required. Any interior alterations that involve altering the Common Area, in addition to any building permit requirements, shall also first require the written approval of the Committee. In addition, no exterior changes whatsoever shall be commenced, erected, maintained, made or done without the prior written approval of the Committee, which approval may or may not be granted at the discretion of the Committee and applicable laws.

No structural changes whatsoever to any Unit, no plumbing, electrical and similar work within the Common Area, and no modifications to decks and patios shall be commenced, erected, maintained, made or done without the prior written approval of the Committee. By way of illustration but not limitation the following are considered interior structural changes: moving, removing, adding, or altering walls, doorways, and the like. Any required building permits must be provided to the Committee before approval will be granted by the Committee.

3.8 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 the following may be displayed to the public view located within a Unit, unless and until prohibited or otherwise limited by the Association by rule:

- 3.8.1. Not more than one “for sale” sign, not exceeding 17” by 22,”
- 3.8.2. Political signs during any local or federal political election season,
- 3.8.3. Professional security system signs, and
- 3.8.4. Other signs expressly allowed by the Association by rule from time to time.

3.9 Antennas/Dishes.

Satellite antennas and 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 herein and by local, state or federal law. All other antennas are prohibited. “Antenna” as used herein includes satellite dish antennas.

- 3.9.1. Antennas may only be installed inside the Owner’s Unit or on Limited Common Area over which the owner has exclusive use and control under the terms of this Declaration. To clarify, installations are not permitted on the exterior common areas unless approved by the Committee.
- 3.9.2. Notwithstanding subsection (a) above, an Owner may be permitted to install an antenna or dish in or on the Common Area roof subject to the rules and policies of the Committee which may require a security deposit, use of licensed installer and that the Owner remove the dish when the Owner no longer is actively using the dish or when they sell their Unit.

3.10 Business Use.

No trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as:

- 3.10.1. The existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit;

3.10.2. The business activity conforms to all zoning requirements for the Properties;

3.10.3. The business activity does not involve persons coming onto the Properties who do not reside in the Properties or door to door solicitation of residents of the Properties; and

3.10.4. The business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Committee.

The terms business and trade, as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether:

(a) such activity is engaged in full or part time;

(b) such activity is intended to or does generate a profit; or

(c) a license is required therefor.

Notwithstanding the above, the leasing of a Unit shall not be considered a trade or business within the meaning of this section.

3.11 Offensive Activities, Prohibited Behavior and Use.

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 in any Unit or portion of the Common Areas, nor shall anything be done in or placed upon any Unit or Common Area which interferes with or jeopardizes the enjoyment of other Units or which is a source of annoyance to residents. Residents may not disturb other residents and shall exercise extreme care about making noises or the use of musical instruments, radios, televisions, amplifiers and any other device that emits sound. Residents may be fined for this and other offensive behavior. 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. Nothing shall be done or kept within any Unit or on the Common Areas which will increase the cost of insurance to the Association or to other Owners or which will result in cancellation of insurance on any Unit.

3.12 Rubbish and Trash.

No garbage, trash, or other waste may be kept or maintained on any part of the Property except within a trash container screened from public view.

3.13 Clothes Lines and Materials.

No clothes lines, clothing racks, or other apparatus on which clothes, rags, or other items are exposed for the purpose of drying or airing shall be located on the Property except within a Unit or Limited Common 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.

3.14 Fences.

No dog runs, animal pens, or fences of any kind shall be permitted to be installed by any Owner.

However, by separate policy, the Committee may establish rules for fence installation, maintenance, repair and replacement so long as no other Owners' rights and access to Common Areas are affected. Existing fences, if any, shall be maintained consistent with this Declaration or the Rules of the Committee.

3.15 Association Rules and Regulations.

In addition to the restrictions and requirements above, the Association from time to time may adopt 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 Community.

ARTICLE IV - MAINTENANCE OBLIGATIONS

4.1 Owner's Responsibility.

4.1.1 Units. Maintenance of the Units shall be the sole responsibility of the Owner(s) thereof, who shall maintain such Unit in good repair and in a clean and sanitary condition so as to not interfere in any way with other Owners' Units, or affect the value or use thereof, or the Common Areas, and so as to not detract from the appearance of the Community.

(a) Walls, ceilings, Floors, Windows, Doors. Each Owner shall be responsible at his or her sole expense to maintain, repair and replace:

(1) the interior surfaces of the following: walls, ceilings, floors (including all wallboard, plasterboard, plaster, lath, furring, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting the finished surfaces of walls, ceilings and floors), forming the boundaries of his or her Unit;

(2) all walls, ceilings, garage floors, floors and doors within such boundaries; and

(3) all windows and doors (and all parts thereof) forming part of the vertical boundaries of a Unit, including thresholds, frames, door jams and hardware.

(b) Utility Facilities Servicing Only Unit. In addition, each Owner shall be responsible for the maintenance, repair or replacement of the following that may be in, connected solely with, or servicing solely his or her Unit: any utility facilities, plumbing fixtures, water heaters, heating equipment, air conditioners and air cooling units of any type, all sewer and drainage pipes, water and other utility lines from the point(s) at which the same enters the respective Unit(s) and all portions thereof continuing into the Unit, lighting fixtures and bulbs (except exterior building mounted lights and walkway lights which are not located within patios and decks), wiring, receptacles, switches, refrigerators, dishwasher, disposal equipment, ranges, toilets, fireplaces, or other appliances or fixtures.

(c) Common Area Garden Areas; Similar Alterations or Improvements. Any alterations or improvements in the Common Area yards (such as a gardens/planted vegetation, etc.) shall be an Association obligation if it was approved or accepted by the Association. If such alterations or additions were not approved or accepted by the Association, then the Owner that altered the Common Areas shall be responsible for its upkeep, maintenance, and costs of such improvements to the garden areas and for vegetation, plants, and similar improvements or alterations. Failure of an Owner to accept such responsibility may result in the Committee maintaining such area and charging the cost back to the responsible Owner as an assessment. The Management Committee, however, may remove any such unapproved alteration or addition and return it to a standard approved by the Committee.

4.1.2 Decks, Skylights, Limited Common Area (or exclusively used Common Area); Watering Responsibility and other Obligations. Each Owner shall keep his or her appurtenant patio, deck, skylight and/or assigned private yard area, if any, and any Limited Common Area or exclusively used Common Area in a clean, orderly, safe and functional condition. With respect to unenclosed decks, consistent with Section 4.2 below, the Association shall be responsible to maintain, repair and replace decks (both structures and non-structural components) if damage to an unenclosed deck is caused by water leaking from the exteriors walls and wall caps appurtenant to a deck.

However, if there is deck surface or other deck damage (cosmetic or functional - such as a deck surface covering or sealant), structural damage to the deck, or to the common areas of the building's Common Areas about or below the deck that are caused by use or simple wear and tear of the deck by an Owner, its occupants or guests, the Owner shall be responsible for any and all damage to the deck and Common Areas resulting from their use of the deck area, such use to include but is not limited to damage from chairs, tables, BBQ grills, hot tubs and/or personal items being stored thereon.

If a deck is damaged from water or other causes, or it appears a deck caused damage to the Common Areas, the Management Committee shall review, in a method chosen its sole discretion, the cause of the damage and will determine whether the Association or the Owner is responsible for the costs of repair or replacements. Any determination of the Committee can be appealed by the Owner within thirty (30) days of its decision to the Committee for further review of the matter.

Owners who have added or installed skylights or HVAC units affect the Common Areas shall be responsible for any damage caused by such alterations/additions to the Common Areas, to Units or to Unit contents.

Each Owner is responsible to keep the landscaped portion of their Limited Common Areas and Facilities adequately watered.'

Each Owner may elect how to water the landscaping within their Limited Common Areas and Facilities, i.e., manually or with an Individual Sprinkling System.

4.1.3 Operation, Maintenance and Repair of Sprinkling Systems (Owner and Association). Notwithstanding anything to the contrary herein, each Unit Owner is and shall be responsible for all of the operation, maintenance and repair of such Owner's Individual Sprinkling System. The Management Committee is and shall be responsible for the operation, maintenance and repair of the Common Areas Sprinkling System. "Individual Sprinkling System" may be further defined by the Committee to fairly allocate responsibility.

4.1.4 Dryer Vents and Washing Machine Hoses. Dryer vents and washing machine hoses serving washers, washing machines and dryers contained within a Unit, are included within the definitions of "Unit" and/or "Limited Common Areas and Facilities," and will be the sole responsibility of the Unit and Unit Owner.

4.1.5 Heating of Units in Colder Months. In order to prevent breakage or leakage of water pipes during colder months of the year resulting in damage to Units and Common Areas, increased common expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within all vacant or unoccupied Units shall be maintained with the heat in an "on" position and at a minimum of sixty (60) degrees Fahrenheit (except during power failures or periods when heating equipment is broken) from October through April, inclusive, or whenever the temperature outside is forecasted to or does reach thirty-two (32) degrees Fahrenheit or below. Owners and occupants of Units shall take all steps possible on a timely basis to keep the heating equipment including, but not limited to, the thermostat in good working order and repair.

4.2 Maintenance by Association.

4.2.1. Unless otherwise stated herein, the Association shall maintain the Common Areas, as provided in this Article and has assumed additional maintenance, or clarified its obligations, elsewhere in this Declaration. The Association shall maintain and repair the "wall" that surrounds a deck and the "cap" that covers the wall (See Section 4.1.2 above). The Association shall provide for maintenance and cleaning of the eight (8) storm water catch basins within the Project as the circumstances require. The Committee shall determine, in its sole discretion, the appropriate maintenance of the Common Areas.

If, however, 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, and the cost to repair such shall be an assessment against that Owner and that Owner's Unit

The maintenance, repair and replacement of Common Areas and Facilities shall be as set forth in this Declaration or in a clarifying resolution of the Management Committee (consistent with this Declaration), but in the absence of such assignment or clarification, shall be maintained, repaired and replaced by the Association as a Common Expense.

4.2.2 In addition to the maintenance, replacement and repair obligations set forth in this Article IV, certain Units and Unit Owners benefit from an enclosed patio or deck that was not part of the original construction. For all purposes under this Declaration, any such enclosed areas are counted towards a Unit's square footage for voting and Assessment purposes.

The Association shall be responsible for the maintenance, repair and replacement of the structural and aesthetic components that comprise the enclosure, but future enclosures shall not be permitted unless Committee approval is received based on criteria set by the Committee and all applicable laws are followed.

4.2.3. Additionally, the Association, by and through the Committee, may, but shall not be obligated to, assume the Owner's general maintenance responsibility over a Unit or Limited Common Area or may take such other action as necessary if, in the opinion of the Committee, the Owner is unwilling or unable to adequately provide such maintenance, or if an Owner shall fail to observe any Association covenant, restriction or rule regarding such maintenance. Before assuming such maintenance responsibility, the 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 within the time period stated in the notice, 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.

4.2.4. To the extent not clarified herein, the Association may, by duly adopted resolution (rules) of the Committee, identify and assign those areas of maintenance and responsibility that are either (1) Owner responsibilities; or (2) Association responsibilities. Such determinations shall not be inconsistent with the provisions of this Declaration and the resolution may be recorded. Such determinations shall be distributed to all Owners and shall be binding against all Owners.

4.2.5. If damage is incurred to the physical structure of a Unit, including any fixture, improvement, or betterment permanently part of or affixed to a Unit (but not including any personal property within a Unit), and including any Limited Common Area, in the course of maintenance, repair or replacement performed by the Association, or damage to the same results from a failure of an element for which the Association is responsible to maintain, repair and replace, such as water damage, the Association will repair such damage. However, beyond such damage, the Association shall not be liable for injury or damage to any person or property caused by the elements, or resulting from electricity, water, rain, dust or sand which may leak or flow from outside or from any parts of any building, including from any pipes, drains, conduits, appliances, or equipment, or from any other place, unless caused by the negligent or intentional act of the Association.

ARTICLE V - ASSESSMENTS

5.1. *Covenant for Assessments.*

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 is not properly exercising its duties and powers.

5.2. *Reserve Funds/Reserve Analysis.*

Consistent with Section 57-8-7.5 of the Act, the Association shall establish and maintain a separate and distinct fund from its operating account called a “reserve fund” or funds for the holding of money to cover the cost of repairing, replacing or restoring Common Area and Facilities that have a useful life of three (3) years or more and a remaining useful life of less than thirty (30) years, if the cost cannot reasonably be funded from the general budget or other funds of the Association. The reserve fund shall not be used for operating expenses unless approved for such use by at least a majority of the members. In formulating its budget each year, the Association shall include a reserve fund line item in an amount the Committee determines prudent based on its reserve analysis.

The reserve analysis shall identify those Common Areas that have a remaining useful life between three (3) and thirty (30) years. The reserves analysis shall be done anew every six (6) years and updated every (3) years. A reserve analysis may be done by the Association rather than a third party and shall act as a guide when determining the amount to contributed towards the reserve fund.

5.3. *Annual Budget and Assessment.*

5.3.1. Adoption of Budget. The Management Committee shall prepare and adopt an annual budget for the Association which shall provide, without limitation, for the maintenance of the Common Areas, a line item for the reserve contribution for that year, and for the administration, management and operation of the Association. The budget shall become effective at the annual meeting or any meeting which the budget is an agenda item. If the Management Committee fails to adopt an annual budget, the last adopted budget shall continue in effect. The budget may be amended at any time and assessments may be increased or decreased accordingly.

5.3.2. Determination of Annual Assessment. The Management Committee shall fix the amount of the annual assessment (“Annual Assessment”) (which may be paid in monthly or other installments as authorized by the Committee) 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.

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.

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 supplemental budget which establishes the equitable change in the amount of the Annual Assessment.

5.4. *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 as shown on **Exhibit B**. Individual Assessments shall be apportioned exclusively against the Units benefitted or to which the expenses are attributable as provided for below.

5.5. *Purpose of Assessments.*

The Assessments levied by the Association shall be used for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Community and carrying out the purposes and obligations of the Association, including, but not limited to:

- 5.5.1. The improvement, maintenance, operation, care, and services related to the Common Areas;
- 5.5.2. The payment of insurance premiums;
- 5.5.3. The costs of utilities and other services which may be provided by the Association for the Community;
- 5.5.4. 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;
- 5.5.5. The cost of funding all reserves established by the Association, including a general operating excess and a reserve for replacements; and
- 5.5.6. Any other items properly chargeable as a Common Expense of the Association.

5.6. *Special Assessments.*

In addition to the Annual Assessments authorized in this Article, the Association may levy a special assessment from time to time for the purpose of defraying, in whole or in part, the costs incurred or to be incurred by the Association which cannot be paid for through other types of Assessments or from the operating account. Further, if it is not desired to deplete the reserve account to pay for a particular project, a special assessment may be levied to help re-build the reserve fund (a "Special Assessment").

The Management Committee may authorize a Special Assessment for any lawful purpose provided, however, that any Special Assessment levied within 12 months of a prior Special Assessment, and any Special Assessment greater than \$5,000 per Owner (that is, the smallest Unit's special assessment would be more than \$5,000) may only be levied if it is first voted on and approved by the Owners and:

- (a) the votes cast favoring the action exceed the votes cast opposing the action, and
- (b) a quorum of Owners holding 30% of the Percentage Interests exists.

5.7. *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"). Individual Assessments shall include, but are not limited to: (1) Assessments levied against any Unit to reimburse the Association for costs or attorney fees incurred in bringing the Unit or its Owner into compliance with, or to otherwise defend or uphold, or carry out, the provisions of the Governing Documents and for fines or other charges, including attorney fees, imposed pursuant to this Declaration for violation of the Governing Documents; (2) Expenses that may be incurred by the Association relating to the cost of maintenance, repair, or replacement of the individual Units.

5.8. *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 ten (10) days after the due date or such other date established by the Committee (the "date of delinquency"). The due date of any Special Assessment or other Assessment shall be fixed in the resolution authorizing the Assessment or in the notice of the Assessment.

5.8.1. Interest. Delinquent payments shall bear interest at the rate of 18% per annum, or such other lower rate established by the Management Committee from time to time.

5.8.2. Late Charge. Each delinquent payment shall be subject to a late charge in the amount established by the Management Committee from time to time.

5.8.3. Acceleration. If the delinquent installments of Annual Assessments and any charges thereon are not paid in full, the Management 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.

5.8.4. Rent Payments by Tenant to Association. If the Owner of a Unit who is leasing (assuming a rental is permitted as stated in this Declaration) their Unit fails to pay an assessment for more than 60 days after the assessment is due, the Management Committee may demand that the tenant pay to the Association all future lease payments due to the Owner, beginning with the next monthly other periodic payment, until all amounts due to the Association are paid. Such demand to the tenant shall be made in accordance with the law and the written procedures of the Association. The Committee, or its agent, shall give the Owner written notice of its intent to demand full payment from the tenant and such notice shall be made in accordance with the law and the written procedures of the Association. The Association may terminate any lease agreement and bring an action to evict any tenant for failure of the tenant to pay such lease payments to the Association.

5.8.5. Termination of Common Service and Facility Use. 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 the law and the written procedures of the Association, terminate an Owner's right:

(a) to receive any service paid as a common expense, including but not limited to utility services; and

(b) of access and use of recreational facilities. If a hearing is requested, utility services or right of access and use of the recreational facilities may not be terminated until after the hearing has been conducted and a final decision has been rendered by the Committee.

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.

5.8.6. Remedies under the Act and Other Law. The Association shall have each and every remedy for collection of assessments provided in the Utah Condominium Ownership Act, Utah Code Title 57, Chapter 8, as amended from time to time, and in Utah Code Title 12, and such remedies and provisions shall be deemed to be fully set forth herein. A collection fee shall be imposed upon any delinquent account turned over to an attorney or collection agency for collection, in accordance with Utah Code § 12-1-11, in addition to any other amount owed to the Association.

5.9. Lien.

All Assessments and charges imposed, together with damages, fines, interest, costs of collection, late charges, 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 enforcement of the Governing Documents shall be a charge and continuing lien upon each of the Units against which the Assessment is made and

shall be construed as a real covenant running with the land. The recording of this Declaration constitutes record notice and perfection of the lien established herein. If an assessment is payable in installments, the lien is for the amount of each installment as such becomes due and this provision shall be deemed a notice of assessment. In a voluntary conveyance, the grantee of a Lot shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the unpaid assessments up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee.

5.10. *Personal Obligation and Costs of Collection.*

Assessments imposed under this Declaration, together with interest 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 and in a voluntary conveyance, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the latter up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee.

5.11. *Appointment of Trustee.*

By acceptance of a deed for a Unit, each Owner as trustor conveys and warrants to Trustee in trust for the Association, as beneficiary, with power of sale, the Owner's Unit and all improvements thereon for the purpose of securing payment of all Assessments (including basis of collection) provided for in this Declaration. For purposes of this Section, the Act, and Utah Code Ann. §§57-1-19, et seq., as amended from time to time, the trustee shall mean the attorney for the Association, and the Association may provide notice and disclosure of the trustee, or substitution thereof, by recording an appointment or substitution of trustee in the records of the local County Recorder. Each Owner hereby also grants to the Association and trustee all powers and rights of non-judicial trust deed foreclosure provided for in Utah Code Ann. §§57-1-19, et seq.

5.12. *Enforcement of Lien.*

The lien provided for in this Article may be enforced by the Association by causing a Unit to be sold through nonjudicial foreclosure as though the lien were a deed of trust, or by foreclosing the lien through a judicial foreclosure, all in the manner provided by the Act and by the laws of the state of Utah for the non-judicial foreclosure of deeds of trusts or the law for the foreclosure of a mortgage, as the case may be. The Association 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, 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, and 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, the costs and attorney fees associated with which shall be awarded to the Association or the purchaser, as the case may be. 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.

5.13. Subordination of Lien to Mortgages.

The lien provided for in this Article has priority over each other lien and encumbrance on a Unit except a first or second security interest on the Unit secured by a mortgage or deed of trust that is recorded before a recorded notice of lien by or on behalf of the Association, or a lien for real estate taxes or other governmental assessments or charges against the Unit. The sale or transfer of any Unit pursuant to mortgage or deed of trust foreclosure (but not a proceeding in lieu thereof) shall extinguish the lien provided for herein as to payments which became due prior to such sale or transfer. Such sale or transfer shall not relieve the Unit from liability or lien for any Assessments or charges thereafter becoming due and shall not relieve any Owner of his or her personal obligation for such amounts.

5.14. Statement of Unpaid Assessment & Payoff Information.

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 have 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 Association, may be levied in advance by the Association for each certificate so delivered. The Association may charge a fee for providing Association payoff information needed in connection with the financing, refinancing, or closing of an Owner's sale of the Owner's Unit up to the maximum amount allowed by law.

5.15. Application of Payments.

All payments shall be applied first to costs and attorney fees, then to late charges, then interest, then to delinquent Assessments in the order of their coming due.

5.16. Reinvestment Fee Covenant.

The Association may impose a reinvestment fee to be paid at the closing of any Unit in an amount determined by the Committee, not to exceed \$1,000. The buyer and seller shall negotiate the payment of this fee to the Association to be reinvested into the community as determined by the Committee. The Reinvestment Fee shall be further supported by a separate Notice of Reinvestment Fee as required by Utah Law in order to give effect to this Section.

5.17 Association Registry.

As required by Utah Law, the Association shall register with the Utah Department of Commerce in order to give force and effect to any liens it has in place. The registry shall be updated within ninety (90) days of Committee members changing, unless otherwise provided by Utah law.

ARTICLE VI - PROPERTY RIGHTS AND EASEMENTS

6.1 Use and Occupancy.

Except as otherwise provided in Governing Documents from time to time, 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, occupants and guests, shall comply with, the restrictions

contained herein and all other provisions of the Governing Documents for the mutual benefit of the Owners.

6.2 Restriction on Unit Division.

All Owners are prohibited from dividing any and all Units subject to this Declaration except through an amendment to this Declaration properly adopted as provided herein. However, Owners' allocated ownership interests in the Common Areas may not be altered without the consent of sixty-seven percent (67%) of all Owners.

6.3 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:

6.3.1. Easements for Maintenance and Repair. 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 authorized herein and determining whether or not the Unit is in compliance with the Governing Documents or whether the use of the Unit is causing damage or harm to the Common or Limited Common Areas. Reasonable notice shall be provided to the Unit occupant prior to entry. "Reasonable notice" means:

(a) written notice that is hand delivered to the unit at least 24 hours prior to the proposed entry; or

(b) in the case of emergency repairs, notice that is reasonable under the circumstances, which, at the discretion of the Committee, shall mean attempting to contact the occupant or owner immediately prior to entry via contact information the Association has on record, or via knock on the Unit door. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Unit. The Association shall repair damage it causes to the Common Areas or to a Unit the Association uses to access the Common Areas within a time that is reasonable under the circumstances.

6.3.2. 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. 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 Units and serving his or her Unit. The Committee may grant or create from time to time, on behalf of the Association and on such terms as it deems advisable, utility and similar easements and rights-of-way over, under, across, and through the Common Area.

6.3.3. Common Areas; Delegation of Rights. All Owners are hereby granted a non-exclusive right and easement of enjoyment to the Common Areas which right and easement

shall be subject to compliance by the Owner with the provisions of the Governing Documents and the right of the Association to limit the number of guests of residents. Except as to rights of ingress and egress to a Unit, any Owner not residing on the Property shall be deemed to have delegated his or her right of enjoyment and use of and to the Common Area facilities and amenities to any tenants, contract purchasers, or other occupants of the Unit who actually reside on the Property and no person other than residents and their guests (up to the number established by rule from time to time) may use any Common Area facility or amenity.

6.4 No Encroachment.

No Unit shall encroach upon an adjoining Unit. 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 VII – THE ASSOCIATION

7.1 Organization.

The Association has been organized as a nonprofit corporation under the nonprofit corporation laws of the state of Utah (Utah Code Annotated Titled 16 Chapter 6a, as may be amended from time to time). In the event the Association is at any time administratively dissolved by the State of Utah, the Committee may re-incorporate the Association without a vote of the Owners. The affairs of the Association shall be governed by a Management Committee as provided herein and in the Bylaws.

7.2 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.

7.3 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 Interest appertaining to such Unit.

7.4 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. The Association shall have the exclusive authority and right to provide for the management, use, maintenance, repair, operation or administration of the Community and Common Area. Without in any way limiting the generality of the foregoing, the Association shall have the following powers:

7.4.1 In fulfilling any of its duties under this Declaration, including its duties for the management, 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 including but not limited to:

(a) 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,

(b) to defend, bring, prosecute, and settle litigation for itself and the Project,

(c) to obtain, contract and pay for, or to otherwise provide for such utility services, including (without limitation) water, sewer, trash removal, snow removal, electrical, telephone and gas services, as the Committee may from time to time deem desirable, and the services of architects, engineers, attorneys and certified public accountants and such other professional or nonprofessional services as the Committee may deem desirable,

(d) to delegate by resolution or contract to a Managing Agent any of its powers under this Declaration,

(e) to repair or restore the Project following damage or destruction or a permanent taking by the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation not resulting in the removal of the Project from the provisions of the Act,

(f) to grant easements and rights-of-way over the Common Area and to approve signage for the Project, and

(g) to borrow money and to pledge or assign current or future Assessments as security for any loan obtained by the Association, provided the assent of a majority of the voting interests is obtained prior to mortgaging, pledging or hypothecating any or all of the Association's real property as security.

7.4.2 Except as limited in the Governing Documents or by the Act, the Management Committee (or "Committee") acts in all instances on behalf of the Association.

7.4.3 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 Unit. 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 VIII – COMPLIANCE, ENFORCEMENT & DISPUTE RESOLUTION

8.1 Compliance.

All Unit Owners, tenants of such owners, employees of owners and tenants, or any other person who may in any manner use the Property or any part thereof shall be subject to and comply with the provisions of the Governing Documents and any applicable statute. Failure to comply therewith shall be grounds for levying of a fine and an action or suit maintainable by the Association or an aggrieved Owner.

8.2 Remedies.

The voting rights of any Owner more than 60 days’ delinquent in his or her account with the Association shall be automatically suspended until the account is brought current. Violation of any provisions of the Governing Documents (including failure to timely pay an assessment) 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:

8.2.1. 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;

8.2.2. To enjoin, abate, or remedy such thing or condition by appropriate legal proceeding;

8.2.3. To levy fines, and any violation of any express rule, regulation, covenant, restriction, or term of any of the Governing Documents shall be subject to a fine in an amount set forth in a Committee adopted schedule of fines.

If there is no schedule of fines in force and effect, then the fines shall be as follows: \$50 for a first offense and \$100 for repeat offenses of the same violation or \$25 for each 10 days the violation continues. The Association shall adopt a fining procedures

resolution or policy to further clarify the fining process and opportunity to dispute a fine. Any hearing to protest or dispute a fine shall be conducted in accordance with the standards promulgated by the Association from time to time, or if none, in accordance with the standards determined by the Committee at the hearing itself (which need not be written);

8.2.4. 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;

8.2.5. To suspend the voting rights of an Owner, but not for longer than 60 days except in the case of a continuous violation;

8.2.6. To bring suit or action against the Owner on behalf of the Association and/or 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 a 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. In such an action, the violation of any covenants or restrictions in the Governing Documents shall be presumed to cause irreparable harm to the Association and its members.

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.

8.6 *Resolution of Disputes without Litigation.*

8.6.1 Agreement to Encourage Resolution of Disputes without Litigation.

(a) The Association, the Management Committee, Unit Owners, and other persons subject to this Declaration agree that it is in the best interests of all concerned to encourage the amicable resolution of disputes involving the Association without the emotional and financial costs of litigation. Accordingly, each of the foregoing agrees not to file suit in any court with respect to a Claim described in subsection (b), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 8.6.2 in a good faith effort to resolve such Claim.

(b) As used in this Section, the term “Claim” shall refer to any claim, grievance, or dispute arising out of or relating to (a “Claim” shall not include collection efforts for unpaid assessments or any action or inaction that may reasonably affect the safety of the Common Areas or Units or the life, health or safety of the Residents.). Otherwise a Claim shall include:

(i) the interpretation, application, or enforcement of the Governing Documents;

(ii) the rights, obligations, and duties of anyone arising from the Association’s Declaration or Bylaws;

(iii) the design or construction of improvements within the Association; except that the following shall not be considered “Claims” unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 8.6.2:

(1) any suit by the Association to collect assessments or other amounts due from any Owner;

(2) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association’s ability to enforce the provisions of this Declaration;

(3) any suit between Owners which does not include the Association as a party, if such suit asserts a Claim that would constitute a cause of action independent of the Association’s Declaration or Bylaws;

(4) any suit in which any indispensable party is not bound hereby; and

(5) any suit as to which any applicable statute of limitations would expire within one hundred and eighty days of giving the Notice required in Section 8.6.2(a), unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

8.6.2 Dispute Resolution Procedures.

(a) Notice. A person asserting a Claim (“Claimant”) against another person subject to this Section (“Respondent”) shall give written notice to each Respondent and to the Management Committee stating plainly and concisely: (i) the nature of the Claim, including the persons involved and the Respondent’s role in the Claim; (ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises); (iii) the Claimant’s proposed resolution or remedy; and (iv) the Claimant’s

desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The Claimant(s) and Respondent(s) shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Management Committee may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(c) Mediation. If the parties have not resolved the Claim through negotiation within thirty days of the date of the Notice described in Section 8.6.2(a) (or within such other period as the parties may agree upon), the Claimant(s) shall have thirty additional days to submit the Claim to mediation with an individual or entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency/party providing dispute resolution services in the Salt Lake City area.

If the Claimant(s) does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant(s) shall be deemed to have waived the Claim, and the Respondent(s) shall be relieved of any and all liability to the Claimant(s) (but not third parties) on account of such Claim.

If the parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings, indicating that the parties are at an impasse and the date that mediation was terminated.

The Claimant(s) shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate. Each party shall bear its own costs of the mediation, including attorney fees, and each party shall share equally all fees charged by the mediator.

(d) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

ARTICLE IX - INSURANCE

9.1 *Association Insurance.*

9.1.1. Property and Liability Insurance. 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, improvements 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.

a. The Association's property insurance 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 Area element associated with a Unit.

b. Each Unit Owner is an insured person under the Association's property insurance policy. Each Unit Owner is an insured person under a liability insurance policy that the Association obtains, but only for liability arising from: (i) the Unit Owner's ownership interest in the common areas and facilities, (ii) maintenance, repair, or replacement of common areas and facilities, and (iii) the Unit Owner's membership in the Association.

9.1.2. Fidelity Insurance or Bond. The Association shall obtain and maintain adequate fidelity coverage to protect against dishonest acts by its officers, members of the Committee, employees, and all others who are responsible for handling funds of the Association, including any property manager. Such fidelity coverage shall:

(a) name the Association as an obligee;

(b) not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or managing agent, as the case may be, at any given time, and shall in no event be in an amount less than three months assessments on all Units plus reserves;

(c) contain an appropriate endorsement(s) to the policy to cover any persons who serve without compensation if the policy would not otherwise cover volunteers, and to cover the Association's management agent, if the Association has delegated some or all of the responsibility for the handling of funds to a management agent;

(d) provide that coverage may not be canceled or substantially modified (including cancellation for nonpayment of premiums) without at least ten (10) days prior written notice to the Association or any insurance trustee.

9.1.3. 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, 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 the lesser of:

(a) the maximum coverage available under the NFIP for all buildings and other insurable property within the condominium to the extent that such buildings and other insurable property are within an area having special flood hazards; or

(b) 100% of current replacement cost of all such buildings and other insurable property within such area.

9.1.4. Directors and Officers (D&O) Insurance. The Association shall purchase and maintain insurance on behalf of any person who was or is a Committee member or officer of the Association, and any other person the Association is required by law or contract to indemnify, against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the laws of the State of Utah, as the same may hereafter be amended or modified.

9.1.5. Other Insurance. The Association shall obtain such other insurance if and to the extent required by law or as the Committee deems necessary from time to time, such as workers' compensation insurance.

9.1.6. Loss Not Exceeding Deductible. If, in the exercise of the business judgment rule, the Management Committee determines that a covered loss is likely not to exceed the policy deductible of the Association and until the covered loss exceeds the deductible of the property insurance of the Association and a claim is submitted to the property insurance insurer of the Association:

(a) for a Unit to which a loss occurs, the Unit Owner's policy is considered the policy for primary coverage for the damage to that Unit;

(b) the Association shall pay for any loss for any common areas and facilities for which a loss occurs;

(c) a Unit Owner who does not have a policy to cover the damage to that Unit Owner's Unit is responsible for that Unit damage and the Association may, as provided herein, recover any payments the Association makes to remediate that Unit, and

(d) the Association need not tender the claim to the Association's insurer.

9.1.7. The Association shall set aside an amount equal to the amount of the association's property insurance policy deductible or \$10,000, whichever is less.

9.1.8. An insurer under a property insurance policy issued to the Association shall adjust with the Association a loss covered under the Association's policy.

9.1.9. Loss Due to Fault of Another. This Declaration does not prevent a person suffering a loss as a result of damage to property from asserting a claim, either directly or through subrogation, for the loss against a person at fault for the loss, except that, notwithstanding the foregoing, an insurer under a property insurance policy or liability insurance policy obtained by the Association waives the insurer's right to subrogation under the policy against:

(a) any person residing with the Unit Owner, if the Unit Owner resides in the Unit, and

(b) the Unit Owner.

9.1.10. Power of Attorney, Insurance Trustee. The Association may enter into an insurance trust agreement with a trustee (the "Insurance Trustee") who shall thereafter 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:

(a) the collection and appropriate disposition of the proceeds thereof;

(b) the negotiation of losses and execution of releases of liability;

(c) the execution of all documents; and

(d) the performance of all other acts necessary to accomplish such purpose. 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.

9.1.11. The Association, or insurance trustee if any, shall hold any proceeds of insurance in trust for Unit Owners and their first mortgage holders as their interests may appear. The policies required herein for the Association must provide that they may not be cancelled or substantially modified without at least ten (10) 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 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. The policies shall include: (1) a waiver of the right of subrogation against Unit Owners individually, (2) that the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Owners collectively.

9.1.12. 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, but the Unit Owner is responsible for the deductible of the association of Unit Owners, and Coverage A of 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 element 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. If a Unit Owner does not pay the amount required within 30 days after substantial completion of the repairs to, as applicable, the Unit or the limited common area appurtenant to the Unit, the Association may levy an assessment against a Unit Owner for that amount.

9.2.3. The deductible under the Association's policy is subject to change from time to time by the Management Committee. The Association shall provide notice to the Owners of any change in the amount of the deductible.

9.2.4. The Association's policy does not cover the contents of a Unit or an Owner's personal property. Each 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.

ARTICLE X - AMENDMENT AND DURATION

10.1 Amendments.

Except as provided in Section 10.2 below, any and all of the conditions, restrictions, charges and terms contained in this Declaration may be annulled, waived, changed, modified or added to through a duly adopted amendment to this Declaration.

10.1.1. 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 of, or consent to, the amendment.

10.1.2. Approval Required. This Declaration may be amended if such amendment is approved by Owners holding sixty-seven percent (67%) of the total voting interest of the Association (subject to the approval of Eligible Holders as may be required herein) based on the percentages set forth on Exhibit B. Notwithstanding anything herein to the contrary, the Governing Documents may be amended by the Management Committee without approval of the Owners 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.

10.1.3. 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 and Termination.

This Declaration and the Project 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:

10.2.1. Seventy-five percent (75%) of the total voting interests all of the Owners of the Units, and

10.2.2. 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.

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, as defined above, (based upon one vote for each Mortgage owned) must be obtained for the following:

11.1.1. Any material amendment to this Declaration or the Bylaws. Except for an amendment to the Declaration or Bylaw if its purpose is clarification or to correct technical errors, a change to a provision(s) of the Declaration or Bylaws regarding the following would be considered as material:

- (a) voting rights;
- (b) funding of reserves for maintenance, repair, and replacement of the Common Areas;
- (c) redefinition of any Unit boundaries;

- (d) convertibility of Units into Common Area or vice versa;
- (e) expansion or contraction of the project, or the addition, annexation, or withdrawal of property from the project;
- (f) insurance or fidelity bond;
- (g) restoration or repair of the project (after a hazard damage or partial condemnation);
- (h) action to terminate the legal status of the project after substantial destruction or condemnation occurs;
- (i) subordination of assessments liens;
- (j) rights to use of Common Areas;
- (k) the interest in the general or Limited Common Area;
- (l) Any provisions that expressly benefit mortgage holders, insurers, or guarantors.

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:

11.2.1. 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;

11.2.2. 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;

11.2.3. Right to Receive Written Notice of Meetings. The Association shall give all mortgagees, upon written request, written notice of all meetings of the Association, and such mortgagees shall be permitted to designate a representative to attend all such meetings.

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:

11.3.1. 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;

11.3.2. 60 days have passed after the day on which notice was mailed; and

11.3.3. 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:

11.4.1. 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.

11.4.2. 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.

11.4.3. 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 are 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 Priority of Governing Documents. To the extent possible under the law and in light of the requirement of the Act that organizational documents for a nonprofit corporation shall not conflict with the rights and obligations found in the declaration and bylaws, in the event of any conflict between or among this Declaration and any other Governing Document, the document in the highest priority beginning with the first document listed hereinafter shall prevail (as to any such conflict) over any later listed document: this Declaration, the Articles of Incorporation, Bylaws, Rules and Regulations.

12.3 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. The covenants, restriction and terms of this Declaration are to be interpreted broadly to give effect to the Association's role as the governing body of the Community and to grant all the powers necessary for management of the common property, administration of the servitude regime, carrying out other functions set forth herein, and furthering the purposes of the Association. The enumeration of specific items, acts, rights, or powers in this instrument does not limit or restrict and is not to be construed or interpreted as limiting or restricting, the general powers granted to the Association or Committee except where powers are expressly restricted.

12.4 Recovery of Costs and Attorney Fees. The Association shall be entitled to recover its costs and attorney's fees incurred for enforcement of this Declaration regardless of whether any lawsuit or other action is commenced. Such costs and attorney's fees shall automatically be and constitute an assessment against the Owner and the Unit. Additionally, the prevailing party shall be entitled to its attorney fees and costs in any dispute concerning any Governing Document, including an action dealing with the declaration of rights and obligations thereunder with or without a defaulting party, whether such costs and expenses are incurred with or without suit; before or after judgment; in any appeal; in any bankruptcy or receivership proceeding; or in connection with any alternative dispute resolution proceeding.

12.5 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.

12.6 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.

12.7 Lessees and Other Invitees. No damage to, or waste of the Common Areas or any part thereof shall be committed by any Owner or any Unit occupant, guest, invitee, lessee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by any such person. Lessees, invitees, guests, Unit occupants, contractors, family members and other persons entering the Property under rights derived from an Owner shall comply with all of the provisions of the Governing Documents 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.

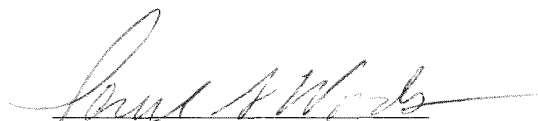
12.8 Waiver, Precedent and Estoppel. No restriction, condition, obligation or provision contained in this Declaration or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Association, the Management Committee or any Owner by reason of any failure to 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.

12.9 Notice of Sale or Lease. Immediately upon the sale, rental or other conveyance of any Unit, the Owner shall promptly inform the secretary or Association property manager of the name, Unit address, mailing address (if different than the Unit), telephone number and email address of said grantee or tenant, including any pets intended to be housed at the Unit. The Management Committee may for all purposes act and rely on the information concerning Owners and Unit ownership which is thus acquired by it and the address of each Owner shall be deemed for all purposes to be the address of the Unit owned by such Owner unless the Management Committee is otherwise advised in writing.

12.10 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, The Terraces at Mount Olympus Homeowner's Association has executed this Declaration this 30 day of APRIL, 2018.

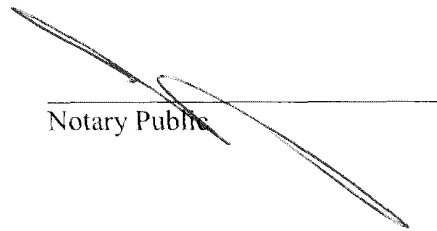
**THE TERRACES AT MT. OLYMPUS
HOMEOWNERS ASSOCIATION, INC.**



By:
Its:

STATE OF UTAH)
)ss:
County of Salt Lake)

Acknowledged before me on this 30 day of April, 2018 by
Paul S. Woods, of The Terraces at Mount Olympus Homeowners Association,
Inc.



Notary Public

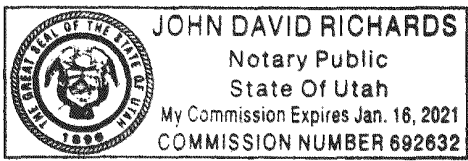


EXHIBIT A

Legal Description

All Units, TERRACES AT MT OLYMPUS PH 1 CONDO, as set forth on the plat map and in the records of the Salt Lake County Recorder for state of Utah.

First Parcel No. 22111270020000

All Units, TERRACES AT MT OLYMPUS PH 2 CONDO, as set forth on the plat map and in the records of the Salt Lake County Recorder for state of Utah.

First Parcel No. 22111320020000

All Units, TERRACES AT MT OLYMPUS PH 3 & 3A, as set forth on the plat map and in the records of the Salt Lake County Recorder for state of Utah.

First Parcel No. 22111280020000

All Units, TERRACES AT MT OLYMPUS PH 4 CONDO, as set forth on the plat map and in the records of the Salt Lake County Recorder for state of Utah.

First Parcel No. 22111310020000

All Units, TERRACES AT MT OLYMPUS PH 5 CONDO, as set forth on the plat map and in the records of the Salt Lake County Recorder for state of Utah.

First Parcel No. 22111300020000

EXHIBIT B

Unit Numbers and Undivided Interests in Common Areas

<u>Unit Number</u>	<u>Percentage Ownership of Common Areas</u>	<u>Unit Number</u>	<u>Percentage Ownership of Common Areas</u>
4747 Ichabod	2.51%	4788 Naniloa	2.59%
4748 Ichabod	2.71%	4790 Naniloa	2.59%
4749 Ichabod	2.09%	4792 Naniloa	3.04%
4750 Ichabod	1.81%		
4751 Ichabod	2.26%		
4752 Ichabod	2.29%		
4753 Ichabod	2.00%		
4754 Ichabod	2.03%		
4755 Ichabod	2.25%		
4756 Ichabod	2.29%		
4757 Ichabod	3.07%		
4758 Ichabod	2.48%		
4759 Ichabod	2.82%		
4761 Ichabod	2.49%		
4763 Ichabod	2.18%		
4765 Ichabod	2.10%		
4766 Ichabod	2.72%		
4767 Ichabod	2.10%		
4768 Ichabod	2.77%		
4769 Ichabod	3.07%		
4770 Ichabod	2.54%		
4772 Ichabod	2.39%		
4769 Naniloa	2.93%		
4771 Naniloa	2.69%		
4773 Naniloa	2.65%		
4775 Naniloa	2.50%		
4777 Naniloa	2.66%		
4779 Naniloa	2.38%		
4781 Naniloa	2.39%		
4783 Naniloa	2.27%		
4785 Naniloa	2.45%		
4787 Naniloa	2.35%		
4789 Naniloa	2.33%		
4791 Naniloa	2.76%		
4782 Naniloa	3.19%		
4784 Naniloa	2.59%		
4786 Naniloa	2.67%		

EXHIBIT C

BYLAWS OF

**THE TERRACES AT MT. OLYMPUS
HOMEOWNERS ASSOCIATION, INC.**

ARTICLE 1 - DEFINITIONS 42

ARTICLE 2 – NOTICE, AFFAIRS, ELECTRONIC MEANS 42

ARTICLE 3 – ASSOCIATION MEETINGS, VOTING, QUORUM 43

ARTICLE 4 - MANAGEMENT COMMITTEE MEMBERS – SELECTION, ELECTION, TERM OF
OFFICE 46

ARTICLE 5 - MEETINGS OF MANAGEMENT COMMITTEE 48

ARTICLE 6 - POWERS, RIGHTS, AND DUTIES OF THE MANAGEMENT COMMITTEE 51

ARTICLE 7 - OFFICERS AND THEIR DUTIES 52

ARTICLE 8 - INDEMNIFICATION OF OFFICERS AND COMMITTEE MEMBERS 54

ARTICLE 9 - RECORDS AND AUDITS 54

ARTICLE 10 - AMENDMENTS 56

ARTICLE 11 - MISCELLANEOUS 57

**ARTICLE 1 -
DEFINITIONS**

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

**ARTICLE 2 – NOTICE, AFFAIRS, ELECTRONIC
MEANS**

2.1 Notices.

2.1.1 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.

2.1.2 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.

2.2 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 Association, through 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.

ARTICLE 3 – ASSOCIATION MEETINGS, VOTING, QUORUM

3.1 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 as is designated in the notice of such meeting.

3.2 Special Meetings. The Association, by and through the Management Committee, shall notice, hold and conduct a special meeting of its members (1) on call of 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 Owners holding at least 25% of the voting rights of the Association. When a special meeting is demanded by the Owners, the Committee shall set the time and date for the meeting so that the meeting occurs within 65 days of receipt of the demand and if notice of the meeting 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.

3.3 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.

3.4 Voting. Each Unit shall be allocated such vote in the affairs of the Association equal to the Percentage Interest appertaining to such Unit. 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.

3.5 Proxies, Absentee Ballots and Rights of Mortgagees.

3.5.1 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 the Committee by resolution or as stated in the notice of the meeting. A proxy shall be valid for, and only for, the meeting (and any adjournment of 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, or to the 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.

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

3.5.3 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.

3.6 Quorum.

3.6.1 "Quorum" means the Owners holding the minimum number of Percentage Interests (when duly assembled at a meeting, represented by proxy, or casting a written ballot in an action without a meeting) necessary to make the proceedings valid.

3.6.2 At any regular annual meeting of the Association, the Owners 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 or action taken without a meeting, and except as otherwise provided in the Declaration or these Bylaws, Owners holding one-third (1/3) of the Percentage Interests, represented in person, by proxy, or by written ballot, shall constitute a quorum.

3.6.3 If any meeting of Owners cannot be organized because of a lack of quorum, the Owners 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 Owners holding twenty percent (20%) of the voting rights, represented in person, by proxy, or by written ballot, shall constitute a quorum at such adjourned meeting.

3.6.4 When a quorum is once present to organize a meeting it cannot be broken by the subsequent withdrawal of an Owner or Owners.

3.7 Binding Vote. Action on a matter other than the election of directors is approved and shall be binding upon all owners for all purposes if a quorum exists and the votes cast favoring the action exceed the votes cast opposing the action, unless a greater number of affirmative votes is required by the Governing Documents.

3.8 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.

3.9 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 and shall have absolute authority to fix the period of time allowed for the registration of Owners and the filing of proxies, to determine the order of business to be conducted at such meeting and to establish reasonable rules for expediting the business of the meeting (including any informal or question and answer portions thereof). A decision of the Association may not be challenged on the basis that appropriate rules of order were not used. All informalities or irregularities in calls or notices of meetings and in the manner of voting, credentials, and methods of ascertaining those present shall be deemed waived by those present if no objection is made at the meeting.

3.10 Election Inspectors. The Committee, in advance of any meeting of the Members, may appoint an election inspector or inspectors to act at such meeting (and at any adjournment thereof). If an election inspector or inspectors are not so appointed, the President may, or upon request of 10% of the Members entitled to vote at the meeting will, make such appointment. If any person appointed as an inspector fails to appear or to act, a substitute may be appointed by the President. If appointed, the election inspector or, inspectors (acting through a majority of them if there be more than one) will determine the Members entitled to vote, the authenticity, validity and effect of proxies and the number of Members represented at the meeting in person and by proxy; they will receive and count votes, ballots and consents and announce the results thereof, which announcement of results, as reflected in the minutes of the meeting, shall be conclusive evidence of such results for all purposes; they will hear and determine all challenges and questions pertaining to proxies and voting; and, in general, they will perform such acts as may be proper to conduct elections and voting with complete fairness to all Members.

3.11 Action by Written Ballot in Lieu of a Meeting/Action by Mail In Ballot. Any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association causes to be delivered a written ballot to every Member entitled to vote on the matter not less than fourteen (14) days prior to the date on which the ballots must be received by the Association in order to be counted.

A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

All solicitations for votes by written ballot shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; specify the time by which a ballot must be received by the Association in order to be counted; and be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

In the event the action is for election of Committee members, there shall be space on the ballot to write in nominations. Action taken under this section has the same effect as action taken at a meeting of Members and may be described as such in any document. Voting under this Section,

for all purposes, may also occur by electronic means described above, however, nothing herein shall eliminate the requirement to hold at least one (1) annual meeting a year.

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

3.12 Action without Notice and a Meeting. Any action required to be taken or which may be taken at a meeting of Members may be taken without a meeting and without prior notice if one or more consents in writing, setting forth the action so taken, are signed by Members having not less than the minimum voting power that would be necessary to authorize or take the action at a meeting at which all Members entitled to vote on the action were present and voted. All such writings must be received by the Association within a sixty-day period. Any such writing may be received by the Association by electronically transmitted facsimile or other form of electronic communication providing the Association with a complete copy thereof, including a copy of the signature thereto. Action taken pursuant to this section shall be effective when the last writing necessary to effect the action is received by the Association, unless the writings describing and consenting to the action set forth a different effective date.

3.13 Fiduciaries and Joint Owners. 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. 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.

ARTICLE 4 - MANAGEMENT COMMITTEE MEMBERS – SELECTION ELECTION, TERM OF OFFICE

4.1 Number, Term and Qualifications.

4.1.1 The affairs of the Association shall be governed by a Management Committee composed of five (5) regular Committee members.

4.1.2 Members of the Management Committee shall serve for a term of two (2) years. The terms shall be staggered so all Committee members are never elected in the same year.

4.1.3 All Committee members must reside full-time within the Community and must be an Owner or the spouse of an Owner of a Unit, except that a husband and wife may not serve on the Committee at the same time. A representative of an entity which owns a Unit, and only one such representative, may serve on the Committee, such that a shareholder of a corporation, a

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

4.2 Nomination. Nomination for election to the Management Committee shall be made in the manner determined by the Management Committee, which may include a nominating committee, nominations from the floor at a meeting, or the requirement that nominations (including self-nominations) for positions on the Management Committee be made by petition filed with the Secretary of the Association at least thirty days prior to the annual meeting of the Association, which petition shall be signed by the nominee named therein indicating his or her willingness to serve as a member of the Management Committee, if elected. The Management Committee may, but shall not be obligated to, inquire of the Owners to identify those having an interest in serving on the Management Committee. The Management Committee or, if established, the nominating committee, shall make as many nominations for election as it shall in its discretion determine, but not less than the number of vacancies. Self-nominated candidates who qualify for election shall be permitted, provided they comply with any procedures for self-nomination stated herein or promulgated by the Association at least 30 days before the applicable meeting.

4.3 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. Voting in an election shall be by written ballot. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

4.4 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 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. The Committee shall fill such a vacancy within the time period that the Committee reasonably determines.

4.5 Removal of Committee members.

4.5.1 At any annual or special meeting, any one or more of the Committee members may be removed, with or without cause, by a majority of the total 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 Committee member whose removal has been proposed by the Owners may be given an opportunity to be heard at the meeting.

4.5.2 A Committee member who is delinquent in the payment of an Assessment for longer than three months, is absent from three consecutive regular Committee meetings, or is absent from more than 25% of the regular Committee meetings held in any 12-month period, shall be deemed to have tendered his or her resignation, and upon acceptance by the Management Committee his or her position shall be vacant. The vacancy shall be filled as provided in Section 4.4 above.

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

ARTICLE 5 - MEETINGS OF MANAGEMENT COMMITTEE

5.1 Organizational Meeting.

5.1.1 Location, Date and Time. The first meeting of a newly-elected Management Committee shall be held 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.

5.1.2 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 Committee shall be open to Unit Owners. At each meeting, the Committee shall provide each Owner a reasonable opportunity to offer comments. The Committee may limit the comments to one specific time period during the meeting. Beyond such comment period, no Owner shall have a right to participate in the 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. The Committee may adopt policies governing meetings of the Management Committee from time to time, including policies to reflect current Utah law (which Utah law may change more frequently than these Bylaws). If such Utah law supersedes any provision of these Bylaws, the policy adopted by the Committee shall also supersede these Bylaws to the extent the policy restates then current Utah law.

5.5.2 Executive Sessions. In the discretion of the Committee, the following matters, in addition to matters provided for by law, 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, confidential, 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 Action Taken by Committee without a Meeting.

5.7.1 Notice, Response. The Committee shall have the right to take any action in the absence of a meeting which they could take at a meeting if notice is transmitted in writing to each member of the Committee and each member of the Committee, by the time stated in the notice:

- (a) signs a writing for such action; or
- (b) signs a writing against such action, abstains in writing from voting, or fails to respond or vote; and
- (c) fails to demand in writing that action not be taken without a meeting.

5.7.2 Content of Notice. The notice required by Subsection 5.7.1 (the “Notice”) shall

- (a) the action to be taken;
- (b) the time by which a Committee member must respond to the notice;
- (c) that failure to respond by the time stated in the notice will have the same effect as: (1) abstaining in writing by the time stated in the notice; and (2) failing to demand in writing by the time stated in the notice that action not be taken without a meeting; and
- (d) any other matters the Association determines to include.

5.7.3 Approval of Action/Decision. Action is taken under this Section 5.7 only if, at the end of the time stated in the Notice:

(a) the affirmative votes in writing for the action received by the Association equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the Committee members then in office were present and voted; and

(b) the Association has not received a written demand by a Committee member that the action not be taken without a meeting (other than a demand that has been revoked pursuant to Subsection 5.7.5).

5.7.4 Waiver of Meeting. A Committee member's right to demand that action not be taken without a meeting shall be considered to have been waived unless the Association receives such demand from the Committee member in writing by the time stated in the Notice.

5.7.5 Revocation. A Committee member who in writing has voted, abstained, or demanded action not be taken without a meeting may, in writing, revoke the vote, abstention, or demand at any time before the time stated in the Notice.

5.7.6 Electronic Transmission. A communication under this Article may be delivered by an electronic transmission. An electronic transmission communicating a vote, abstention, demand, or revocation is considered to be written, signed, and dated for purposes of this Article if the electronic transmission is delivered with information from which the Association can determine that the electronic transmission is transmitted by the person (e.g., from a sender's known email account), and the date on which the electronic transmission is transmitted. The date on which an electronic transmission is transmitted is considered the date on which the vote, abstention, demand, or revocation is signed. For purposes of this Section 5.7, communications to the Association are not effective until received.

5.8 Waiver of Notice. Any Committee member may, at any time, 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.

5.9 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.

5.10 Proxies at Committee Meetings. For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Committee member may be considered to be present at a meeting and to vote if the Committee member has granted a signed written proxy: (i) to another Committee member, or other person, who is present at the meeting; and (ii) authorizing the other Committee member or person to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy (a directed proxy).

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, the Articles or by these Bylaws directed to be exercised and done by the Owners.

6.2 Specific Powers. In addition to powers granted 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, 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 Association. The Management Committee members shall, at all times, keep themselves reasonably 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 Association 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 (c) 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.

6.4 Conflicts of Interest.

6.4.1 A conflict of interest or conflicting interest transaction includes a contract, transaction, or other financial relationship between the Association and (1) a Committee member, (2) a party related to a Committee member, or (3) an entity in which a Committee member is a director or officer or has a financial interest.

6.4.2 A Committee member shall avoid conflicts of interest or conflicting interest transactions, unless: (1) the material facts as to the Committee member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Committee, (2) the Committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Committee members (even if the disinterested Committee members are less than a quorum), and (3) the conflicting interest transaction is fair as to the Association.

ARTICLE 7 - OFFICERS AND THEIR DUTIES

7.1 Designation and Qualification.

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

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

7.1.3 Multiple Offices. A person may simultaneously hold more than one office.

7.1.4 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 Committee at the organizational meeting of each new Committee or any 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 Committee shall elect a successor to fill the unexpired term.

7.3 Resignation. Any officer may resign at any time by giving written notice to the 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 Committee. Upon an affirmative vote of a majority of the members of the Committee any officer may be removed, either with or without cause.

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

7.6 Duties of Officers. Officers shall have such duties prescribed with respect to the office by the Declaration, Bylaws, and by the Committee, to the extent not inconsistent with these Bylaws or the Declaration. The Committee may delegate any powers or duties of officers to other persons or agents as the Committee deems necessary or appropriate from time to time. Any principal officer may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association in accordance with the amendment provisions of the Declaration. The general duties of the officers are as follows:

7.6.1. 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, including amendments to the Governing Documents.

7.6.2. 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.

7.6.3. Secretary. The secretary shall prepare and maintain 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, shall have the responsibility for preparation and maintenance other records and information required to be kept by the Association under the Act and under Section 16-6a-1601 of the Utah Revised Nonprofit Corporation Act; and for authenticating records of the nonprofit corporation, and in general, shall perform all of the duties incident to the office of secretary,

7.6.4. 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

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

When a member of the Management Committee is sued for liability for actions undertaken in his or her role as a member of the Management Committee, the Association shall indemnify him or her for his or her losses or claims, and undertake all costs of defense, until and unless it is proven that he or she acted with willful or wanton misfeasance or with gross negligence. After such proof, the Association is no longer liable for the cost of defense and may recover costs already expended from the member of the Management Committee who so acted. Members of the Management Committee are not personally liable to the victims of crimes occurring at the Project. Punitive damages may not be recovered against the Association but may be recovered from persons whose activity gave rise to the damages.

Beyond (but subject to) the foregoing provisions of this Article, 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 the Utah Revised Nonprofit Corporation Act (regardless of the Association's corporate status or lack thereof) against expenses and liabilities reasonably incurred by him or her in connection with the defense of any actual or threatened 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 not 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 as may be prescribed by a resolution adopted by the Management Committee.

9.1 General Records.

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

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

9.9.3. The Management Committee shall maintain a list of the names and addresses of the Owners. Any record of email addresses or phone numbers of Owners kept by the Association shall be deemed confidential and private and shall not be subject to inspection, viewing or copying by any Owner.

9.9.4. 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.

9.4.1. If requested within ninety days after the end of the fiscal year, the Management Committee shall provide an annual report of the receipts and expenditures of the Association and a balance sheet showing assets and liabilities to a requesting Owner or mortgagee of a Unit.

9.4.2. 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.

9.5.1. 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.

9.5.2. 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.

9.5.3. 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.

9.5.4. 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:

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

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

9.6.3. Communications with legal counsel that relate to matters specified in this section, and any other communications with legal counsel that are protected by any privilege, including the attorney client privilege.

9.6.4. Disclosure of information in violation of law.

9.6.5. 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.

9.6.6. 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.

9.6.7. 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.

9.6.8. Email addresses and phone numbers, unless authorized by the Owner(s).

ARTICLE 10 - AMENDMENTS

The approval of members representing at least 60% of the total voting rights of the Association. An amendment shall not be effective until certified by the president of the Association as being adopted in accordance with these Bylaws, acknowledged, and recorded with the County Recorder's Office.

**ARTICLE 11 -
MISCELLANEOUS**

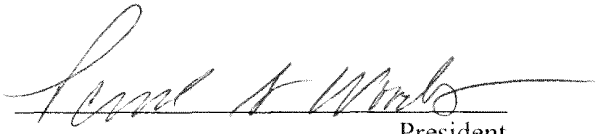
11.1 Waiver, Precedent and Estoppel. No restriction, condition, obligation, or provision contained in these Bylaws or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Association by reason of any failure to enforce the same, irrespective of the number 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.

11.2 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.

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

11.4 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 30 day of April, 2018.

(Sign): 
(Print Name): _____, President