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REC FOR: THE COTTAGES @ COLONIAL SPRING

**RESTATED AND AMENDED
DECLARATION
OF
COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
THE COTTAGES AT COLONIAL
SPRINGS**

(A Planned Unit Development)

May 2011

TABLE OF CONTENTS

ARTICLE	PAGE
I DEFINITIONS	2
II PROPERTY DESCRIPTION	4
III THE ASSOCIATION	5
3.1 Membership	5
3.2 Votes	5
3.3 Maintenance of Front Yards	5
3.4 Professional Management	6
3.5 Amplification	6
IV PROPERTY RIGHTS IN COMMON AREAS AND UNITS	6
4.1 Description of Buildings and Units	6
4.2 Easement of Enjoyment	7
4.3 Easements for Encroachments	7
4.4 Limitation on Easement	7
4.5 Form for Conveyancing	8
4.6 Transfer of Title	8
V ASSESSMENTS	8
5.1 Agreement to Pay Assessments	8
5.2 Annual Assessments	9
5.3 Special Assessments	10
5.4 Uniform Rate of Assessment	11
5.5 Notice and Quorum for Any Action Authorized Under Sections 5.1 and 5.3	11
5.6 Lien for Assessment	11
5.7 Personal Obligation of Owner	12
5.8 Personal liability of Purchaser	12
5.9 Reserves and Working Capital	12
5.10 Working Capital Fund	13
5.11 Evidence of Payment of Annual and Special Assessments	13
VI OPERATION AND MAINTENANCE	14
6.1 Maintenance of Units	14
6.2 Operation and Maintenance by Association	14
6.3 Utilities	14
6.4 Common Utilities	15
6.5 Street Lighting	15

6.6	Insurance.....	15
6.7	Insurance Trustees and General Requirements Concerning Insurance.....	17
6.8	Annual Review of Policies.....	17
6.9	Right and Duty of Owners to Unsure	18
VII	DAMAGE OR DESTRUCTION.....	18
7.1	Damage to Common Area,	18
7.2	Damage to Buildings.....	18
7.3	Alternate Plans for Restoration and Repair.	19
7.4	Appraisal of Damages.....	19
7.5	Interior Damage.	19
VIII	CONDEMNATION.....	19
8.1	Condemnation	19
8.2	Proceed.....	20
8.3	Complete Taking.....	20
8.4	Partial Taking.....	20
IX	TERMINATION.....	21
9.1	Required Vote.....	21
9.2	Termination Agreement.....	21
9.3	Sale of Project.....	22
9.4	Association Duties.....	22
9.5	Proceeds of Sale.....	22
X	GENERAL USE RESTRICTIONS.....	22
10.1	Rules and Regulations.....	22
10.2	Use of Common Areas.	22
10.3	Use of Units.	22
10.4	Utility Easements.....	26
10.5	No Further Subdividing.	26
10.6	Repair of Buildings.....	26
10.7	Insurance.....	26
10.8	Improvement and Alterations.	26
10.9	General Obligations	27
XI	MORTGAGEE PROTECTION.....	27
11.1	Notice of Action.....	27
11.2	Matters Requiring Eligible Mortgagee Approval	27
11.3	Availability of Project Documents and Financial Statements	28
11.4	Subordination of Lien	29

11.5	Payment of Taxes.....	29
11.6	Priority.	29
XII	RESTRICTION ON RENTALS	29
XIII	HOUSING FOR OLDER PERSONS.....	32
13.1	The Association's Intent to Comply with HOPA	32
13.2	Use of Units	33
13.3	Good Faith Defense Against Money Damages.....	34
13.4	Verification of Occupancy	34
XIV	MISCELLANEOUS.....	35
14.1	Notices.	35
14.2	Term.....	35
14.3	Amendment.....	36
14.4	Rights of Action.....	36
14.5	Interpretation.....	36
14.6	Covenants to Run With Land.....	36
14.7	Lists of Owners and Eligible Mortgagees.....	36
14.8	Registered Agent.....	37
14.9	Effective Date.	37
Exhibit A Legal Description	
Exhibit B List of Units, Votes & Assessment Percentages	
Exhibit C Bylaws	
Exhibit D Record Retention Schedule	
Exhibit E Pet Ownership Agreement	

**RESTATED AND AMENDED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
THE COTTAGES AT COLONIAL SPRINGS**

(A Planned Unit Development)

THIS RESTATED AND AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COTTAGES AT COLONIAL SPRINGS (the "Restated Declaration") is made and executed by The Cottages at Colonial Springs Owners Association, Inc. ("Association") on the date shown below after being voted on and approved by the Owners of Units in The Cottages at Colonial Springs ("Cottages"). .

RECITALS:

- A. Capitalized terms in this Restated Declaration are defined in Article I.
- B. The Owners hold legal title to that certain tract of real property and improvements located in Weber County, Utah, more particularly described in Article II of this Restated Declaration. The various Units described in this Restated Declaration are owned by the Owners in fee simple.
- C. By this Restated Declaration, the Owners intend to continue the common scheme and plan for the possession, use, enjoyment, repair, maintenance, restoration and improvement of the Property and the interests therein conveyed as a Planned Unit Development consisting of single family residences in accordance with the terms hereof.
- D. The Cottages was created on or about December 13, 2001, upon the recording of "Declaration of Covenants, Conditions and Restrictions of The Cottages at Colonial Springs" ("Enabling Declaration") as Entry No. 1814503, in Book 2193, Page 2160, in the Office of the Weber County Recorder.
- E. The Enabling Declaration was amended by (i) the First Amendment to Declaration of Covenants, Conditions and Restrictions of The Cottages at Colonial Springs, which was recorded May 31, 2002, as Entry No. 1851785 (hereinafter the "First Amendment"), and by (ii) the Second Amendment to Declaration of Covenants, Conditions and Restrictions of The Cottages at Colonial Springs, which was recorded September 3, 2003, as Entry No. 1971264. (hereinafter the "Second Amendment").
- F. The purpose and intent of this Restated Declaration is to restate and amend the Enabling Declaration, the First Amendment and the Second Amendment, and to bring all phases of The Cottages at Colonial Springs under one common set of restrictive covenants, it having been discovered that the First Amendment and Second Amendment were inadvertently not

recorded against the Units in all phase of the subdivision at the time they were adopted

NOW, THEREFORE, to accomplish the Owners' objectives, this Restated Declaration is hereby adopted. The Enabling Declaration, the First Amendment and the Second Amendment are hereby restated, replaced and amended by this Restated Declaration. It is the intent of the Owners that this Restated Declaration replaces all prior governing documents and that it be the sole set of restrictive covenants governing the Association. Regardless of any language herein to the contrary, the following are not renounced, rescinded, revoked, replaced or amended: the Plat (as defined herein); the submission and dedication of the real property described in Exhibit "A" to the provisions of this Restated Declaration; the ratification, approval and incorporation of the Cottages at Colonial Springs Owners Association, Inc., a Utah nonprofit corporation, and the Articles of Incorporation on file with the State of Utah; and any other provision that would nullify the legal status of the Project.

It is hereby declared that the Property shall be held, sold, conveyed, leased, rented, encumbered and used, subject to the following Restated Declaration and its covenants, restrictions, limitations, and conditions, all of which shall constitute covenants which run with the land and shall be binding on and be for the benefit of the Association and all Owners of all or any part of the Property, together with their grantees, successors, heirs, executors, administrators, devisees and assigns, all as set forth herein.

ARTICLE I

DEFINITIONS

When used in this Restated Declaration (including in that portion hereof headed "Recitals") the following terms shall have the meaning indicated.

1.1 **"Articles" or "Articles of Incorporation"** shall mean and refer to the Articles of Incorporation of the Association which were filed with the Utah State Departments of Commerce, Division of Corporations, and Commercial Code on or about March 27, 2001.

1.2 **"Association"** shall mean and refer to The Cottages at Colonial Springs Owners Association, Inc., A Utah nonprofit corporation.

1.3 **"Board of Directors" or "Board"** shall mean and refer to the governing board of the Association which shall be elected in accordance with the Restated Declaration, the Articles of Incorporation and Bylaws of the Association.

1.4 **"Building"** shall mean and refer to a single, detached, residential structure located on a Lot in the Projects.

1.5 **"Building Exteriors"** shall mean and refer to those portions of the Units which are open to the elements such as roofs, soffit, facie, exterior walls, exterior doors, footings and foundations but excluding any window glass.

1.6 **"Bylaws"** shall mean and refer to the Bylaws of the Association attached hereto

as **Exhibit "C"** as amended from time to time. The Bylaws are also being amended in conjunction with the adoption of this Restated Declaration. By adopting this Restated Declaration, the Bylaws, as amended, are also approved and adopted by the Members of the Association

1.7 **"Common Areas"** shall mean and refer to that part of the Property which is not included within the Units or the Limited Common Area, including roadways, parks, detention basin within the Project and all improvements other than utility lines now or hereafter constructed or located thereon and subject to the easements herein described.

1.8 **"Common Expense Fund"** shall mean and refer to the fund created or to be created pursuant to the provisions of Article V of this Restated Declaration and into which all monies of the Association shall be deposited. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for reserve expenses which together shall constitute the Common Expense Funds.

1.9 **"Common Expenses"** shall mean and refer to those costs and expenses arising out of or connected with the maintenance and operation of the Project and Association as described in Article V hereof and which determine the assessments made to Owners.

1.10 **"Restated Declaration"** shall mean and refer to this RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE COTTAGES AT COLONIAL SPRINGS, as the same may hereafter be modified, amended and supplemented.

1.11 **"Eligible Mortgagee"** shall mean and refer to a First Mortgagee which has requested notice of certain matters from the Association in accordance with Section 1 of Article XI of this Restated Declaration or the Enabling Declaration.

1.12 **"First Mortgage"** shall mean any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

1.13 **"First Mortgagee"** means any person named as a Mortgagee under a First Mortgage, or any successor to the interest of any such person under a First Mortgage, which First Mortgage is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

1.14 **"Limited Common Areas"** shall mean any Common Area designated as reserved for use by the Owner of a certain Unit or Units to the exclusion of the other Owners in the Project. Any areas and facilities that are identified on the Plat as Limited Common Areas are permanently assigned to specific Units, as an appurtenance to such Units, for the exclusive use of such Units. The Plat permanently designates the Unit or Units to which each of the Limited Common Areas is reserved and appurtenant.

1.15 **"Lot"** shall mean and refer to the separate parcel of residential real property which is identified on the Plat Map created for the construction of a Building. The term "Lot" does not include any Common Area.

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

1.17 **"Member"** shall mean and refer to every person who holds membership in the Association.

1.18 **"Mortgage"** shall mean any mortgage, deed of trust, or other document pledging any portion of a Unit or interest therein as security for payment of a debt or obligation.

1.19 **"Mortgagee"** shall mean a beneficiary of a Mortgage as well as named Mortgagee.

1.20 **"Owner"** shall mean the person or persons owning in fee simple a Unit in the Project, as such ownership is shown by the records of the County Recorder of Weber County, State of Utah. The term "Owner" shall not refer to any Mortgagee (unless such Mortgagee has obtained title in fee simple to a Unit pursuant to a judicial or non-judicial action, including, without limitation, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure) or to any person or persons purchasing a Unit under contract (until such contract is fully performed and legal title conveyed of record).

1.21 **"Plat"** shall mean and refer to the map for the various phases of The Cottages at Colonial Springs as recorded in the office of the County Recorder of Weber County, Utah, and all amendments thereto.

1.22 **"Project"** shall mean and refer to the Property and the plans of development and ownership of the Property created and governed by this Restated Declaration, the Articles and the Bylaws.

1.23 **"Property"** shall mean and refer to the entire tract of real property now or hereafter covered by the Plat. A description of the real property covered by the Plat on the effective date of this Restated Declaration is set forth in Article II of this Restated Declaration.

1.24 **"Unit"** shall mean and refer to the real property consisting of a Building and Lot as shown on the Plat. Except where the context specifically otherwise requires, reference to a Unit shall include reference to the Building thereon.

ARTICLE II

PROPERTY DESCRIPTION

2.1 The Property within the Project which is and shall be held, transferred, sold, conveyed, and occupied subject to the provisions, easements and restrictions of this Restated Declaration and the Plat consists of the following described real property situated in Weber County, State of Utah:

See Exhibit "A"

ARTICLE III

THE ASSOCIATION

3.1 Membership. Each Owner shall be entitled and required to be a Member of the Association. Membership will begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Unit is held by more than one person, the membership appurtenant to that Unit shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Unit is held. An Owner shall be entitled to one membership for each Unit owned by such Owner. Each membership shall be appurtenant to the Unit to which it relates and shall be transferred automatically by conveyance of that Unit. Ownership of a Unit within the Project cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance or other disposition of such Unit shall automatically constitute a devise, encumbrance, conveyance or other disposition of the Owner's membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association and membership in the Association may not be transferred except in connection with the transfer of a Unit. The Association shall make available to the Owners, Mortgagees and the holders, insurers and guarantors of the First Mortgage on any Unit current copies of the Restated Declaration, Articles, Bylaws and other rules governing the Project and other books, records and financial statements of the Association. The term "available" as used in this Article 3.1 shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

3.2 Votes. Each Member shall be entitled to the number of votes appurtenant to his or her Unit, as set forth on Exhibit "B", which is attached hereto and incorporated herein by this reference. The number of votes appurtenant to each Unit shall be permanent, and shall not change in the event an Owner modifies a Unit to increase or decrease the size of his Unit relative to other Units but may be changed pursuant to the provisions of Article XII. In the event that there is more than one Owner of a particular Unit, the votes relating to such Unit shall be exercised as the Owners may determine among themselves. No Unit shall have more than the number of votes shown on Exhibit "B", regardless of the number of person having an ownership interest in the Unit. The votes cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the votes attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the votes involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

3.3 Maintenance of Front Yards. It is intended that the Buildings and the Front Yard of all Lots and Units shall present a uniform, neat and well-cared-for appearance. To achieve this stated purpose, the Association shall prepare, improve, install and shall maintain all landscaping, trees, shrubs, grass, walks and steps located in the Front Yard of each Unit, except as provided herein. The "Front Yard" shall be defined herein as that point from the lateral fence (which is to be located at or about the front corner of each Building) to the street but not including the driveway or walkway of any Unit.

Owners may plant shrubs, flowers and small trees in the "Front Yard Planting Area". The "Front Yard Planting Area" shall be defined herein as that portion of the Front Yard between the Building and the cement decorative strip that wraps around the front of and to the side of the Building's porch. When an Owner, or the Owner's predecessor, plants anything in the Front Yard Planting Area, the Owner shall be responsible for all maintenance, repair, landscaping, weeding, and the expenses associated with the same, until such time as the Owner returns the Front Yard Planting Area to its original state. Plants and shrubs planted by the Owner in the Front Yard Planting Area may be permitted to grow to a height that exceeds the height of the front porch railing during the summer growing season; however, at the end of the summer growing season and by no later than October 1 of each year, the plants and shrubs located in the portion of the Front Yard Planting Area facing the street must be trimmed to a height below the front porch railing. Plants and shrubs located in the portion of the Front Yard Planting Area on the side of the Building may be permitted to grow to a height above the front porch railing as long as they are kept neat and are well maintained and do not do damage to the Building. A tree may be planted in the Front Yard Planting Area by the front porch corner pole. All pruning and maintenance of the tree shall be the sole responsibility of the Owner, and any damage whatsoever caused by the tree, including but not limited to damage to the Building, shall be repaired solely at the Owner's expense.

In the event that the need for maintenance or repair of the Front Yard or the Front Yard Planting Area is caused through the willful or negligent acts of its Owner(s), or through the willful or negligent acts of the guests, tenants or invitees of the Owner(s) of the Unit needing such maintenance or repair, the cost of such maintenance shall be immediately due and payable from such Owner and added to and become a part of the assessment to which such Unit is subject.

3.4 Professional Management. The Association may carry out, through a Manager, those of its functions which are properly the subject of delegation. The Manager so engaged shall be an independent contractor and not an agent or employee of the Association, shall be responsible for managing the Project for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the management agreement with the Association, be authorized to perform any of the functions or acts required to be performed by the Association itself.

3.5 Amplification. The provisions of Sections 3.3 and 3.4 may be amplified by the Articles and the Bylaws; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Restated Declaration.

ARTICLE IV

PROPERTY RIGHTS IN COMMON AREAS AND UNITS

4.1 Description of Buildings and Units. Each Building shall be detached, single story residence of wood frame construction, erected on concrete slab with composition roof and attached garage and driveway. Each Unit shall be separately metered and wired for electricity. Water, both culinary and secondary for irrigation, may be metered in common with all other Units in the Projects. Each Unit shall be connected to a public sewage disposal system. A more

detailed description of the Units may be found on the Plat. Revised Unit descriptions may be contained in subsequent plats or amendments.

4.2 **Easement of Enjoyment.** Each Member shall have an undivided interest, right and easement of use and enjoyment in and to the Common Areas. Each Owner shall have an unrestricted right of ingress or egress to and from its Unit over and across such Common Areas. Each Owner shall also have the exclusive right to use by such Owner or as may be designated by the Association. Such rights and easements shall be appurtenant to and shall pass with title to each Unit and in no event shall be separated therefrom. Any Member may delegate the right and easement of use and enjoyment described herein to any guest, invitee, tenant, lessee, contract purchaser, or other person who occupies or utilizes such Member's Unit.

4.3 **Easements for Encroachments.** It is intended that one wall of each Building shall be located at or on the property line as shown on the Plat Map. In the event the construction, reconstruction, repair, shifting, settlement or any other movement of any portion of the improvements causes any part of a Unit built in substantial accord with the boundaries for such Unit as depicted on the Plat to encroach upon the Common Areas, or upon an adjoining Unit, or if any part of the Common Areas encroaches or shall encroach upon a Unit for any such reason, an easement for such encroachment and for the maintenance of the same shall and does hereby exist. There is also hereby created an easement for any encroachment by any footing, foundation, roof overhang or other architectural appurtenances upon an adjoining Unit or any part of the Common Areas.

4.4 **Limitation on Easement.** A Member's equal, undivided interest, right and easement of use and enjoyment concerning the Common Areas shall be subject to the following:

4.4.1 The right of the Association to suspend a Member's voting right in the Association upon notice and a chance for hearing for any period during which (i) an assessment on such Member's Unit remains unpaid; (ii) for a period not exceeding sixty (60) days for any infraction by such Member of the provisions of this Restated Declaration or of any rule or regulation promulgated by the Association; and (iii) for successive 60-day periods of any such infraction is not corrected during any prior 60-day suspension period;

4.4.2 The right of the Association to (i) impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas; and (ii) allocate and/or assign specific parking spaces as may be available to each Owner based on the assessment percentages set forth in Exhibit "B" as may be reasonably necessary.

4.4.3 The right of Harrisville City, Weber County, the State of Utah or any other governmental or quasi-governmental body having jurisdiction over the Property, to ingress and egress over and across any street, parking area, walkway, or open area contained within the Property for purposes of providing police and fire protection and providing other governmental or municipal service;

4.4.4 The right of the Association to dedicate or transfer all or any part of the Common

Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer shall be effective unless an instrument signed by Members holding sixty-seven (67%) or more of the total votes of the Association agreeing to such dedication or transfer has been recorded, except that the Board shall have authority to transfer to such public agencies, authorities or utilities, permits, licenses, easements and rights-of-way which are intended to benefit and which do not have any substantial adverse effect on the use or enjoyment of the Common Areas by the Members.

4.5 Form for Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering title to a Unit may describe the interest or estate involved substantially as follows:

Lot No. _____ of the Cottages at Colonial Springs, a Planned Unit Development, according to the Record of Survey Map filed for record as Entry No. _____ in Book _____ of Plats at Page _____, together with the appurtenant undivided ownership interest in the "Common Areas", all of which are defined and described in the Declaration of Covenants, Conditions and Restrictions of The Cottages at Colonial Springs and the Exhibits attached thereto, filed for record as Entry No. _____ in Book _____ at Pages _____ through _____, of Official Records.

Whether or not the description employed in any such instrument is in the above specified form, however, all provisions of this Restated Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Unit.

4.6 Transfer of Title. The Common Areas are owned by the Members of Association as tenants in common with an equal undivided interest therein. No Owner shall bring any action for partition or division of any part of the Common Area, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation, management, use, and enjoyment of the Common Area.

ARTICLE V

ASSESSMENTS

5.1 Agreement to Pay Assessments. Each Owner of any Unit, by the acceptance of instruments of conveyance and transfer thereof, whether or not it is expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association to pay to the Association all assessments made by the Association for the purposes provided in this Restated Declaration. Such assessments shall be fixed, established and collected from time to time as provided in this Article V. In any event, all Units shall be allocated the then applicable assessments upon conveyance of the first Unit.

5.1.1 The maximum annual assessment may be increased each year by up to fifteen percent (15%) above the maximum assessment for the previous year without a vote of the membership.

5.1.2 The annual assessment may be increased fifteen percent (15%) over the prior

year's assessment only by an affirmative vote of at least sixty-seven percent (67%) of the votes (determined in accordance with Section 3 of Article III) of those Members of the Association who are present in person or by proxy, at a meeting duly called for this purpose.

5.1.3 The Board may fix the annual assessment at an amount not in excess of the maximum annual assessment set forth in Section 1.B without a vote of the Members.

5.2 Annual Assessments. Annual assessment shall be computed and assessed against all Units in the Project as follows:

5.2.1 Common Expense. Annual assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with the maintenance and operation of the Common Areas and furnishing common utility services and other common item to the Units. Such estimated expenses may include, without limitation, the following: expenses of management; real property taxes and special assessments on the Common Areas (and the Units until the Units are separately assessed); premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs, maintenance and cleaning of the Common Areas; landscaping of Common Areas; snow removal, wages of Association employees, fees for a Manager; trash removal from Common Areas; utility charges, including charges for utility services to the Units to the extend not separately metered or billed; legal and accounting fees; any deficit remaining from a previous period; creation of an adequate contingency reserve, ; creation of an adequate reserve fund for maintenance repairs, and replacement of those Common Areas that must be replaced on a periodic basis; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Restated Declaration. Common Expenses shall also include those assessments imposed upon the Association by virtue of its membership in the Colonial Springs Association as governed by *Umbrella Declaration of Covenants, Conditions, Restriction and Reservation of Easement for Colonial Springs*, and its articles and bylaws. The aggregate of all such items shall constitute the Common Expenses, and all funds received from assessments under this Section 5.2.1 shall be part of the Common Expense Fund. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for capital reserve expenses which together shall constitute the Common Expense Fund.

5.2.2 Apportionment. Common Expenses shall be apportioned among and assessed to all Units and their Owners, as set forth on Exhibit "B", which is attached hereto and incorporated herein by this reference.

5.2.3 Annual Budget. Annual assessments shall be determined on the basis of a fiscal year beginning January 1st and ending on the following December 31st. On or before December 1st of each year thereafter, the Board shall prepare and furnish to each Owner, or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated Common Expenses for such fiscal year, anticipated receipts (if any) and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the annual assessment for

the upcoming fiscal year and as the major guideline under which the Project shall be operated during such annual period.

5.2.4 Notice and Payment. Except with respect to the first fiscal year, the Board shall notify each Owner in writing as to the amount of the annual assessment against his or her Unit on or before December 15th each year for the fiscal year beginning on the following January 1st. Except as otherwise provided by the Board, each annual assessment shall be payable in twelve equal monthly installments, one such installment due on the first day of each calendar month during the fiscal year to which the assessment relates; provided, however, the annual assessment for the first fiscal year shall be based upon such portion of the first fiscal year. All unpaid installments of any annual assessment shall bear interest at the rate established by the Board not to exceed eighteen percent (18%) per annum from fifteen (15) days after the date each such installment became due until paid. The Board shall also have the right to assess a late fee of up to ten percent (10%) of any assessment installment not paid within ten (10) days following the due date thereof. In addition, in the event any installment of the annual assessment is not paid within fifteen (15) days of the date such an installment becomes due, the Association may, at its option, and upon fifteen (15) days prior written notice to the Owner, accelerate the due date for all remaining unpaid interest thereon. Payment of the annual assessment installments so accelerated shall be due at the expiration of said fifteen (15) day notice period and interest shall accrue on the entire sum at the rate established by the Board not to exceed eighteen percent (18%) per annum from such date until paid in full. The failure of the Board to give timely notice of any annual assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Restated Declaration, or a release of Owner from the obligation to pay such assessment or any other assessment.

5.2.5 Inadequate Funds. In the event that the Common Expense Funds proves inadequate at any time for whatever reason, including nonpayment of any Owner's assessment, the Board may, on behalf of the Association, levy additional assessments in accordance with the procedure set forth in Article V Section 3 below, except that the required vote set forth therein shall be by a least fifty percent (50%) of the voting power of the Association in person or by proxy at a meeting called for such purpose. Notwithstanding the foregoing, the Association may levy an additional assessment without a vote of the Owners so long as such additional assessment is only to cover the cost of utility rate increases which take effect after the annual budget is prepared.

5.3 Special Assessments. In addition to the annual assessments authorized by this Article, the Board may, on behalf of the Association, levy, at any time and from time to time, upon the affirmative vote of at least sixty-seven percent (67%) of the voting power of those members of the Association who are present in person or by proxy at a meeting called for such purpose, a special assessments, payable over such periods as the Board may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Restated Declaration (including, without limitation, Common Expenses). This Section shall not be construed as an independent source of authority for the Association to incur expenses but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections and Articles hereof. Any amounts assessed

pursuant hereto shall be assessed to Owners in accordance with the assessment percentages allocated to each Unit as set forth on Exhibit "B". Notice in writing of the amount of each such special assessment and the time for payment thereof shall be given promptly to the Owners; no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any special assessment shall bear interest at the rate established by the Board not to exceed eighteen percent (18%) per annum from the date such portions become due until paid. All funds received from assessments under this Section shall be part of the Common Expense Fund. The provisions of this Section are not intended to preclude the assessment, collection or use of annual assessments for the aforesaid purposes.

5.4 Uniform Rate of Assessment. The amount of any annual or special assessment against each Unit shall be fixed at a uniform rate based on the number of votes allocated to each Unit, as set forth on Exhibit "B". Annual assessments may be collected on a monthly basis and special assessments may be collected as specified by the Board unless otherwise determined by the resolution of the Members of the Association approving the special assessment.

5.5 Notice and Quorum for Any Action Authorized Under Sections 5.1 and 5.3. Written notice of any meeting called for the purpose of taking any action authorized under Sections 5.1 or 5.3 of this Article shall be sent to all Members no less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes (exclusive of suspended voting rights) of Members shall constitute a quorum. If the required quorum is not present, the meeting may be adjourned and the notice requirement of this section shall not apply to the subsequent meeting. The required quorum at the subsequent meeting shall be sixty percent (60%) of the required quorum at the preceding meeting. No such adjourned meeting shall be held more than sixty (60) days following the preceding meeting.

5.6 Lien for Assessment. All sums assessed to Owners of any Unit within the Project pursuant the provisions of this Article V, together with penalties and interest thereon as provided herein, shall be secured by a lien on such Unit in favor the Association. To evidence a lien for sums assessed pursuant to this Article V, the Board may caused to be prepared a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name if the Owner of the Unit and description of the Unit. Such notice shall be signed and acknowledged by a duly authorized officer or agent of the Association and may be recorded in the office of the County Recorder of Weber County, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by sale or foreclosure conducted in accordance with the provisions of law applicable to the exercise of powers of sale or judicial foreclosure of deeds of trust or mortgages or in any other manner permitted by law. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessment against the Unit which shall become due during the period of foreclosure, and all such assessments shall be secured by the lien being foreclosed. The Board shall have the right and power in behalf of the Association to bid in any foreclosure sale and to hold, lease, mortgage or convey the subject Unit in the name of the Association.

5.7 Personal Obligation of Owner. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner of such Unit to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit or by waiving any services or amenities provided in this Restated Declaration. In the event any steps are taken by the Association, including filing of any suit, to recover a money judgment for an unpaid assessment hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

5.8 Personal liability of Purchaser. The personal obligation of an Owner to pay unpaid assessments levied against his Unit as described in Section 7 of this Article V shall not pass to successors in title but shall remain the personal obligation of the owner. However, in the case of a voluntary conveyance, the buyer and seller shall be jointly and severally liable for all unpaid assessments owing at the time of the conveyance of the Unit. A lien to secure unpaid assessments shall not be affected by the sale or transfer of the Unit except for foreclosure by a First Mortgagee, in which case the foreclosure will extinguish the lien for any assessments that were payable before the foreclosure sale, but shall not relieve any subsequent Owner from paying the further assessments.

5.9 Reserves and Working Capital. In addition to its day-to-day operating funds, the Association shall establish the following funds:

5.9.1 Reserve Fund. The Board shall cause a reserve analysis to be conducted no less frequently than every five years. The Board's initial reserve analysis must be prepared prior to June 30, 2012. The Board shall thereafter review and, if necessary, update a previously conducted reserve analysis no less frequently than every two years. The Board may conduct a reserve analysis itself or may engage a reliable person or organization, as determined by the Board, to conduct the reserve analysis.

5.9.2 The Board may not use money in a reserve fund:

(a) for daily maintenance expenses, unless a Majority of the Owners vote to approve the use of reserve fund money for that purpose; or

(b) for any purpose other than the purpose for which the reserve fund was established, unless a Majority of the Owners vote to approve the use of reserve fund money for another purpose.

5.9.3 Based on the results of the reserve analysis, the Board shall create a reserve fund into which the Board shall cause to be deposited those common area Assessments collected from Owners for the purpose of funding the reserve fund.

5.9.4 The Board shall annually, either at the annual meeting of owners or at a special meeting of lot owners, (i) present the reserve study to the owners, and (ii) provide an opportunity for lot owners to discuss reserves and to vote on whether to fund the reserve fund and, if so, how to fund it and in what amount. The Board shall keep minutes of each

such meeting held under this section 5.9.4 and indicate in the minutes any decision relating to funding the reserve fund.

5.9.5 The Board shall cause an Assessment to be made against all Owners, which Assessment shall be collected on the same terms and conditions as other Common Expenses, in an amount sufficient to fund the reserve fund according to the findings of the reserve analysis. (Example: If the reserve analysis indicates that \$100,000 will be needed in 10 years to replace asphalt, then the Board shall assess an additional \$10,000 per year for 10 years, or \$833 per month, which, when split equally among each of the 114 Lots at the Cottages at Colonial Springs, thereby creating an additional monthly Assessment of \$7.30 for each Lot). The Board shall maintain a reserve fund separate from other funds of the Association. This Subsection may not be construed to limit a Board from prudently investing money placed in a reserve fund account.

5.9.6 As used herein, "reserve analysis" means an analysis to determine:

(a) the need for a reserve fund to accumulate money to cover the cost of repairing, replacing, and restoring Common Areas and facilities that have a useful life of three years or more, but excluding any cost that can reasonably be funded from the general budget or other funds of the association of Unit Owners; and

(b) the appropriate amount of any reserve fund.

(c) The reserve fund shall be maintained out of regular assessments for Common Expenses.

5.10 Working Capital Fund. The Association shall maintain for the Project, a working capital fund equal to at least two monthly installments of the annual assessment of each Unit. Each Unit's share of the working capital fund must be collected and transferred to the Association at the time of the closing of sale of that Unit. The working capital fund must be maintained in a segregated account for the use and benefit of the Association. The purpose of the working capital fund is to ensure that the Association will have cash available to meet initial operating expenses and unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Association. Amounts paid into the working capital fund are not to be considered advance payments of any regular assessment.

5.11 Evidence of Payment of Annual and Special Assessments. Upon receipt of a written request by a Member or any other person, the Association, within a reasonable period of time thereafter, shall issue to such Member or other person a written certificate stating (a) that all annual and special assessments (including interest, costs, attorneys' fees, and other charges, if any, as provided in this Article 5) have been paid with respect to any specified Unit as of the date of such certificate, or (b) if all annual and special assessments have not been paid, the amount of such annual and special assessments (including interest, costs, attorneys' fees, and other charges, if any, as provided in this Article 5) due and payable as of such date. The Association may make a reasonable charge for the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matter

therein stated as against any bona fide purchaser of, or Mortgagee on, the Unit in question.

ARTICLE VI

OPERATION AND MAINTENANCE

6.1 Maintenance of Units. Each Unit shall be maintained by the Owner thereof so as not to detract from the appearance of the Property and so as not to affect adversely the value or use of any other Unit. Each Owner shall maintain all Building Exteriors included as part of such Owner's Unit, including, without limitation: paint, stain, repair, replacement and care of roofs, gutters, downspouts, fences, exterior building surfaces, exterior doors and other exterior fixtures and improvements. Such maintenance shall include repair or replacement of window glass on such Owner's Unit and the repair or replacement of utility lines from the point that they begin to serve exclusively any one Owner's Unit. The Association shall have no obligation regarding maintenance or care of any Unit except as expressly set forth in Section 4 of Article III, Section 2 of this Article VI, or elsewhere in this Declaration. Each Owner is responsible to both landscape and maintain the backyard of their Lot (from the fence at or near the front corner of the Building to the back wall or fence of the Lot) Each Owner shall be required to connect to the irrigation (secondary) system for landscaping in the back yard of each Unit. Culinary water shall not be used for irrigation purposes.

6.2 Operation and Maintenance by Association. The Association shall provide for such maintenance and operation of the Common Areas as may be necessary or desirable to make them appropriately usable in conjunction with the Units and to keep them clean, functional, attractive and generally in good condition and repair. The Association shall install and maintain all landscaping, trees, shrubs, grass, walks and steps located in the Front Yard of each Unit, except as otherwise provided in Article 3.4 relative to the Front Yard Planting Area. The Association will be responsible for plowing and shoveling snow from roads, walkways and driveways, but will not be liable for the timeliness of such shoveling, nor for icy or slick walkways, driveways or roads. Each Owner will be responsible for all landscaping of its Limited Common Area. The expenses incurred by the Association for such purposes shall be paid for with funds from the Common Expense Fund.

All fencing within the Project was initially installed when the Project was constructed. Irrigation water is provided through an irrigation system installed when the Project was constructed. Each Unit will have a stubbed connection provided. The Association shall be responsible for the continual upkeep, repair, maintenance, and eventual replacement of the irrigation system, except in the Limited Common Area.

6.3 Utilities. The Owner shall pay for all utility services furnished to each Unit including a pro-rata share of all utility services which are not separately billed or metered to individual Units by the utility or other party furnishing such service. The Association shall pay such bills which are not separately metered (either directly or through membership in an association created for the purpose of administering such common utilities for one or more related developments) and charge an appropriate share to each Unit and Owner as part of the Common Expenses.

6.4 Common Utilities. The Association may, in its discretion, undertake to meter each Unit individually for any common utilities, whether privately or through a municipal utility. In such event, the Unit Owner shall pay the actual costs of such utility services attributable to such Owner's Unit.

6.5 Street Lighting. Street lamps will be placed adjacent to the street in front of certain units as determined by the Association, and will be metered to one of the Units close to the individual street lamp. The Owner of such Unit will pay the electricity for the street lamp. The Association will calculate the cost of electricity for such street lamp and allow the Owner who pays the increased electricity bill to deduct the cost of the added electricity for the street lamp from the Owner's monthly Association assessment.

6.6 Insurance. The Association shall at all times maintain in force insurance meeting the following requirements:

6.6.1 Hazard Insurance. A "master" or "blanket" type policy of property insurance shall be maintained covering the Common Areas of the Project; but excluding land, foundations, excavations, and other items normally not covered by such policies. References herein to a "master" or "blanket" policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to projects similar to the Project in construction, location, and use, including (without limitation) all perils normally covered by the standard "all risk" endorsement, where such endorsement is available. Such "master" or "blanket" policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Common Area's covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage. The insurance policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (1) a Guaranteed Replacement Cost Endorsement (under which the insurer agrees to replace the insurable property regardless of the cost) and, if the policy includes a co-insurance; or (2) a Replacement Cost Endorsement (under which the insured agrees to pay up to one-hundred percent of the property's insurable replacement cost but not more) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance). The maximum deductible amount for such policy covering the Common Areas shall be the lesser of Ten Thousand Dollars (\$10,000.00) or one percent (1%) of the policy face amount.

6.6.2 Flood Insurance. If any part of the Project is or comes to be situated in a Special Flood Hazard Area as designated on a Flood Insurance Rate Map, a "master" or "blanket" policy of flood insurance shall be maintained covering the Common Areas within the Project (hereinafter "Insurable Property") in an amount deemed appropriate, but not less than the lesser of: (1) the maximum limit of coverage available under the National Flood Insurance Administration Program for all Common Areas within the Project located within a designated flood hazard area; or (2) one hundred percent (100%) of the insurable value of all such facilities. The maximum deductible amount for any such policy shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy face amount.

6.6.3 Fidelity Bonds. The Association shall at all times maintain in force and pay the premiums for "blanket" fidelity bonds for all officers, members, and employees of the Association and for all other persons handling or responsible for funds for or administered by the Association whether or not that individual receives compensation for services. Furthermore, where the Association has delegated some or all of the responsibility for the handling of funds to a Manager, the Manager shall provide "blanket" fidelity bonds, with coverage identical to such bonds required of the Association, for the Manager's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The total amount of fidelity bond coverage required shall be based upon the Association's best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association, or the Manager, as the case may be, at any given time during the term of each bond. A lesser amount of fidelity insurance coverage is acceptable for the Project so long as the Association and the Manager adhere to the following financial controls: (1) the Association and the Manager maintains separate bank accounts for the working account and the reserve account, each with appropriate access controls, and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (2) the Manager maintains separate records and bank accounts for each Association that uses its services and the Manager does not have authority to draw checks on or to transfer funds from the Association's reserve account; or (3) two members of the Board must sign any checks written on the reserve account. Nevertheless, in no event may the amount of such bonds be less than the sum equal to three months' aggregate assessments on all Units. The bonds required shall meet the following additional requirements: (1) the fidelity bonds shall name the Association as obligee; (2) the bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions; (3) the premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by the Manager for its officers, employees and agents) shall be paid by the Association as part of the Common Expenses; and (4) the bonds shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association and to any Insurance Trustee. The requirements of this Section C may be satisfied by naming the Association and its officers, members and employees as "also insureds" under the Managers Fidelity Bond and otherwise meeting the foregoing requirements.

6.6.4 Liability Insurance. The Association shall maintain in force, and pay the premium for a policy providing comprehensive general liability insurance coverage covering all the Common Areas, public ways in the Project, including any dedicated trail systems(s), all other areas of the Project that are under the Association's supervision, and commercial spaces owned by the associations, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in amounts generally required by private institutional Mortgage investors for projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least One Million Dollars (\$1,000,000) for bodily injury, including deaths of persons, and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily

injuries and deaths of persons in connection with the operation, maintenance, or use of the Common Areas, and legal liability arising out of lawsuits related to employment contracts of the Association. Additional coverage under such policy shall include protection against such other risks as are customarily covered with respect to projects similar to the Project in construction, location, and use, including but not limited to (where economically feasible and if available), host liquor liability, contractual and all-written contract insurance, employers liability insurance, and comprehensive automobile liability insurance. If such policy does not include "severability of interest" in the terms, the policy shall include a special endorsement to preclude an insurer's denial of any Owner's claim because of negligent acts of the Association or any other Owner. Such policy shall be provided that it may not be canceled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.

6.7 Insurance Trustees and General Requirements Concerning Insurance. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Owner hereby appoints the Association, as his or her attorney-in-fact for the purpose of purchasing and maintaining such insurance, including; the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any Insurance Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the use and benefit of the Owners and their Mortgagees, as their interests may appear.

Each insurance policy maintained pursuant to the foregoing Sections A, B, C, and D shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a B general policyholder's rating or a financial performance index of 6 or better in the Best's Key Rating Guide or an A or better rating from Demotech, Inc., or which is written by Lloyd's of London. No such policy shall be maintained where: (1) under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against, an Owner, a Mortgagee, the Board, or the Association; (2) by the terms of the carrier's charter, bylaws, or policy, lost payments are contingent upon action by the carrier's Board, policyholders, or members; or (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled (including, without limitation, the Board, the Association, or an Owner) from collecting insurance proceeds. The provisions of this Section E and of the foregoing sections A, B, C and D shall not be construed to limited the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

6.8 Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is

sufficient to make any necessary repairs or replacement of the Project which may have been damaged or destroyed. In addition, such policies shall be reviewed to determine their compliance with the provisions of this Restated Declaration.

6.9 Right and Duty of Owners to Uninsure. It is the responsibility of each Owner to provide hazard, fire, general liability and all other insurance on its Unit (including the Building Exterior) and all personal property and upon all other property and improvements on or within its Unit. Such policies shall not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association. If any loss intended to be covered by insurance carried by or on behalf of the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the Association to the extent of such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied.

ARTICLE VII

DAMAGE OR DESTRUCTION

7.1 Damage to Common Area. Except as otherwise provided in this Restated Declaration, in the event of any destruction any portion of the Common Area, the repair or replacement of which is the responsibility of the Association, it shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article VI hereof for reconstruction or repair of the Property shall be used for such purpose, unless otherwise provided herein. The Board shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practicable. The Property shall be used for such purpose, unless otherwise provided herein. The Board shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practicable. The Property shall be reconstructed or rebuilt substantially in accordance with the original construction plans. If the amount available from the proceeds of such insurance policies for such restoration and repair is inadequate to complete the restoration and repair, the Board shall levy a Special Assessment for the deficiency and proceed with such restoration and repair.

7.2 Damage to Buildings. Except as otherwise provided in this Restated Declaration, in the event of any destruction of any Building(s), it shall be the duty of the Owner(s) of the Building (s) to restore and repair the same to its/their former condition, as promptly as practical, under the supervision of the Board. The proceeds of any insurance maintained pursuant to Article VI hereof for reconstruction or repair of the Property shall be made available for such purpose, unless otherwise provided herein. The Building(s) shall be reconstructed or rebuilt substantially in accordance with the original construction plans. If the amount available from the proceeds of such insurance policies for such restoration and repair is less than the estimated cost of restoration and repair, the Owner(s) of the Building(s) shall be responsible for the deficiency, and the Board shall have the power to levy a Special Assessment to secure payment of the deficiency. In the event more than one Building is damaged or destroyed, the available insurance proceeds shall be allocated according to the estimated cost of repair and restoration of each Building.

7.3 Alternate Plans for Restoration and Repair. Notwithstanding the provisions of Sections 7.1 and 7.2, the Association shall have the right, by a vote of seventy-five percent (75%) of the Association, to make alternate arrangements respecting the repair, restoration or demolition of the damaged portion of the Property. The alternate plan may provide for special allocation of insurance proceeds, modification of design, or special allocation of any necessary Assessments. Any plan adopted pursuant to this subparagraph shall be adopted within sixty (60) days of the damage or destruction and shall be supported by the vote of any Owner whose Building has been physically damaged, to the extent the proposed plan affects the reconstruction of such Building.

7.4 Appraisal of Damages. In the event the parties affected by damage or destruction to the Property cannot agree, within twenty (20) days of the date of the damage, on the estimated cost of repair or the allocations referred to in this Article VII the Association shall appoint three (3) independent appraisers having at least five (5) years full-time appraisal experience in Weber County, Utah, to appraise the damage and establish allocations among various damaged portions of the Property. Within forty-five (45) days after the selection of the appraisers, a majority of the appraisers shall set the estimated cost of repairs and allocations. If a majority of the appraisers are unable to agree within the stipulated period of time, the average of the three (3) appraisals shall be utilized. If, however, the low appraisal and/or the high appraisal are/is more than fifteen percent (15%) lower and/or higher than the middle appraisal, the low appraisal and/or the high appraisal shall be disregarded. If only one appraisal is disregarded, the average of the two remaining appraisals shall be utilized. If both the low appraisal and the high appraisal are disregarded, the middle appraisal shall be utilized. The cost of the appraisals required by this subparagraph shall be paid by the Association and reimbursed by the Owners through an Extraordinary Assessment.

7.5 Interior Damage. With the exception of any casualty or damage insured against by the Association pursuant to Article VI of this Restated Declaration, restoration and repair of any other damage to the exterior or interior of any individual Building, including without limitation all fixtures, cabinets and improvements therein, together with restoration and repair of all interior paint, wall coverings and floor coverings, and personal property shall be made by and at the individual expense of the Owner of the Building so damaged. In the event of a determination to rebuild the Property after partial or total destruction as provided in this Restated Declaration, such repair and restoration shall be completed as promptly as practical and in a lawful and workmanlike manner, in accordance with plans approved by the Board as provided herein.

ARTICLE VIII

CONDEMNATION

8.1 Condemnation. If at any time or times all or any part of the Project shall be taken or condemned by any public authority under power of eminent domain, the provisions of this Article VIII shall apply. A voluntary sale or conveyance of all or any part of the Project in lieu of condemnation, but under threat of condemnation, shall be deemed to be taking by power of eminent domain. If any Unit or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise

sought to be acquired by a condemning authority, the Board shall give prompt written notice of any such proceeding or proposed acquisition to each Owner in the Project and to any First Mortgagee who has requested in writing notice thereof. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Areas, or any part thereof, and each Owner hereby appoints the Association as such Owner's attorney-in-fact for the purposes of such representation.

8.2 Proceed. All compensation, damages and other proceeds from any such taking by power of eminent domain (hereinafter "Condemnation Award") shall be made payable to the Association and shall be distributed by the Board, on behalf of the Association as herein provided.

8.3 Complete Taking. In the event the entire Project is taken by power of eminent domain, ownership pursuant hereto shall terminate and the Condemnation Award shall be allocated among and distributed to the Owners and the Owners shall divide the Condemnation Award based upon the relative values of the Units immediately prior to the condemnation. Such distribution shall be made by check payable jointly to the respective Owners and their respective Mortgagees, as appropriate.

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

8.4.1 Allocation of Award. As soon as practicable, the Board shall, on behalf of the Association, reasonably and in good faith, apportion the Condemnation Award between compensation, severance damages or other proceeds and shall allocate such apportioned amounts and pay the same to the Owners as follows:

(a) The total amount apportioned to the taking of or injury to the Common Areas shall be allocated among and distributed to all Owners (including Owners whose entire Units have been taken).

(b) The total amount apportioned to severance damages shall be allocated among and distributed equally to the Owners of those Units that have not been taken.

(c) The respective amounts apportioned to the taking of or injury to a particular Unit shall be allocated and distributed to the Owner of such a Unit.

(d) The total amount apportioned to consequential damages and any other taking or injuries shall be allocated and distributed as the Association determines to be equitable under the circumstances;

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

(f) Distribution of allocated proceeds shall be made by check payable jointly to individual Owners and their respective Mortgagees, as their interest may appear; and

(g) No provision of this Article VIII or any other provision of this Restated Declaration, the Articles or the Bylaws shall entitle the Owner of a Unit or other party to priority over any First Mortgagee holding such Unit with respect to distribution to such Unit of the Proceeds of any award, settlement or proceeds from any eminent domain or condemnation proceeding.

8.4.2 Continuation and Reorganization. If less than the entire Project is taken by power of eminent domain, ownership pursuant hereto shall not terminate but shall continue. In such event the Project shall be reorganized as follows:

(a) If any partial taking results in the taking of an entire Unit, then the Owner thereof shall cease to be a member of the Association and all voting rights shall terminate;

(b) If any partial taking results in the taking of a portion of a Unit, the voting rights appertaining to such Unit shall continue.

(c) If any partial taking results in the taking of a portion of a Unit and if there is a determination made by the Board, after duly considering any recommendations, proposals, or other input from the Owners, that such taking makes it impractical to use the Unit, the remaining portion of such Unit shall thence forth be part of the Common Areas;

(d) The Board, after duly considering any recommendations, proposals or other input from the Owners, shall have the duty and authority to make all determinations and to take all actions necessary or appropriate to effectuate reorganization of the Project under the provisions of this Section VIII.4.B; provided, however, that if any such determination shall have been or such action taken by judicial decree, the Board shall defer thereto and proceed in accordance therewith.

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

ARTICLE IX

TERMINATION

9.1 Required Vote. Except as otherwise expressly provided in this Restated Declaration, the Project may be terminated only by agreement of all Owners of the Units.

9.2 Termination Agreement. An agreement to terminate shall be evidenced by the execution or ratification of a termination agreement in the same manner as a deed, by all of the Owners. Such an agreement to terminate must also be approved by the holders of all liens affecting any of the Units. The termination agreement shall specify a date after which the agreement will be void unless it is recorded before that date. A termination agreement, including all ratifications of such termination agreement, shall be recorded in Weber County, Utah and is effective only on recordation.

9.3 Sale of Project. A termination agreement may provide that the entire Project shall be sold following termination. If, pursuant to the agreement, any real estate in the Project is to be sold following termination, the termination agreement shall set forth the minimum terms of the sale.

9.4 Association Duties. The Association, on behalf of the Owners, may contract for the sale of real estate in the Project, but the contract is not binding on the Owners until approved pursuant to Sections 1 and 2. If any real estate in the Project is to be sold following termination, title to that real estate on termination vests in the Association as trustee for all Owners. Thereafter, the Association has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds of the sale distributed, the Association continues in existence with all powers it had before termination. Proceeds of the sale shall be distributed to Owners and Mortgagees as their interests may appear, based on the relative value of each Unit. Unless otherwise specified in the termination agreement, as long as the Association holds title to the real estate, each Owner and their successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted their Unit in accordance with the terms of this Restated Declaration. During the period of that occupancy right, each Owner and their successors in interest remain liable for all assessments and other obligations imposed on Owners by this Restated Declaration.

9.5 Proceeds of Sale. Following termination of the Project, the proceeds of any sale of real estate, together with the assets of the Association, shall be held by the Association as trustee for Owners and Mortgagees as their interests may appear. Following termination, Mortgagees holding Mortgages on the Units which were recorded before termination may enforce those liens in the same manner as any lienholder.

ARTICLE X

GENERAL USE RESTRICTIONS

10.1 Rules and Regulations. The Association shall have authority to promulgate and enforce such reasonable rules, regulation and procedures as may be necessary or desirable to aid the Association in carrying out any of its functions or to insure that the Property is maintained and used in a manner consistent with the interest of the Owners.

10.2 Use of Common Areas. The Common Areas shall be used only in a manner consistent with their nature and with the rules, regulations and use restrictions applicable to Units. No admission fees, charges for use, leases, or other income generating arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas. Provided, however, vending machines, mailing or packaging and similar services approved by the Board, in its sole and absolute discretion, may be made available within the Common Areas.

10.3 Use of Units. The Units within the Project may be used and shall be limited in their uses as following:

10.3.1 Use of Buildings. No Building shall be occupied and used except for single-family residential purposes by the Owners, their tenants, and social guest. No more than

three (3) individuals may occupy any Unit at any given time. The foregoing shall not apply to guests of any owner occupying the Unit for no more than seven (7) consecutive days, or for no more than a cumulative total of thirty (30) days in any calendar year. No trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in the Unit may conduct such business activities within the Unit so long as: a) the existence or operation of the business activity is not apparent or detectable by sight, sound, smell or customer and/or employee traffic from outside the Unit; b) the business activity conforms to all zoning requirements for the Property; c) the business activity is a type with is consistent with the residential character of the Property; and d) the business activity does not increase traffic, constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the property, as may be determined in the sole discretion of the Board.

10.3.2 Nuisances. No noxious, illegal, or offensive activities shall be carried on in any Building, or in any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Unit, or which shall in any way increase the rate of insurance for the Project, or cause any insurance policy to be canceled or to cause a refusal to renew the same, or which will impair the structural integrity of any building.

10.3.3 Signs. No promotional signs or signs advertising any business shall be displayed on any portion of the Property. Residential "For Sale" signs advertising Units for sale may be displayed on the property after first being approved by the Board, and only to the extent they comply with any and all local ordinances.

10.3.4 Animals. No animals or birds of any kind shall be raised, bred, or kept in any Building, or on any portion of the Property; except that no more than two (2) usual and ordinary household pets such as dogs, cats, or birds, may be kept, provided that they are not kept, bred or maintained for any commercial purposes and they are kept under reasonable control at all times. Any such dog shall be kept on a leash at all times when the dog is in the Common Area. Owners shall prevent their pets from soiling any portions of the Common Areas and in the event a pet does soil a portion of the Common Area, the Owner or person in control such pet shall immediately clean up after the pet. The Board may enact reasonable rules respecting the keeping of animals within the Project, including noise restrictions and may designate certain areas in which animals may not be taken or kept, or they may require that specific animals not be allowed on any part of the property. It is intended that all permitted pets shall be household pets that are kept indoors and not left outdoors overnight and such shall, at no time, become a nuisance to the other Owners within the Project. Under no circumstances may a pet reside at the Association unless the agreements contained in The Cottages at Colonial Springs Pet Ownership Agreement (attached as Exhibit "E" and incorporated by this reference) are first made in writing by the Owner making the application.

10.3.5 Garbage and Refuse Disposal. All rubbish, trash and garbage shall be regularly removed from the Property, and shall not be allowed to accumulate thereon. All garbage or trash receptacles, including recyclable containers, shall be stored in the Garage except

on trash collections days. Trash, garbage and other waste shall be kept in sanitary containers and shall be kept in the garage. No equipment, garbage cans or storage piles may be kept outside of the Building.

10.3.6 Roof Antennas. No ham radio, citizens band or radio antenna or other similar electronic receiving or sending device shall be permitted upon the rooftop or side of any Unit or elsewhere without prior written approval of the Board. Such antennas, if used, must be of the type that is installed within the natural building structure. In no case will any such receiving or sending antenna or other device be allowed to interfere with the appearance, peace and quiet enjoyment of any neighboring Unit, Owner's premises or equipment. Provided, however, the Association reserves the right and option to install satellite or cable service lines and antennas as needed throughout the Project. Owners may install on their Building a small satellite dish receiver for television and internet reception.

10.3.7 Clothes Line. No exterior clothes lines shall be erected or maintained and there shall be no outside laundering or drying of clothes.

10.3.8 Power Equipment and Car Maintenance. No power equipment or car maintenance of any nature shall be permitted on the Property. Provided however, car washing or polishing may be done by an Owner, but only in the driveway appurtenant to that Owner's Unit.

10.3.9 Recreational Vehicles. No boats, trailers, recreational vehicles, trucks or commercial vehicles belonging to Owners or other residents of the Property shall be parked or stored in or upon any of the Common Areas or the driveways of any Unit. However, motor homes and camp trailers may be parked in the Owner's driveway for not more than forty-eight (48) consecutive hours for the purpose of loading and unloading the vehicles. Any boats, trailers, recreational vehicles, trucks or commercial vehicles belonging to Owners or other residents of the Property must fit within and be stored and kept within the Owner's garage, or on a cement pad installed to the side of the Unit and behind the backyard fence of the Unit. The location and size of any such pad must be approved by the Association in writing before the pad is constructed.

10.3.10 Parking Restriction. Only the permanent parking for one licensed, operational vehicle or temporary guest parking shall be allowed in front of the garages of the Units. No overnight parking shall be permitted on streets or Common Area of the Project. Said parking regulation shall be strictly enforced.

10.3.11 Window Covers. Curtains and drapes (with a white lining), shutters, or blinds of a neutral color may be installed as window covers, subject to the Board's absolute discretion. No window shall be covered with aluminum foil or similar material. No window tinting or mullions shall be allowed without the prior written approval of the Board.

10.3.12 Flags. Owners may display an American Flag, the dimensions of which shall not exceed three feet by five feet, on their Lot. It is recommended that the flag be

displayed at the front of the Building or next to the corner support post of the front porch so as not to interfere with maintenance of the Lot. The Board may adopt additional rules consistent with State and Federal law relating to the installation of flag poles and the displaying of the American Flag. No flag besides the American Flag may be displayed on a Lot.

10.3.13 Fences. The original fencing established and installed as part of the original Project design shall be preserved and maintained by the Owners and by the Association, as the case may be according to the location of such fencing. Thereafter, all new and/or additional fencing must be approved by the Board as provided herein.

10.3.14 Patios and Porches. No observable outdoor storage of any kind shall be permitted on patios, front yards, porches etc, except for Patio furniture and portable barbecue grills in good condition, which may be maintained on backyard patios. The following items may be placed, used or maintained on a front porch: benches or chairs, plants, one wind chime and one hanging plant. No banners or streamers shall be displayed on a Building or Lot. Decorative items may not be placed on or along driveways and sidewalks. Small decorative lighting is permitted in the Front Yard Planting Area.

10.3.15 Hazardous Materials. No Owner shall cause a permit any Hazardous Substance to be used, stored, generated or disposed of on or in such Owner's Unit in violation of any Environmental Law. If any Hazardous Substance is used, stored, generated or disposed of on or in any Owner's Unit, or if an Owner's Unit becomes contaminated in any manner by such Owner (or its lessee), such Owner shall indemnify and hold harmless all other Owners from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses including, without limitation, a decrease in the value of the non-contaminated Units, damages caused by losses or restriction of useable space, or any damages caused by adverse impact on the marketing of the non-contaminated Units, damages caused by loss or restriction of usable space, or any damages caused by adverse impact on the marketing of the non-contaminated Units, and any and all sums paid for settlement of claims, attorney's fees, consultant and expert fees.

As used herein, the term "Hazardous Substance" shall mean any pollutants, contaminants, chemicals, waste and any toxic, infectious, carcinogenic, reactive, corrosive, ignitable or flammable chemical or chemical compound or hazardous substance, material or waste, whether solid, liquid or gas, including any quantity of asbestos in any form, urea formaldehyde, PCB's, radon gas, crude oil or any fraction thereof, all forms of natural gas, petroleum products or byproducts or derivatives; radio-active substance, waste waters, sludge, slag and any other substance, material or waste that is subject to regulation, control or remediation under any Environmental Laws.

As used herein, "Environmental Laws" shall mean all local, state and federal laws and regulations which regulate or relate to the protection, clean-up and restoration of the environment; the use, treatment, storage, transportation, generation, manufacture, processing, distribution, handling or disposal of, or emission, discharge or other release or threatened release of Hazardous Substance or otherwise dangerous substances, wastes, pollution or materials and shall include the Resource Conservation & Recovery Act, Clean

Water Act, Toxic Substances Control Act, Clean Air Act, Oil Pollution Act of 1990, comprehensive Environmental Response Compensation and Liability Act and the Hazardous Materials Transportation Act.

10.3.16 Sheds. Each Unit may have no more than one (1) storage shed, not to exceed a footprint of ten feet (10') by twelve feet (12') in size or having floor dimensions of greater than 120 square feet and not have a roof with a peak in excess of ten feet (10') in height. The exterior finish and colors shall be compatible with the Building Exteriors. The placement and approval of the exterior finishes of all sheds shall be approved in advance by the Board, whose judgment, reasonably exercised shall be final.

10.3.17 Decorations. Christmas decorations and lighting are permitted beyond the porch area and in the Front Yard. All additional holiday decorations and lighting must remain within the porch area. All holiday decorations are to be removed shortly after the end of the holiday, weather permitting.

10.4 Utility Easements. Easements for installation and maintenance of utilities are reserved as shown on the Plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities. Easements for the installation, repair and maintenance of utilities are also reserved within each Unit. It is contemplated that telephone, gas, water, fire sprinkling systems, electricity and other utilities may originate in one Unit and terminate in another Unit. A right of access to all such utilities is reserved to the Association and Owners and to all utility suppliers.

10.5 No Further Subdividing. No Building, Unit or Common Areas may be further subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Association; provided, however, that nothing herein shall be deemed to prevent or require the approval of the Association for the transfer or sale of any Unit to more than one person to be held by them as tenants in common, joint tenants, or otherwise; and provided further, that nothing herein shall be deemed to prevent conversion of the Convertible Space or expansion of the Project on the Additional Land pursuant to Article XII.

10.6 Repair of Buildings. No improvement upon the Property shall be permitted to fall into disrepair, and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner thereof or the Association as applicable.

10.7 Insurance. If any activity, materials stored or used on the Property result in an increase in the insurance premium for the Property, the Owner responsible for such increase shall pay the increase in the premium, due at the time the premium is due. The cost of such increase shall be assessed against the Owner responsible therefore and such assessment shall be secured by a lien on such Owner's Unit in favor of the Association in accordance with Article V, Section 6.

10.8 Improvement and Alterations. There shall be no excavation, construction or

alteration which in any way alters the exterior appearance or structural integrity of any Building, Lot or improvement within the Property nor removal of any Building, Unit or other improvement within the Property (other than repairs or rebuilding) without the prior written approval of the Board. The authority granted herein to the Board shall include the authority to oversee construction, changes or modifications of Buildings for the purpose of insuring that the architectural style, materials, color, design and visual appearance of any changes or modifications are consistent with and in harmony with the project's overall appearance.

General Obligations. Each Owner shall enjoy and be subject to all rights and duties assigned to Owners pursuant to this Restated Declaration.

ARTICLE XI

MORTGAGEE PROTECTION

11.1 Notice of Action. Upon written request made to the Association by a First Mortgagee, or an insurer or governmental guarantor of a First Mortgage, which written request shall identify the name and address of such First Mortgagee, insurer or governmental guarantor and Unit number or address of the Unit, any such First Mortgage, insurer or governmental guarantor shall be entitled to a timely written notice of:

11.1.1 Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit on which there is a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor;

11.1.2 Any delinquency in the payment of assessments or charges owed by an Owner, whose Unit is subject to a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor, which default remains uncured for a period of sixty (60) day's;

11.1.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

11.1.4 Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 2 below or elsewhere herein.

11.2 Matters Requiring Eligible Mortgagee Approval. Except as provided elsewhere in this Restated Declaration, the prior written consent of Owners entitled to vote at least sixty-seven percent (67%) of the votes of the Units in the Association (unless pursuant to a specific provision of this Restated Declaration the consent of Owners entitled to vote a greater percentage of the votes in the Association is required, in which case such specific provisions shall control), and Eligible Mortgagees holding First Mortgages on Units having at least fifty-one percent (51%) of the votes of the Units subject to First Mortgages held by Eligible Mortgagees shall be required to:

11.2.1 Abandon or terminate the legal status of the Project after substantial destruction or condemnation occurs.

11.2.2 Add or amend any material provision of this Restated Declaration, Articles, Bylaws or Plat, which establishes, provided for, governs or regulates any of the following (an addition or amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors or clarification only):

- (a) voting rights;
- (b) increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, or the priority of assessment liens;
- (c) reductions in reserves for maintenance, repair, and replacement of Common Areas;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the Common Areas, or rights to their use;
- (f) redefinition of any Unit boundaries;
- (g) convertibility of Units into Common Areas or vice Versa;
- (h) expansion or contraction of the Project (except as allowed herein), or the addition, annexation, or withdrawal of property to or from the Project;
- (i) hazard or fidelity insurance requirements;
- (j) imposition of any restrictions on the leasing of Units;
- (k) imposition of any restrictions on Owner's right to sell or transfer his or her Units;
- (l) a decision by the Association to establish self-management if professional management had been required previously by the Restated Declaration or by an Eligible Mortgagee.
- (m) or repair of the Project (after damage or partial condemnation) in a manner other than that specified in the Restated Declaration; or
- (n) any provisions that expressly benefit Mortgagees, insurers, or guarantors.
- (o) Any Mortgagee, insurer or governmental guarantor who receives a written request from the Association to approve additions or amendments to the constituent documents and who fails to deliver or post to the Association a negative response within thirty (30) days shall be deemed to have approved such request, provided the written request was delivered by certified or registered mail, with a "return receipt" requested.

11.3 Availability of Project Documents and Financial Statements. The Association shall maintain and have current copies of the Restated Declaration, Articles, Bylaws, and other rules concerning the Project as well as its own books, records, and financial statements available

for inspection by Owners or by holders, insurers, and guarantors of First Mortgages that are secured by Units in the Project. Generally, these documents shall be available during normal business hours.

Each year the Association shall make an un-audited financial statement for the preceding fiscal year. The Association shall make available to the holder, insurer, or guarantor of any First Mortgage, the most recent audited financial statement and any subsequent unaudited financial statements.

11.4 Subordination of Lien. The lien or claim against a Unit for unpaid assessments or charges levied by the Association pursuant to this Restated Declaration shall be subordinate to the First Mortgage affecting such Unit if the First Mortgage was recorded before the delinquent assessment was due, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Unit shall take the same free of such lien or claim for unpaid assessment or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the First Mortgage or the exercise of a power of sale available thereunder. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a First Mortgage a successor in title to a First Mortgagee, or the Unit affected or previously affected by the First Mortgage concerned.

11.5 Payment of Taxes. In the event any taxes or other charges which may or have become a lien on the Common Areas are not timely paid, or in the event the required hazard insurance described in paragraph A of Section 4 of Article VI lapses, is not maintained, or the premiums therefore are not paid when due, any Mortgagee or any combination of Mortgagees may jointly or singly, pay such taxes or premiums or secure such insurance. Any Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefore from the Association.

11.6 Priority. No provision of this Restated Declaration or the Articles gives or may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Units or the Common Areas.

ARTICLE XII

RESTRICTION ON RENTALS

WHEREAS, the Owners desire to preserve and enhance the quality of life at The Cottages and have purchased their Units at The Cottages for the purpose of using their Unit as an Owner occupied single family residence; and

WHEREAS, the Owners believe the high density planned unit development ("PUD") living concept was developed to create a real property interest wherein individuals could own their own property and enjoy the benefits that accompany ownership of real property, including the stability associated with real property ownership, both individually and as a neighborhood, as

well as the security that comes to a community by having residents who have ownership interests in real property and are committed to the long-term welfare and good of the community; and

WHEREAS, because the Owners of Units at The Cottages own a shared and undivided interest in the Association Common Area, the Common Area should be used and shared in common by those who own an interest in the Common Area and should not be used by those who do not possess an ownership interest in the Common Area; and

WHEREAS, the Owners of Units realize that the value of their Units are directly related to the ability to sell their Units, that the ability to sell their Units is directly related to the ability of prospective borrowers to obtain financing, and that underwriting standards at financial institutions and secondary mortgage markets restrict the percentage of non-owner occupied Units that can exist in a PUD community; and further, when too high a percentage of non-owner occupied Units exist in a PUD community, a buyer will not be able to qualify for favorable and competitive market interest rates and financing terms, thus inhibiting Owners ability to sell their Units and depressing the value of all the Units at The Cottages; and

WHEREAS, the Owners desire to live in a PUD community that is orderly, peaceful, well maintained and desirable, and that will allow for and protect the comfortable enjoyment of all residents of The Cottages, and have determined through the years of their collective experience that Owners of Units are more responsive to the needs of the PUD community, take a greater interest and care of the Common Area, and are generally more respectful of the Association rules;

THEREFORE, to accomplish the Owners' objectives, the following provisions are adopted limiting and restricting the number of Units that may be occupied by Non Unit Owners at The Cottages:

As used in this Restated Declaration:

12.1 "Rentals" or "Rental Unit" means a Unit owned by an Owner that is Occupied by one or more individuals while, at the same time, the Unit Owner does not occupy the Unit as the Owner's primary residence.

12.2 "Renting" or "Leasing" means a Unit that is owned by an Owner that is Occupied by one or more Non Owners while no Owner occupies the Unit as the Owner's primary residence. The payment of remuneration to an Owner by a Non Owner shall not be required to establish that the Non Owner is Leasing a Unit. Failure of a Non Owner to pay remuneration of any kind to the Owner shall not be considered when determining if a Unit is a Rental Unit.

12.3 "Non Owner" means an individual or entity that is not an Owner.

12.4 "Occupied" means to reside in the Unit for ten (10) or more days in any thirty (30) day period. A Unit is deemed to be Occupied by a Non Owner if the Unit is Occupied by someone other than the Unit Owner.

12.5 "Single Family" means 1) a single person living alone or with their children, 2) up to three unrelated persons, or 3) a husband/wife relationship with or without children.

12.6 The Leasing of Units at The Cottages PUDs is prohibited unless the Leasing is consistent with this Restated Declaration.

12.7 Except as otherwise provided herein, no Unit may be Leased for more than twelve months in any twenty-four month period.

12.8 Not more than fifteen percent (15%) of the Units at The Cottages may be Occupied by Non Owners at any one time.

12.9 All leases, subleases, assignments of leases, and all renewals of such agreements shall be first submitted to the The Cottages Board of Directors who shall determine compliance with this Restated Declaration. Any Leasing permitted by this Restated Declaration shall be only to a Single Family.

12.10 Any Owner desiring to Lease his or her Unit shall first notify the Board of Directors of their intent to Lease their Unit. The notice must be in writing and be submitted to the Board not less than thirty (30) days prior to the date the Owner intends to Lease the Unit. The Board of Directors shall maintain a list of those Owners who have notified the Board of an intent to lease their Unit and shall grant permission to an Owner to Lease their Unit for not more than twelve (12) months in any twenty-four month period, which permission shall be granted in the same order the Board of Directors receives the written notice from the Owner of the Owner's intent to Lease a Unit. No permission shall be granted to Lease a Unit until less than fifteen percent (15%) of the Units at The Cottages is occupied by a Non Owner. No Owner of multiple Units shall Lease more than one Unit until an Owner of a single Unit has had the opportunity to Lease their Unit.

12.11 The restrictions contained herein shall not apply if an Owner moves from a Unit and desires to Lease the Unit during their absence, and the Owner moves (a) due to temporary (less than three years) humanitarian, religious or charitable activity or service, and (b) Leases the Unit with the intent to return to occupy the Unit when the humanitarian, religious or charitable service has concluded. If an Owner Leases a Unit under the provisions of this Article then the Non Owner to whom the Unit is Leased shall be to a parent, child, sibling of the Owner or a Single Family.

12.12 The restrictions herein shall not apply (a) to an Owner who is a member of the military and is required to move from the Unit during a period of military deployment and desires to lease the Unit during the period of deployment; (b) to an Owner who permits a family member (spouse, parent, child or sibling) to occupy or Lease their Unit; (c) to an Owner who is required by an employer to relocate for a period of less than two years; or (d) to 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 the estate of the current Owner of the Unit or the parent, child, or sibling of the current Owner of the Unit.

12.13 Those Units that are occupied by Non Owners at the time this Restated Declaration is recorded at the Weber County Recorder's Office may continue to be occupied by Non Owners until the Owner transfers the Unit or occupies the Unit; or 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, transfers the Unit or occupies the Unit.

12.14 For purposes of Subparagraph 12.13, a transfer occurs when one or more of the following occur: (a) the conveyance, sale, or other transfer of a Unit by deed; (b) the granting of a life estate in the Unit; or (c) 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 share, stock, membership interests, or partnership interests in a 12-month period.

12.15 The Board of Directors shall create, by rule or resolution, procedures to determine and track the number of Rentals of Units in the The Cottages and shall ensure consistent administration and enforcement of the rental restrictions contained in this Restated Declaration.

12.16 Any Unit Owner who violates this Restated Declaration shall be subject to a complaint for damages and/or an injunction and order seeking to terminate the lease in violation of this Restated Declaration. If the The Cottages is required to retain legal counsel to enforce this Restated Declaration, with or without the filing of legal process, the violating Unit Owner shall be liable for all costs and expenses incurred by the Association, including but not limited to attorney fees and court costs incurred by the Board in enforcing this Restated Declaration.

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

12.18 Nothing herein shall prohibit an Owner from permitting a guest or visitor from temporarily residing in his or her Unit, while the Owner is present. As used in this paragraph, "temporarily" mean for a period not exceeding fifteen (15) days in any thirty (30) day period.

ARTICLE XIII

HOUSING FOR OLDER PERSONS

WHEREAS, as it is the intent of the Association to provide housing primarily for persons fifty-five (55) years of age and older and to comply with the provisions of the Housing For Older Persons Act of 1995 (HOPA), which outlines the qualifications for housing for older persons exemption established by the Fair Housing Act, found in both state and federal regulations, and

WHEREAS, it is necessary to amend the Enabling Declaration in order to satisfy the requirements of HOPA.

NOW THEREFORE, the Owners of Units at the Association do hereby adopt the following amendment.

13.1 The Association's Intent to Comply with HOPA

13.1.1 The Association is unique in its intent to provide housing primarily for persons 55 years of age or older. The Association operates its community for occupancy by persons fifty-five (55) years of age or older. At least eighty (80%) percent of the occupied Units

are currently occupied by at least one person who is fifty-five (55) years of age or older. This reflects the Association's intention to comply with provisions of HOPA, which outlines the requirements for qualification for housing for older persons exemption established by the Fair Housing Act. (§100.304 of HOPA).

13.1.2 As a part of the Association's intent to operate as housing designed for persons who are fifty-five (55) years or older, the Association shall advertise in a manner designed to attract such prospective residents who are also fifty-five (55) years or older. The Association shall do this by requiring that all sales proposals, contracts, and lease provisions shall provide notice of its intent to operate housing primarily designed for persons fifty-five (55) years or older.

13.1.3 The Association will publish and adhere to these policies demonstrating its intention to qualify for this exemption, including compliance with all rules issued by the State of Utah or HUD for the verification of occupancy in the community. (§100.304 of HOPA).

13.1.4 As a part of the Association's intention to comply with the individual provisions of HOPA, any Declarations, community rules, or Bylaws now existing or hereafter adopted in violation or contradiction to the provisions of state and federal law are void and without effect.

13.2 Use of Units

13.2.1 Each of the Units in the Association are intended to be used for single family residential purposes, and are restricted to such use. No Unit shall be used for business or commercial activity.

13.2.2 Guests or visitors of the Association are accommodated only when such accommodation does not infringe upon the convenience or right of enjoyment of the other residents and other occupants.

13.2.3 A person shall be deemed a resident for purposes of this section when residing in a Unit for a period of fifteen (15) days in any thirty (30) day period. Renters are considered to be residents and are subject to the restrictions contained in the Restated Declaration, Bylaws and Association Rules.

13.2.4 As a community designed primarily for persons who are fifty-five (55) years of age or older, the Association requires that all Units shall be occupied by at least one person fifty-five (55) years of age or older to maintain at least eighty (80%) percent of the Units being occupied by at least one person who is fifty-five (55) years of age or older,

13.2.5 Any contracts, leases, or proposals to sell or rent Units at the Association shall clearly state and give notice that the Association is a community designed as an over fifty-five (55) years of age community.

13.2.6 The Association, by maintaining eighty (80%) percent of the units as an over fifty-five (55) year old community, may allow the remaining twenty (20%) percent of the occupied Units to be occupied by persons under fifty-five (55) years of age.

13.2.7 Individuals residing in a Unit as a reasonable accommodation to a resident with a disability (as defined under the Americans with Disability Act (ADA)), shall not be counted in meeting the 80 % requirements nor be included in determining the minimum age requirement. This exemption shall ensure that the Association does not violate the ADA or HOPA requirements by authorizing reasonable accommodations for residents who, because of a disability, require an attendant, including family members, to reside in their Unit in order for that person to benefit from the ownership of his or her Unit.

13.3 Good Faith Defense Against Money Damages

13.3.1 The Association, in seeking to rely on HOPA's good faith defense, finds that the Board or individuals residing at the Association shall not be held personally liable for monetary damages where such person(s) acted in good faith in belief that the Association qualifies for housing primarily for older persons exemption. (§100.38 of HOPA).

13.3.2 The Association has through authorized representatives asserted in writing that it qualifies as housing for older persons and thus, individuals of the Association shall qualify for this good faith belief defense.

13.4 Verification of Occupancy

13.4.1 By virtue of being a community for persons 55-years of age or older, eighty (80%) percent of the Association Units must be occupied by at least one person fifty-five (55) years of age or older. In determining whether the Association meets the 80% requirement, the occupants of the Units will be counted, and not the Owners.

13.4.2 If a fifty-five (55) year old or older Unit owner decides to vacate a Unit for an indefinite period of time and rents to an under fifty-five (55) year old person, the current renter must comply with all other existing age restrictions in the Restated Declarations and community rules. (§100.305 of HOPA).

13.4.3 The Association will comply with federal and state regulations through use of reliable surveys and affidavits. The following documents are considered reliable for age verification of Unit occupants and may be shown by the following:

- (a) Birth certificate, drivers license, passport, immigration card, military identification, or any other state, local or national documentation, provided it contains current information about the Unit occupant's age or birth.
- (b) A self certification in the lease, application affidavit, or other document signed by an adult member of the household asserting that at least one of the Unit occupants is 55 years of age or older will also satisfy age verification under this subject.

(c) The Association may, if it has sufficient evidence, consider the household to be occupied by at least one person who is 55 years or older.

(d) Statements made under penalty of perjury from third party individuals who have knowledge of the age of the Unit occupants may be used when the household itself refuses to cooperate by providing age verification. Other information, such as statements indicating age in prior applications may also be acceptable. The Association may base its decision for age verification on government documents such as census data. (§100.307 of HOPA).

13.4.4 The Association will survey its current list of residents once every two years in October of odd years to ensure that at least eighty (80%) percent of the residents are fifty-five (55) years of age or older. The remaining twenty (20%) percent of the occupied Units may be occupied by persons under the age of fifty-five (55). (§100.307 (f)(h) of HOPA).

13.4.5 The Association will retain the records of the survey so long as it intends to maintain its age exempt status. (§100.307(f)(i) of HOPA).

13.4.6 As a result of the Association adopting these rules, and in order to maintain a primarily over fifty-five (55) year old community, the Association is authorized and empowered to bring legal action as the result of any violations or non-compliance with any of the above age restrictive rules found in the Restated Declaration or community rules. The Association is entitled to evict any residents who lease or purchase a Unit in violation of the HOPA requirements, or to void any contract for sale, and to collect from the offending party any and all costs and fees, including reasonable attorney's fees, from the party who seeks to sell or lease a Unit or who seeks to purchase or lease a Unit in violation of any of the provision herein or in violation of any of the provisions of HOPA. Any contracts, leases, sales or rental agreements entered into in violation of the age restrictive requirements are also void and may result in legal action and eviction from the Association.

13.4.7 Prior to any Unit owner selling or leasing his or her Unit, they shall first contact the Board, in writing, to obtain written authorization from the Board to sell or lease their Unit to a person 55 years of age or older (to maintain the 80% HOPA standard).

ARTICLE XIV

MISCELLANEOUS

14.1 Notices. Any notice required or permitted to be given to any Owner under the provisions of this Restated Declaration shall be deemed to have been properly furnished if mailed postage prepaid to the person who appears as an Owner, at the latest address for such person, appearing on the records of the Association at the time mailing.

14.2 Term. This Restated Declaration shall be effective upon the date of recordation hereof and, as amended from time to time, shall continue in full force and effect for a term of forty (40) years from the date this Restated Declaration is recorded. From and after said date,

this Restated Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Restated Declaration by seventy-five (75%) of the votes of the Members cast at an election held for such purpose or otherwise approved in writing by such Members within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension.

14.3 Amendment. Except as provided elsewhere in this Restated Declaration, any amendment to this Restated Declaration shall require the affirmative vote or written approval of at least sixty-seven (67%) of the total votes of the Association. Any amendment authorized pursuant to this Section shall be accomplished through the recordation in the office of the Weber County Recorder of an instrument executed by the Association. In such instrument an officer or Trustee of the Association shall certify that the vote required by this Section for amendment has occurred.

14.4 Rights of Action. The Association and any aggrieved Owner shall have a right of action against any Owner(s) who fail to comply with the provisions of the Restated Declaration or the decisions of the Association. Owners shall have a similar right of action against the Association. The prevailing party in any action between the Association and an Owner shall be entitled to recover all fees and costs incurred in pursuing such action, including reasonable attorney fees.

14.5 Interpretation. The captions which precede the Articles and Sections of this Restated Declaration are for convenience only and in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both genders. The invalidity or unenforceability of any portion of this Restated Declaration shall not affect the validity or enforceability of the remainder thereof. This Restated Declaration shall be liberally construed to effect all of its purposes.

14.6 Covenants to Run With Land. This Restated Declaration and all of the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, all parties who hereafter acquire any interest in a Unit or in the Common Areas, and their respective grantees, transferees, heirs, devisees, personal representatives, successors and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units or in the Common Areas shall be subject to, the terms of the Restated Declaration and the provisions of any rules, regulations, agreements, instruments and determinations contemplated by this Restated Declaration. By acquiring any interest in a Unit or in the Common Areas, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Restated Declaration.

14.7 Lists of Owners and Eligible Mortgagees. The Board shall maintain up-to-date records showing: (i) the name of each person who is an Owner, the address of such person, and the Unit which is owned by him; (ii) the name of each person or entity who is an Eligible Mortgagee, and address of such person or entity and the Unit which is encumbered by the Mortgage held by such person or entity; and (iii) the name of each person or entity who is an insurer or governmental guarantor, the address of such person or entity, and the Unit which is encumbered by the Mortgage insured or guaranteed by such person or entity. In the event of any

transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the Board with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Weber County, Utah. The Board may, for all purposes, act and rely on the information concerning Owners and Unit ownership which is thus acquired by it or, at its option, the Board may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Weber County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such person unless the Board is otherwise advised.

14.8 Registered Agent. The Registered Agent for service of process for any action involving the subdivision shall be the same as the registered agent for the Association as shown on the records on file with the Utah Department of Commerce.

14.9 Effective Date. This Restated Declaration and any amendment or supplement hereto shall take effect upon its being filed for record in the office of the County Recorder of Weber County, Utah.

CERTIFICATION

It is hereby certified that Owners holding at least two-thirds (67%) of the total votes of the Association have voted to approve this Restated Declaration.

IN WITNESS WHEREOF, this 9 day of May, 2011.

THE COTTAGES AT COLONIAL SPRINGS OWNERS ASSOCIATION, INC.

By George Beseris
President

STATE OF UTAH)
) ss.
COUNTY OF WEBER)

On the 9 day of May, 2011 personally appeared before me George Beseris, who by me being duly sworn, did say that he is the President of The Cottages at Colonial Springs Owners Association, Inc., and that the within and foregoing instrument was signed in behalf of said Association and did duly acknowledged to me that he executed the same.

Jennifer Morrell
NOTARY PUBLIC



EXHIBIT "A"

LEGAL DESCRIPTION

ALL OF LOTS 1R THROUGH 115R, COTTAGES AT COLONIAL SPRINGS (THE) S A P PHASES 1 THROUGH 5, HARRISVILLE CITY, WEBER COUNTY, UTAH (excepting therefrom lot 106R).

ALL THE COMMON AREA, PARKS AND OPEN SPACES, COTTAGES AT COLONIAL SPRINGS (THE) S A P, PHASES 1 THROUGH 5, HARRISVILLE CITY, WEBER COUNTY, UTAH.

- 17-288-0001 thru 0002 ✓
- 17-263-0001 thru 0018 ✓
- 17-264-0001 thru 0024 ✓
- 17-280-0001 thru 0015 ✓
- 17-281-0001 thru 0005 ✓
- 17-281-0007 thru 0018 ✓
- 17-293-0001 thru 0029 ✓
- 17-294-0001 thru 0019 ✓

td

EXHIBIT "B"

LIST OF UNITS, VOTES AND ASSESSMENT PERCENTAGES

All Units and their Owners have an equal number of votes and are assessed an equal percentage of the Common Area expenses, as follows:

<u>UNITS</u>	<u>VOTES</u>	<u>ASSESSMENT PERCENTAGES</u>
1 -114	1	.877
Total 114	114	100%

Exhibit "C"

Bylaws

BYLAWS

OF

THE COTTAGES AT COLONIAL SPRINGS OWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is The Cottages at Colonial Springs Owners Association, Inc., ("Association"). The principal office of the Association shall be located at the office of the Association's registered agent as contained on the website for the State of Utah, Department of Commerce, Division of Corporations and Commercial Code. The meetings of Members and Directors may be held at such places in Weber County, State of Utah, as may be designated by the Board of Directors.

ARTICLE II

APPLICATION OF BYLAWS

All present and future owners, mortgagees, lessees and occupants of any Unit or Building and any other persons who may use the facilities or the Project in any manner are subject to these Bylaws, the Restated Declaration of Covenants, Conditions and Restrictions of The Cottages at Colonial Springs ("Restated Declaration") and all rules made pursuant hereto and any amendments hereof. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that the provisions of the Restated Declaration and these Bylaws and any rules and regulations made pursuant hereto, as they may be amended from time to time, are accepted, ratified and will be complied with. Certain capitalize terms in these Bylaws shall be defined in accordance with the definition for such terms set forth in the Restated Declaration

ARTICLE III

MEETINGS OF MEMBERS

3.1 Annual Meetings. The annual meeting of the Members shall be held on the second Tuesday of each January, at the hour of 7:00 o'clock p.m. at the Project or some reasonable location in Weber County, Utah or on such other annual date and time fixed by the Board of Directors.

3.2 Special Meeting. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote twenty-five percent (25%) of all of the votes of the membership.

3.3 Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary of the Association or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

3.4 Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, sixty percent (60%) or more of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles, the Restated Declaration, or these Bylaws. If, however, such a quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.5 Voting. At all meetings of Members, each Member may vote in person or by proxy.

3.6 Action Taken Without a Meeting. Any action that may be taken at any regular or special meeting of the Association may be taken without a meeting if the following requirements are met:

3.6.1 A written ballot is distributed to every Member entitled to vote setting forth the proposed action, providing an opportunity to signify approval or disapproval of the proposal and providing a reasonable time for the Member to return the ballot to the Association.

3.6.2 The number of votes cast by ballot within the specified time under Subparagraph 6.1 equals or exceeds the quorum required to be present at a meeting authorizing the action.

3.6.3 The number of approvals of the action equals or exceeds the number of votes required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot.

3.6.4 The written ballot distributed to Members affords an opportunity for the Member to specify a choice between approval and disapproval of each order of business proposed to be acted upon by the Association and further provides that the vote of the Members shall be cast in accordance with the choice specified.

3.7 Proxies. At each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member himself or by his attorney there unto duly authorized in writing. The instrument authorizing the proxy to act shall meet the requirements set forth in Subparagraph 6.4 above and shall indicate the name of the secretary of the Association, or such other officer or person or who may be acting as the secretary at the meeting to whom the proxy is to be given for the purpose of casting the vote to reflect the absent Member's vote as specified in the form of proxy. If a Unit

is jointly held, the instrument authorizing a proxy to act must have been executed by all Owners of such Unit or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

ARTICLE IV

BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

4.1 Number. The affairs of this Association shall be managed by a Board of seven (7) Directors (hereafter collectively referred to as the "Board"), who must be Members of the Association.

4.2 Voting Districts. The Association has been divided into five (5) voting districts which generally correspond with the five (5) phases by which The Cottages was developed. A map of the five (5) voting districts is attached to these Bylaws as Exhibit "C-1". One Director shall be elected from the Owners residing in each of the five (5) voting districts and two (2) Directors shall be elected at-large without regard to the voting district in which they reside. The two (2) at-large Directors shall also be elected by the Members to serve as officers of the Association. On alternate years, one at-large Director shall be elected to serve as president of the Association; the other at-large Director shall be elected to serve as vice president of the Association the following year. Each Director shall be elected at an election in which all Members may vote and shall not be elected by a vote solely of those who reside in a specific voting district.

4.3 Term of Office. At each annual meeting the Members shall elect Directors to serve for a term of two (2) years. Three (3) Directors shall be elected one year and the following year four (4) Directors shall be elected.

4.4 Removal. Any Director may be removed from the Board of Directors, with or without cause, by majority vote of the Members of the Association. In the event of death, resignation or removal of a Director or of a Director who is serving as the President or Vice President of the Association, his successor shall be selected by the remaining Members of the Board of Directors and shall serve for the unexpired term of his predecessor. A Director appointed to replace a Director from a specific voting district must be replaced by an Owner from the same voting district.

4.5 Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

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

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

5.1 Nomination. Nomination for election to the Board of Directors and to a specific office on the Board shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members.

5.2 Election. Election to the Board of Directors and to a specific office on the Board shall be by written ballot. Secret ballots shall not be required. At such 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 Restated Declaration.

ARTICLE VI

MEETING OF DIRECTORS

6.1 Regular Meetings. The Board of Directors shall hold a regular meeting at least quarterly, without notice, at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should said 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.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

6.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Powers. The Board of Directors shall have power to:

7.1.1 Adapt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the Members and their guest thereon, and to establish penalties of the infraction thereof.

7.1.2 Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and an opportunity for hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

7.1.3 Exercise for the Association all powers, duties and authority vest in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles, or the Restated Declaration;

7.1.4 Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

7.1.5 Employ a Manager, an independent contractor, and such other employees as they deem necessary, and to prescribe their duties.

7.2 Duties. It shall be the duty of the Board of Directors to:

7.2.1 Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

7.2.2 Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

7.2.3 As more fully provided in the Restated Declaration, to:

(a) Fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;

(b) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(c) Foreclose at its discretion the lien against any Unit for which assessments are not timely paid and/or to bring an action at law against the Owner personally obligated to pay the same.

7.2.4 Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

7.2.5 Procure and maintain adequate liability and hazard insurance on property owned by the association, and adequate officers and Directors indemnity insurance, and all other insurance required by the Restated Declaration;

7.2.6 Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

7.2.7 Cause the Common Areas to be maintained;

7.2.8 Permit First Mortgagees of Units in the Project to pay taxes or other charges which are in default and which may or have become a charge against the Common Areas of the Association, and such First Mortgagees may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such property, and such First Mortgagees, upon making such payments, shall be owed immediate reimbursement therefore from the Association;

7.2.9 Assess and collect all assessments referred to or authorized in the Restated Declaration.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

8.1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be Members of the Board of Directors. Also, a Secretary, and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

8.2. Election of Officers. The elections of the Association Secretary and Treasurer shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. The Association Secretary and Treasurer may be elected from among the members of the Board, or they may be elected from among the Owners who are not currently serving on the Board. The Secretary shall be elected at the Board meeting following the election of the President and the Treasurer shall be elected at the Board meeting following the election of the Vice President.

8.3. Term. The Association Secretary and Treasurer shall be elected by the Board of Directors and each such officer shall hold office for two (2) years or until his or her successor is elected and has qualified, unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4. Special Appointments. The Board of Directors 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 board of Directors may, from time to time, determine.

8.5. Resignation and Removal. The Secretary or Treasurer may be removed from office with or without cause by the Board of Directors and may resign at any time by giving written notice to the Board of Directors or to the President. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6. Vacancies. A vacancy in the office of Association Secretary or Treasurer may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces unless sooner terminated by the Board.

8.7. Multiple Offices. The offices of Secretary and Treasurer may not be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant Section 4 of this Article.

8.8. Duties. The duties of the officers are as follows: President.

8.1.1. The President shall preside at all meetings for the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, promissory notes, checks, deeds and other written instruments.

8.1.2. Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. The Vice President may also sign Association checks.

8.1.3. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as required by the Board.

8.1.4. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall with the President or Vice President be authorized to sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit or review of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures, and deliver a copy of each to the Members.

ARTICLE IX

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall provide any indemnification required or permitted by the laws of Utah and shall indemnify Directors, officers, agents and employees as follows:

9.1 Third Party Litigation. The Association shall indemnify any Director or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceedings, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was such Director or officer or an employee or agent of the Association, or is or was

serving at the request of the Association as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, if itself, create a presumption that the person did not act in good faith, and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

9.2 Association Litigation. The Association shall indemnify any Director or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was such a Director or officer of an employee or agent of the Association, or is or was serving at the request of the Association as Director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for gross negligence or gross misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought, or any other court having jurisdiction in the premises, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

9.3 Expenses. To the extent that a Director or officer of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or 2 of this Article Nine, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith, without the necessity for the determination as to the standard of conduct as provided in Section 4 of this Article Nine.

9.4 Determination of Right to Indemnity. Any indemnification under Section 1 or 2 of this Article nine (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 or 2 of this Article Nine. Such determination shall be made (i) by the Board of Directors of the Association by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or even if obtainable, and such a quorum of disinterested Directors so directs, by independent legal counsel (who may be regular counsel for the Association) in a written opinion; and any determination so made shall be conclusive.

9.5 Advance of Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized in the particular case, upon receipt of an undertaking by or on behalf of the Director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article Nine.

9.6 Other Indemnification Rights. Agents and employees of the Association who are not Directors or officers of the Association may be indemnified under the same standards and procedures set forth above, in the discretion of the Board of Directors of the Association.

9.7 Benefitted Parties. Any indemnification pursuant to this Article Nine shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

ARTICLE X

COMMITTEES

The Association shall appoint a nominating committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

BOOKS AND RECORDS

11.1 Accounting.

11.1.1 The books and accounts of the Association shall be kept in accordance with generally accepted accounting procedures under the direction of the Treasurer.

11.1.2 At the close of each fiscal year, the books and records of the Association shall be reviewed by the Association, and financial statements shall be distributed to all Owners.

11.2 Inspection of Records. The membership register, books of account and minutes of meetings of the Association, of the Board of Directors and of committees of the Board of Directors and all other records of the Project maintained by the association or Manager shall be made available for inspection and copying by an member of the Association or his duly appointed representative at any reasonable time and for a non-commercial purpose reasonably related to his interest as a member, at the office where the records are maintained. Upon receipt of an authenticated written request from a Member along with the fee prescribed by the board of Directors to defray the costs of reproduction, the Manager or other custodian of records of the Association shall prepare and transmit to the member a copy of any and all records request. The Board of Directors shall establish reasonable rules with respect to:

11.2.1 Notice to be given to the custodian of the records by the Member desiring to make the inspection;

11.2.2 Hours and days of the week when such an inspection may be made; and

11.2.3 Payment of the cost of reproducing copies of documents requested by a Member.

11.3 Every member of the Board of Directors, subject to the conditions set forth above, shall have the absolute right at any reasonable time to inspect and make copies of all books, records and documents of the Association and to inspect all real and personal properties owned or controlled by the Association.

11.4 **Record Retention Policy.** The attached Exhibit "D" shall serve as the record retention schedule for the Association. It shall serve as a guideline and is not an exclusive list. Some of the records below may not currently exist, but are listed in the event they exist in the future. The Board shall use its best judgment in determining the retention period for any record not mentioned below. The records described below shall be kept for as long as indicated. Once their retention period has expired, the Board may destroy the documents.

ARTICLE XII

ASSESSMENTS

All Assessment shall be made in accordance with the general provisions of Article V of the Restated Declaration. The Treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Project, specifying and itemizing the maintenance, repair and replacement expenses of the project and any other expenses incurred. Such records shall be available for examination by the Owners during regular business hours. In accordance with the actions of the Board of Directors in assessing Common Expenses against the Units and Owners, the Treasurer shall keep an accurate record of such assessments and of the payments thereof by each Owner.

ARTICLE XIII

CORPORATE SEAL

The Association may, but shall not be obligated to, have a seal in circular form having within its circumference the words: "The Cottages at Colonial Springs Owners Association, Inc.", or in lieu thereof the work "SEAL" may be placed adjacent to the signature of an authorized officer of the Association.

ARTICLE XIV

AMENDMENTS

14.1 Amendment Procedure. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a Majority of the authorized Members.

14.2 Conflict. 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 Restated Declaration and these Bylaws, the Restated Declaration shall control.

Exhibit "C-1"

Map of Voting Districts

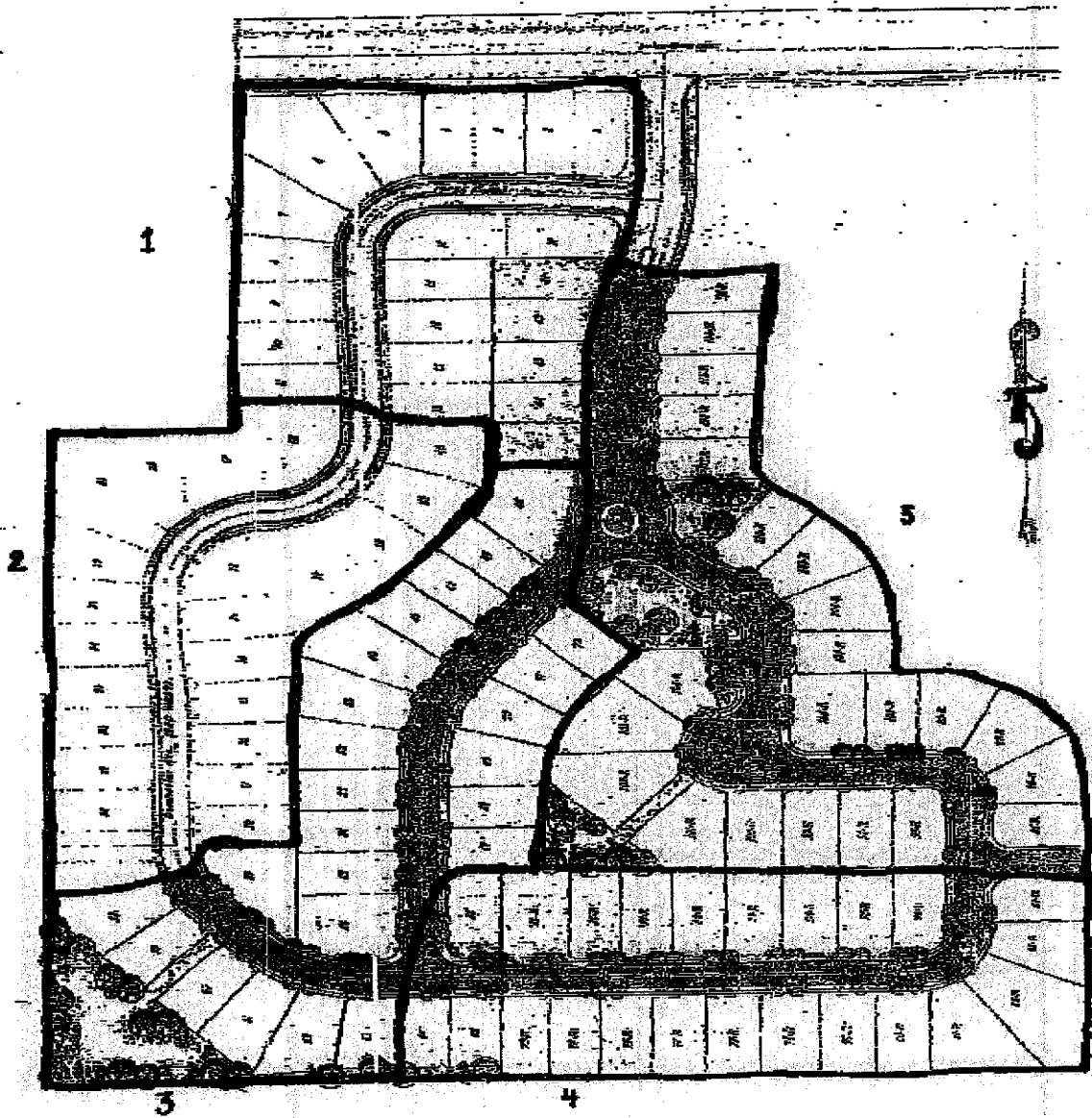


Exhibit "D"

Record Retention Schedule

Record Retention Schedule

Description of Record	Retention Period
Articles of Incorporation Exhibit "E"	Permanent
Declaration of Covenants, Conditions, and Restrictions (and amendments)	Permanent
Corporate or Association Bylaws	Permanent
Deeds, Plats, Maps	Permanent
Resolutions adopted by the board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members (U.C.A §16-6a-1601 (5)(c)) Ret Ownership Agreement	Permanent
Minutes of all meetings board of directors	Permanent
Minutes of all annual and special meetings of members	Permanent
Record of all actions taken by the members or board of directors without a meeting	Permanent
A record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the nonprofit corporations	Permanent
Record of all waivers of notices of meetings of members and of the board of directors or any committee of the board of directors	Permanent
Architectural Modifications- Approved and Disapproved	Permanent
Architectural Guidelines (current and past)	Permanent
Association or Community Rules	Current and Past 6 Years
Ownership/Membership Records	Current and Past 6 Years
All written communications to members generally as members	6 years
A list of the names and address of current directors and officers	Current and past 4 Years
A copy of the most recent annual report delivered to the division under Section (U.C.A §16-6a-1607)	Current and Past 4 Years
Financial records and statements, including invoices, tax returns, checks, etc	4 years

Exhibit "E"

Pet Ownership Agreement

The Cottages at Colonial Springs

Pet Ownership Agreement

Name: _____ Date: _____

Unit Address: _____

The above named Unit Owner(s) or resident agrees to abide by The Cottages at Colonial Springs Declaration, Bylaws, and Rules and Regulations relating to pets, to honor the following provisions while maintaining a pet at The Cottages, and certifies that the following are true and correct:

1. The pet has not been the subject of an animal control or law enforcement agency citation for aggression or attack.
2. The pet will not disturb the other residents of the Association by creating an unacceptable level of noise; by engaging in threatening behavior; or by creating any offensive odors.
3. The pet has received all required and applicable City, County and State of Utah vaccinations and other behavior and disease preventing treatments.
4. The pet is properly licensed and wears tags indicating current license and rabies shots.
5. The pet will not do damage to, or in any way disturb the common areas of the Association. A pet Owner is responsible to immediately clean up all pet droppings wherever they occur and to keep pet droppings in the Owner's yard from becoming an annoyance (by sight or smell) to other residents.
6. The pet will remain inside the Owner's Unit unless on a leash no longer than 15 feet in length or carried by the resident. The pet shall never be allowed to freely roam in the Association common areas.
7. If the pet is a dog, it is insured by the Unit Owner's insurance policy for pet liability in an amount of not less than \$10,000.
8. A litter box shall be provided for cats inside the Unit in which they reside. The contents of a used litter box shall be placed in the garbage.
9. The Owner will have no business activities conducted in the Unit involving animals/pets.
10. The Owner acknowledges that the Board has the right to require removal of any pet if it receives multiple complaints about the pet violating the provisions of this Agreement so as to create a nuisance to neighbors and the Board determines the complaints are valid.
11. The resident agrees to pay a fine of \$50.00 for each time the resident fails to clean up pet droppings outside the Owner's Unit.

Signed by: _____

Owner/Resident Description of Pet (type, size, color): _____

By Board: _____

Date: _____