

BY-LAWS OF THE HOMEOWNERS ASSOCIATION
FOR
THE COLONY AT WHITE PINE CANYON

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ALAN SPRIGGS, SUMMIT COUNTY RECORDER
1998 SEP 28 16:11 PM FEE \$34.00 BY DMG
REQUEST: HIGH COUNTRY TITLE

1. Application of By-Laws.

1.1 Governing Documents. Articles of Incorporation (the "Articles") have been filed with the Division of Corporations of the Department of Commerce of the State of Utah to cause the formation of a nonprofit corporation under the Utah Nonprofit Corporations and Cooperative Associations Act (the "Act") known as The Homeowners Association for The Colony at White Pine Canyon (the "Association"). A Declaration of Covenants, Conditions and Restrictions for The Colony at White Pine Canyon (the "Declaration") has been executed by Iron Mountain Associates, L.L.C., a Utah limited liability company (the "Declarant") and recorded in the office of the Recorder of Summit County, Utah to which all Homesteads and other property within the residential subdivision known as The Colony at White Pine Canyon ("The Colony") are subject. The By-Laws of the Association (the "By-Laws"), in accordance with, and subject to the Articles and the Declaration, shall govern the affairs and activities of the Association. The Declaration provides that the Declarant has special powers and authority in the development and management of The Colony and the Association until certain events occur or certain time periods pass, and these By-Laws are subject to those provisions.

1.2 Binding Effect. All present and future Owners, Mortgagees, and occupants of Homesteads in The Colony, and their guests, invitees, lessees, renters, agents servants and any other persons who may use the facilities of The Colony in any manner are subject to the Declaration, these By-Laws and rules and regulations made pursuant thereto.

1.3 Definitions. All terms defined in the Declaration shall have the same meaning as set forth in the Declaration when the defined terms are used in these By-Laws.

1.4 Acceptance, Ratification and Agreement to Comply. The acceptance of a deed or conveyance, the entering into of a contract for purchase or a lease, or the act of occupancy of a Homestead shall constitute an agreement that these By-Laws, the Declaration 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.

2. Board of Trustees.

2.1 Five Member Board of Trustees. The affairs of the Association shall be conducted by a Board of Trustees composed of five (5) members.

2.2 Election. The Declarant shall have the right to appoint and remove members of the Board until the sooner of: (a) the sale of fifty one percent (51%) of the Homesteads in The Colony; or (b) five (5) years after the sale of the first ten (10) Homesteads by the Declarant. By instrument signed by the Declarant and duly recorded in the real estate records of Summit County, Utah, the Declarant may elect to relinquish this right to appoint and removed members of the Board of Trustees sooner than provided above. During the time when the Declarant has the authority to appoint and remove members of the Board of Trustees, the members of the Board of Trustees are not required to be Owners of Homesteads or Members of the Association. After the end of the time when the Declarant has the right to appoint and remove members of the Board of Trustees the following provisions shall apply:

2.2.1 At each annual meeting of the Members, the Members shall elect members of the Board of Trustees for the forthcoming year. Nominations for the Board of Trustees shall be made by the Members from the floor in accordance with the Parliamentary Rules set forth hereinafter.

2.2.2 All members of the Board of Trustees shall be required to be Members, as that term is defined in the Declaration.

2.3 Term. Members of the Board of Trustees shall serve for a term of two years; provided, however, that initially two of the five members of the first Board of Trustees elected shall serve for a one-year term. The other three members shall serve for a two-year term. Thereafter, all members elected each

year shall serve for a two-year term. The members of the Board of Trustees shall serve until their respective successors are elected, or until their death, resignation or removal.

2.4 Resignation and Removal. Any member of the Board of Trustees may resign at any time by giving written notice to the President and Board of Trustees, and any member may be removed from membership on the Board of Trustees by a majority vote of the Members. Whenever there shall occur a vacancy on the Board of Trustees due to death, resignation, removal or any other cause, the remaining members shall elect a successor to serve until the next annual meeting of the Association, at which time said vacancy shall be filled for the unexpired term by the vote of the Members.

2.5 Compensation. The Board of Trustees shall receive no compensation for their services unless expressly provided for and approved in writing by Members holding a majority of the votes in the Association.

2.6 Powers and Authority of the Board of Trustees. The Board of Trustees, for the benefit of the Association, shall enforce the provisions of the Declaration, the By-Laws and Rules and Regulations governing The Colony.

2.6.1 Subject to the provisions of the Declaration and these By-Laws, the Association shall arrange and pay for out of the funds of the Association the following:

- (a) Water, sewer, garbage collection and other necessary utility service for the Common Areas.
- (b) Policies of insurance of the types and with the limits of coverage set forth in Section 6.1 of the Declaration.
- (c) The services of the Ranch Manager.
- (d) Legal and accounting services necessary or proper in the operation of the Common Areas or the enforcement of the Declaration.
- (e) Installation, maintenance, repair and replacement of any improvements and all landscaping within the Common Areas, the Easements, all parking areas owned by the Association, and such furnishings, finishings and equipment for the Common Areas and

Easements as the Board of Trustees from time to time shall determine are necessary and proper.

(f) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance taxes or assessments which the Board of Trustees is required to secure or pay for pursuant to the terms of the Declaration or these By-Laws, or which, in its opinion, shall be necessary or proper for the operation of the Common Areas, the Easements, or for the enforcement of the Declaration.

2.6.2 The Board of Trustees shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from Association Funds. This provision shall not be construed to prohibit the Board of Trustees from delegating such authority as it deems appropriate to the Ranch Manager.

2.6.3 The Board of Trustees, in addition to all powers granted in the Declaration and permitted by law, shall have the right to acquire, operate, lease, manage and otherwise trade and deal with property, real or personal, as may be necessary or convenient in the operation and management of The Colony, and in accomplishing its purposes set forth in the Declaration, and the right to borrow funds, open bank accounts, authorize signatories and to deal with all matter relating to the operation of The Colony.

2.7 Quorum, Election of Officers. Three (3) members of the Board of Trustees shall constitute a quorum and, if a quorum is present, the decision of a majority of those present shall be the act of the Board of Trustees. The officers shall be elected at a meeting of the Board of Trustees to be called immediately following the annual meeting of the Association. If an officer ceases to serve due to resignation, death or removal, the Board of Trustees may elect a replacement officer as soon after such event as is reasonably practicable without waiting for the next annual meeting.

2.8 Frequency, Time and Place of Regular Meetings. Other than the annual meeting of the Board of Trustees which takes place after the annual meeting of the Members of the Association, regular meetings of the Board of Trustees shall be held at such intervals and at such place and time as the Board of Trustees may determine from time by resolution.

2.9 Special Meetings of the Board of Trustees. Special meetings of the Board of Trustees may be called by or at the request of the President or any majority of the Board of Trustees. Special meetings are any meetings other than the annual meetings or the regular meetings scheduled as set forth in Section 2.8 above. Notice of special meetings of the Board of Trustees shall be given to each member of the Board of Trustees orally or in writing at least twenty-four hours before the time fixed for the meeting.

2.10 Waiver of Notice. Except for notice of special meetings of the Board of Trustees, as provided in Section 2.9 above, notice need not be given of meetings of the Board of Trustees. In addition to regular and special meetings, whenever all members of the Board of Trustees meet to conduct business of the Association, such meetings shall be valid for all purposes. No call or notice of any special meeting of the Board of Trustees shall be necessary if all members of the Board of Trustees meet together for such a meeting, or if waiver of call and notice are signed by all members of the Board of Trustees.

3. Meetings of the Members of the Association.

3.1 Quorum and Voting. The presence in person or by proxy at any meeting of the Members of the Association, representing a majority of the total of all votes vested in Members, in response to notice to all Members properly given in accordance with the terms of the Declaration, shall constitute a quorum. In the event that the total number of Members present does not represent a majority of votes, the meeting shall be adjourned until a time agreed upon by the majority of those present, within fourteen (14) days, at which time it shall reconvene and the presence of Members representing a majority of votes shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the Members of the Association where a quorum is present, upon the affirmative vote of a majority of the votes of the Members present.

3.2 Annual Meeting. There shall be an annual meeting of the Members of the Association on the first Thursday in December, at the main entry gate to The Colony, or at such other reasonable place or time (not more than sixty days before or after such date) as may be designated by written notice from the Board of Trustees if personally delivered or sent by first class United States Mail to the Members not less than fifteen days prior to the date fixed for said meeting. At or prior to such meeting, the Board of Trustees shall furnish to the Members a proposed budget for the next fiscal year that shall itemize the estimated Common

Expenses and Assessments for the fiscal year with the estimated allocation thereof to each Member, and a statement of the Common Expenses and Assessments for the fiscal year just concluded with an itemization of receipts and disbursements for that year and the allocation to each Member of those amounts.

3.3 Special Meetings. Special meetings of the Members of the Association may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Members, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by a majority of the Board of Trustees or by any ten Members, and personally delivered or sent by first class United States Mail not less than fifteen days prior to the date fixed for said meeting. Said notices shall specify the date, time and place of the meeting, and the matters to be considered at the meeting.

3.4 Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of meetings of the Members of the Association when not in conflict with the Declaration or these By-Laws.

4. Officers of the Association. The officers of the Association shall be a President, Vice President and Secretary/Treasurer and such other officers as the Board of Trustees may from time to time deem appropriate. Until the end of the time when the Declarant has the right to appoint and remove members of the Board of Trustees, as described in Section 2.2 above, the officers of the Association do not have to be Members of the Association. After that time, any officer must be a Member. The President must be a member of the Board of Trustees. No officer shall receive compensation for serving as such. Officers shall be annually elected by, and may be removed and replaced by the Board of Trustees as provided in Section 2.7 above.

4.1 President. The President shall be the chief executive of the Association and the Board of Trustees and shall exercise general supervision over the property and affairs of The Colony. Contracts and other documents shall be binding on the Corporation when signed by the President or Vice President and one other officer of the Corporation. In addition to signing contracts and other documents, the President shall do and perform all acts and things which the Association may require. The President shall have the authority to delegate said powers to other officers or committees.

4.2 Vice President. The Vice President shall have such duties to assist the President in administration of the affairs of the Association as the Board of Trustees shall from time to time specify by resolution. Contracts and other documents shall be binding on the Corporation when signed by the President or Vice President and one other officer of the Corporation. In the event of the President's absence or inability to act, the Vice President shall have the powers of the President.

4.3 Secretary/Treasurer. The Secretary/Treasurer shall keep minutes of all proceedings of the Board of Trustees and of the meetings of the Association and shall be responsible for the fiscal affairs of the Association and keep such books and records as may be necessary and appropriate for the records of the Association and its Board of Trustees. The Secretary/Treasurer shall be responsible for the daily handling of income and expense payments of the Association, subject to the requirement that any check or other expenditure of Association funds over the amount of \$500.00 shall require at least two signatures, of the President or Vice President and one other officer of the Corporation. In the event of the absence or inability to act of the President and the Vice President, the Secretary/Treasurer shall have the powers of the President and Vice President.

5. Fiscal Year. The fiscal year of the Association shall begin January 1 and end December 31 next following.

6. Common Expenses and Assessments.

6.1 Assessments. All Annual Assessments, Special Assessments and Compliance Assessments shall be assessed and administered as provided in Section 5 of the Declaration.

6.2 Annual Budget. The Annual Budget shall be prepared by the Board of Trustees or their designee and presented as provided in Section 5.5 of the Declaration. If for any reason the Board of Trustees fails to prepare the Annual Budget on schedule, the most recent Annual Budget of the Association shall control and Annual Assessments shall be made based on the previous year's budget.

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7. Abatement and Enjoinment of Violations by Members. The violation of any Rules or Regulations adopted by the Board of Trustees or the

breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Trustees the right, in addition to any other rights set forth in these By-Laws or in the Declaration to do the following:

7.1 Right of Entry and Abatement and Removal. Enter the Homestead on which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Member, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Declaration, the Design and Development Guidelines, or the By-Laws.

7.2 Injunction and Other Legal Action. Enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such breach.

8. Rental or Lease of Homesteads. The provisions of the Declaration, By-Laws and the Rules and Regulations enacted thereunder shall apply with equal force to all renters or lessees of part or all of any Homestead within The Colony. Any Member who rents or leases a Member's Homestead shall be responsible for the conduct of the Member's tenants, and, upon written notice from the Board of Trustees, said Member shall be responsible for correcting violations of the Declaration, By-Laws or Rules and Regulations of The Colony committed by such tenants. If a Member fails to correct violations by tenants within seventy two (72) hours of such notice, the Board of Trustees shall be deemed to be the agent of the Member and empowered to take any enforcement action the Member would be entitled to take, the costs of such action, including reasonable attorneys fees, costs and expenses, to be payable by the Member within thirty (30) days. Such costs shall be collected and enforced in the same manner as Assessments. The power of the Board of Trustees hereunder shall include but not be limited to all legal remedies available under the laws of the State of Utah. Any Member, by the act of renting or leasing it's Homestead, shall be deemed to have consented to these procedures and shall indemnify and save harmless the Board of Trustees from and against any and all liability therefor. It is expressly understood that the remedies available to the Board of Trustees shall include but not be limited to the right to seek eviction of the tenant without any liability to the Member.

9. Special Committees. The Board of Trustees by resolution may designate one or more special committees, each committee to consist of two or more Members, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such special committees shall have such name or names as may be determined from time to time by the

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Board of Trustees. Such special committees shall keep regular minutes or their proceedings and report the same to the Board of Trustees when required. The members of such special committees shall be appointed by the Board of Trustees or its President.

10. Rules and Regulations. The Board of Trustees shall have the right to adopt and amend such Rules and Regulations as may be reasonably necessary, consistent with the Declaration and the By-Laws for the purpose of governing the details of the operation and use of the Homesteads, Common Areas and Easements. Copies of the Rules and Regulations shall be furnished to each Member prior to the time the same shall become effective.

11. Audit. Any Member may at any reasonable time at the Member's own expense cause an audit or inspection to be made of the books of account of the Board of Trustees pertaining to The Colony. The Board of Trustees, as a Common Expense, may obtain an annual audit by an independent public accountant of the books of account of the Association.

12. Books and Records. All Members and all Eligible Mortgage Holders shall be entitled to inspect the books and records of the Association during normal business hours.

13. Interpretation. The provisions hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of The Colony. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

14. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way to define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

15. Amendments. These By-Laws may be amended upon the written approval of Members holding at least sixty percent (60%) of the total votes of the Association. Upon approval, the Amended By-Laws shall be acknowledged by the Board of Trustees and shall be effective upon recordation. Copies of the Amended By-Laws shall immediately be furnished to all Members.

16. Effective Date. These By-Laws shall take effect on September 28, 1998.


Walter J. Brett, Trustee


Thomas B. Gauld, Trustee


Keith R. Kelley, Trustee

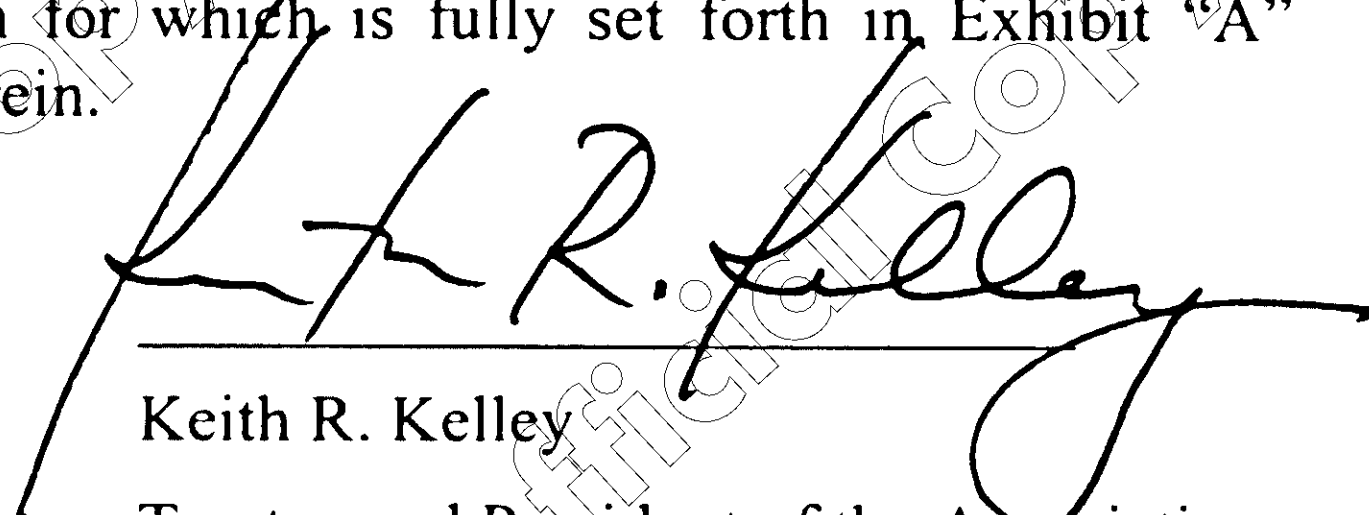

H. Gregory Lawson, Trustee


Douglas Thomsen, Trustee

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VERIFICATION AND ACKNOWLEDGEMENT

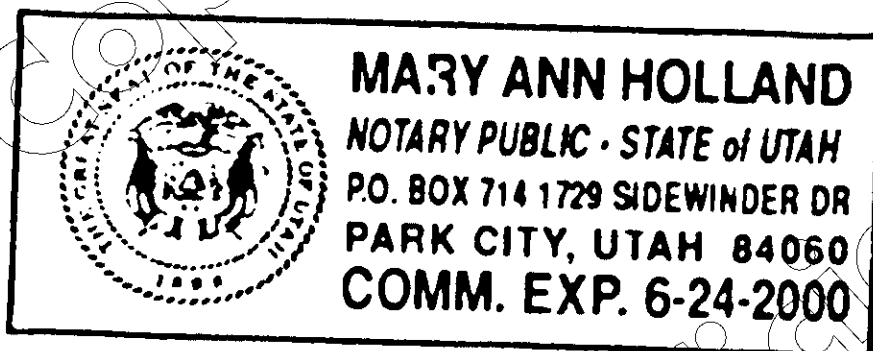
The undersigned hereby verifies that the foregoing is a true and correct copy of the By-Laws of The Homeowners Association for The Colony at White Pine Canyon, duly adopted by the Board of Trustees of the Association, for The Colony at White Pine Canyon - Phase 1, a residential subdivision in Summit County, Utah, the legal description for which is fully set forth in Exhibit "A" attached hereto and incorporated herein.


Keith R. Kelley
Trustee and President of the Association

STATE OF UTAH)
 SS
SUMMIT COUNTY)

The foregoing instrument was sworn to and acknowledged before me this 25th day of September, 1998, by Keith R. Kelley, Trustee and President of The Homeowners Association for The Colony at White Pine Canyon.

SEAL:




NOTARY PUBLIC

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EXHIBIT "A"

All that land in Summit County, State of Utah, located in Sections 1 and 12, Township 2 South, Range 3 East, and Section 6, Township 2 South, Range 4 East, Salt Lake Base & Meridian, on that certain Final Subdivision Plat for The Colony at White Pine Canyon - Phase 1, which was recorded on September 24, 1998, as Entry No. 518278, in the Office of the Recorder of Summit County, Utah.