

AMENDED AND THIRD REVISED BYLAWS
OF
THE COTTAGES AT BLUE WATER OWNERS ASSOCIATION, Inc.
a Utah Non-Profit Corporation

RECITALS:

A. These Bylaws were previously executed as Exhibit B of Declaration of Covenants, Conditions and Restrictions of the Cottages at Blue Water Phase 1, herein after referred to as the "Declaration," and recorded on May 16, 2003 at the Rich County Recorders Office.

B. These Amended and Revised Bylaws supersede and replace the previously executed Bylaws in its entirety and are separated from the Restated Declaration.

C. These Bylaws, the Amended and Restated Declaration of Covenants, Conditions & Restrictions recorded on September 7, 2007 at the Rich County Recorders Office, and the Articles of Incorporation filed at the State of Utah Department of Commerce, Division of Corporations and Commercial Code define and govern administration of the Association.

D. The order of precedence for the Association governing documents is:

- I. Declaration of Covenants, Conditions and Restrictions
- II. Articles of Incorporation
- III. Bylaws
- IV. Rules and Regulations

Recorded **22-Oct-2013** Filing No. **85827**
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Fee **\$24.00** Debra L. Ames Rich County Recorder
For HERITAGE WEST TITLE--BE
ELECTRONICALLY RECORDED

1. DEFINITIONS.

Refer to Article 2 of the Amended and Restated Declaration of Covenants, Conditions & Restrictions for definition of terms used herewith.

2. APPLICATION OF BYLAWS.

All present and future Lot owners, mortgagees, and lessees and their employees, and any other persons who may use the facilities of the development in any manner are subject to the Restated Declaration, the Articles of Incorporation, and these Bylaws 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 Lot shall constitute an agreement that the provisions of the Declaration, the Articles of Incorporation, 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.

3. MEETINGS OF THE ASSOCIATION.

3.1 Meetings of the Board of Directors shall be held at such places within the State of Utah as the Board of Directors shall determine. A majority of the members of the Board of Directors 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 Directors. The Board of Directors shall annually elect all of the officers of the Association. The meetings for the election of officers shall be held at the first meeting of the Board of Directors immediately following the annual meeting of the Association.

3.1.1 Regular meetings of the Board of Directors may be held with five (5) days prior written notice, except in case of emergency. This notification may be by either email or U.S. mail, postage prepaid.

3.1.2 Special meetings of the Board of Directors may be called at the request of the president or any two Directors. The secretary shall then give notice thereof in writing at least five (5) days before the meeting. Such notice shall specify the purpose for which the meeting is called, and the meeting shall be restricted to discussions of those items listed on the agenda. This notification may be by either email or U.S. Mail, postage prepaid.

3.1.3 Any Director may, in writing, waive notification of any meeting of the Board of Directors. Attendance by a Director at a meeting shall be a waiver of notice of such meeting unless the director is attending for the purpose of objecting to transacting any business because the meeting was not lawfully called. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

3.2 There shall be an annual meeting of the Association at 10:00 am on the Saturday after Labor Day at Garden City, Ut or such other reasonable place or time not more than sixty (60) days before or after such date as may be designated by written notice by the Board of Directors delivered to the Lot owners not less than fifteen (15) days prior to the date set for said meeting. At or prior to an annual meeting, the Board of Directors shall furnish to the Lot owners a list of the names of the nominees for the positions on the Board of Directors to be filled at that meeting, an unaudited statement of the common expenses summarizing receipts and disbursements for the previous and current fiscal years, and an estimate of the budget for the following fiscal year.

3.2.1 Within thirty (30) days after the annual meeting, the budget and the statements of common expenses shall be available upon request to those Lot owners who were not present at the annual meeting.

3.2.2 Special meetings of the Association may be held at any time at Garden City, Ut or at such other reasonable place to consider matters which, by the terms of the Restated Declaration, require the approval of all or some of the Lot owners or for any other reasonable purpose. Special meetings shall be called upon written request signed by a majority of the Board of Directors or not less than sixty seven percent (67%) of the Lot owners holding undivided interests in the property. The secretary of the Association shall then prepare a written notice which shall be delivered to all Lot owners not less than fifteen (15) days prior to the date fixed for said meeting. Such notice shall specify the date, time and place of the meeting and the matters to be considered.

3.2.3 The presence in person or by proxy of Lot owners holding twenty percent (20%) of the undivided interests in the property at any meeting of the Association held in response to notice to all Lot owners of record shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting, the meeting may be adjourned for twenty-four hours, after which time it shall reconvene and any number of Lot owners present in person or by proxy at the shall constitute a quorum

3.3 Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration, the Articles of Incorporation or these Bylaws.

4. BOARD OF DIRECTORS AND OFFICERS

4.1 The management and maintenance of the Common Area property and the administration of the affairs of The Cottages at Blue Water Owners Association, Inc., (herein after called the "Association") shall be conducted by the Board of Directors as contained in the Declaration, The Articles of Incorporation and these Bylaws.

4.2 The Directors and Officers shall receive no compensation for their services unless expressly approved by a majority of the Association; provided, however, that any Director may be employed by the Association in another capacity and receive compensation for such employment; provided further, that such employment shall be approved by vote or in writing by all Directors not including the director to be employed.

4.3 The Association shall elect the members of the Board of Directors to fill those positions becoming vacant at each annual meeting. At least thirty (30) days prior to each annual meeting of the Association, the Board of Directors shall notify the Lot owners of the positions on the Board of Directors to be filled at that particular meeting and request those willing to serve to submit a resume to the Board at least fifteen (15) days prior to the meeting.

If there are not enough candidates for the positions open on the Board of Directors, nominations may also be made during the annual meeting of the Association.

Candidates are expected but not required to be in attendance at the association meeting to be on the election ballot.

Lot owners shall be current on all assessments, except for reasonably disputed amounts as determined in the discretion of the Board, as of the date of any such vote, to have their vote counted. Lot owners may vote for as many candidates for Board membership as there are seats on the Board to be filled.

4.4 Members of the Board of Directors shall serve for terms of three (3) years beginning immediately upon their election by the Association. The members of the Board of Directors shall serve until their respective successors are elected, or until their death, resignation or removal.

4.5 Any Director may resign at any time by giving written notice to the President of the Association or to the remaining Directors. Any Director may be removed from membership on the Board of Directors by a two-thirds majority vote of the Association. Whenever there shall occur a vacancy on the Board of Directors due to death, resignation, removal or any other cause, the remaining Directors shall elect a replacement to sit on the Board until expiration of the term for which the member being replaced was elected.

4.6 All officers and employees of the Association shall serve at the will of the Board of Directors. The officers shall be President, Vice President, Secretary and Treasurer. The offices of Secretary and Treasurer may be combined at the option of the Board of Directors. The Board of Directors may appoint such other assistant officers as the Board of Directors may deem necessary. The President and Vice-President must be members of the Board of Directors.

4.7 The President shall also be the chairman of the Board of Directors and shall preside at all meetings of the Association and the Board of Directors and may exercise the power ordinarily allowable to the presiding officer of an Association, including the appointment of committees. The President shall exercise general supervision over the property and its affairs. He shall sign on behalf of the Association all conveyances, mortgages and contracts of material importance to its business. He shall do and perform all acts which the Board of Directors may require.

4.8 The Vice-President shall perform the functions of the President in his absence or inability to serve.

4.9 The Secretary shall keep minutes of all proceedings of the Board of Directors and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Lot owners and the Board of Directors.

4.10 The Treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of funds and the keeping of records to a managing company.

5. SPECIAL COMMITTEES.

The Board of Directors by resolution may designate one or more special committees, each committee to consist of two (2) or more Lot owners, which to the extent provided in said resolution shall have and may exercise the powers set forth in said resolution shall have such name or names as may be determined from time to time by the Board of Directors. All special committees shall report their proceedings to the Board of Directors when required. The members of such special committee or committees designated shall be appointed by the Board of Directors or the President. The Board of Directors or the President may appoint

Lot owners to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

6. BUDGET AND ASSESSMENTS.

6.1 Not less than fifteen (15) days prior to the annual meeting of the Association, the Board of Directors shall estimate the common expenses and capital contributions for the coming fiscal year. The estimated capital contributions may include such amounts as the Board of Directors may deem proper for the common expense and capital reserve fund and shall take into account any expected income, surplus or deficit in the common expenses for any prior year.

6.2 If the estimated common expenses prove inadequate for any reason, including nonpayment of any Lot owner's assessment, the Board of Directors may, by resolution duly adopted, make additional assessments, which shall be assessed to the Lot owners in the same manner as the estimated common expenses. Each Lot owner shall be obligated to pay the Board of Directors' assessments made pursuant to this paragraph on or before the first day of each month, or in such other reasonable manner as the Board of Directors shall designate.

6.3 No Lot owner may exempt himself from liability for common expenses by waiver of the use or enjoyment of any of the Common Areas and Facilities or by abandonment of his Unit.

7. ABATEMENT AND ENJOINMENT OF VIOLATIONS BY LOT OWNERS.

7.1 The violation of any rules or regulations adopted by the Board of Directors, the breach of any provision contained herein or the breach of any provision of the Declaration shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws:

7.1.1 To enter the Unit in which such violation or breach exists after a hearing opportunity before the Board of Directors when five days prior notice has been given to the Lot owner, and to abate and remove, at the expense of the defaulting Lot owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty of any manner of trespass; and/or

7.1.2 To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

7.1.3 1 The Board of Directors shall give the Lot owner opportunity for a hearing before the Board of Directors, with five days prior notice thereof.

7.2 These remedies are cumulative to other remedies provided in the Declaration and these Bylaws or in any other applicable form.

8. AMENDMENT OF BYLAWS.

The Bylaws may be amended by a majority vote of the Board of Directors at a meeting of the board. Upon such an affirmative vote, the Board of Directors shall acknowledge the amended Bylaws and the amendment shall be effective upon approval.

9. SEVERABILITY,

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

10. RENTAL OR LEASE OF LOTS.

10.1 Each of the Lots shall be occupied by the Owner, his family, servants, guests or tenants as a private residence and for no other purpose. Occupancy of a home on a Lot for residential use, whether by the Owner, a tenant under long-term lease or rental agreement, shall all be deemed to be acceptable residential occupancy. Any short-term lease or rental (any period less than 1 year) of a home on a Lot shall not be permitted. No Lot shall be owned as, converted to, or used as a time-share, fractional-ownership, or other interval-ownership unit or arrangement. Reference CC&R Section 6(b)(1).

10.2 Any Lot owner who rents or leases his property shall file with the Board of Directors a copy of the rental or lease agreement affecting said property. The provisions of these Bylaws shall apply with equal force to renters or lessees of property. Owner shall notify Garden City Town, obtain the required permits and comply with their ordinances that affect rental of property.

10.3 Any Lot owner who rents or leases his property shall be responsible for the conduct of his tenants, and upon written notice from the Board of Directors, said Lot owner shall be responsible for correcting violations of the Declaration, Bylaws or rules and regulations committed by such tenants.

10.3.1 If a Lot owner fails to correct violations by tenants within 72 hours of such notice, the Board of Directors shall give the Lot owner opportunity for a hearing before the Board of Directors, with five days prior notice thereof. Following such hearing and the finding that violations do exist, the Board of Directors shall be deemed to be the agent of the Lot owner and empowered to take any enforcement action the Lot owner would be entitled to take, the cost of such action to be assessed to the Lot owner and payable within 30 days of assessment. Such costs shall be collected and enforced in the same manner as common assessments under Section 6 of these Bylaws.

10.3.2 The power of the Board of Directors hereunder shall include, but not be limited to, any and all legal remedies available under the laws of the State of Utah. Any Lot owner by the act of renting or leasing his property shall be deemed to have consented to these procedures and shall indemnify and save harmless the Board of Directors from and against any and all liability therefore. It is expressly understood that the remedies available to the Board of Directors shall include but not be limited to the right to seek eviction of the tenant without any liability to the Lot owner.

11. RECORDS.

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

11.2 The Treasurer shall keep or cause to be kept detailed records of all receipts and expenditures, including expenditures affecting the Common Areas and Facilities, specifying and itemizing the maintenance, repair and replacement expenses of the common areas and facilities and any other expenses incurred. In accordance with the actions of the Board of Directors assessing common expenses against the Lot owners, the Treasurer shall keep or cause to be kept an accurate record of such assessments and of the payments thereof by each Lot owner.

11.3 The Association shall have an independent review of the books and records pertaining to the Board of Directors each fiscal year and copies of the review report shall be available to the Owners, upon request.

11.4 The records of the Association shall be available for inspection by any Lot owner or his authorized representative within a reasonable time upon written request. The purpose of the inspection and those records to be examined shall be specified in the request.

12. RESTRICTIONS ON USE

No Commercial business shall be permitted within the Project unless the same is permitted and approved by the appropriate municipalities and the Association.

13. 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 Bylaws nor the intent of any provision hereof.

14. EFFECTIVE DATE.

These amended and revised Bylaws were adopted by a legal quorum of the association board of directors on 14 September 2013. All previous Bylaws are superseded and the above constitute the only Bylaws in effect upon date attested too below.

IN WITNESS WHEREOF, the undersigned, being the Association officers performing the functions and duties required of the Board of Directors, does hereby execute these Bylaws on the 22 day of October 2013.

The Cottages at Blue Water Owners Association, Inc.

ATTEST:

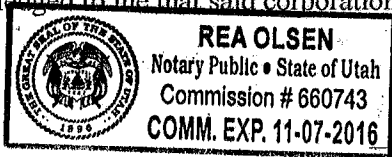
Linda Barker
Linda Barker, Secretary

By Eugene A. Watson
Eugene A. Watson, President

CORPORATE ACKNOWLEDGMENT

STATE OF UTAH)
: ss.
County of Box Elder)

On the 22 day of October 2013, A. D., personally appeared before me, Eugene A. Watson and Linda Barker who, being by me duly sworn, did say that they are the President and Secretary respectively, of The Cottages at Blue Water Owners Association, Inc., and that the said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and the aforesaid officers acknowledged to me that said corporation executed the same.



Rea Olsen
Notary Public

Exhibit A

All of the lots in The Cottages at Bluewater Subdivision Phase 1.

All of the lots in The Cottages at Bluewater Subdivision Phase 2.

All of the lots in The Cottages at Bluewater Subdivision Phase 3.