

When Recorded, Return to:

Kennecott Land Company  
Attn: Senior Associate, Contracts  
and Risk Management  
4700 West Daybreak Parkway  
South Jordan, UT 84009

12268531  
4/28/2016 11:15:00 AM \$68.00  
Book - 10425 Pg - 6610-6627  
Gary W. Ott  
Recorder, Salt Lake County, UT  
FIRST AMERICAN TITLE  
BY: eCASH, DEPUTY - EF 18 P.

**FIRST AMENDMENT TO DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
SODA ROW TOWNHOME PROJECT**

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SODA ROW TOWNHOME PROJECT (this "**Amendment**") is made and executed as of April 25, 2016 by KENNECOTT LAND COMPANY, a Delaware corporation, as successor-in-interest to Daybreak Development LLC, a Delaware limited liability company (formerly known as Kennecott Land Residential Development Company, a Delaware corporation) ("**Declarant**").

**RECITALS:**

A. Certain real property in Salt Lake County, Utah, more particularly described in Exhibit A, was subjected to certain covenants, conditions and restrictions pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Soda Row Townhome Project recorded on January 26, 2010, as Entry No. 10885373, in Book 9799, Pages 3280-3322, in the Salt Lake County Recorder's Office, as supplemented by Declarant from time to time (collectively, as supplemented, the "**Declaration**").

B. Declarant under the Declaration hereby adopts this Amendment and certifies that all of the requirements to amend the Declaration have been satisfied, Declarant is in control of the Association, and this amendment is adopted prior to the termination of the Declarant Control Period pursuant to the authority granted in Section 15.5 of the Declaration and in the Bylaws (as defined in the Declaration).

NOW, THEREFORE, Declarant, for good and valuable consideration, the adequacy of which is hereby acknowledged, hereby amends the Declaration as follows:

**AMENDMENT: COURTESY RECORDING**

This document is being recorded solely as a courtesy and an accommodation to the parties named herein. First American Title Insurance Company hereby expressly disclaims any responsibility or liability for the accuracy or the content thereof.

1. **Definitions.** Except to the extent otherwise defined herein, all capitalized terms used in this Amendment shall have the meaning ascribed thereto in the Declaration.

2. **Corrected Exhibit.** Exhibit B of the Declaration is hereby deleted in its entirety and replaced with Exhibit B (Revised) of this Amendment.

3. **Full Force and Effect.** Except to the limited extent expressly amended by this Amendment, the Declaration remains and continues in full force and effect in accordance with its terms.

4. **Incorporation by Reference.** The Recitals and Exhibits to this Amendment are hereby incorporated into this Amendment by this reference.

*[Signature on following page]*



All of the real property described on that certain plat entitled "KENNECOTT DAYBREAK VC1 MULTI FAMILY #6 AMENDING PARCEL D OF AMENDED KENNECOTT DAYBREAK PHASE I SUBDIVISION AND LOTS 4-7 AND 126-134 OF KENNECOTT DAYBREAK COUPLET LINER PRODUCT #1" recorded on June 25, 2014, as Entry No. 11871615, in Book 2014P, at Page 163 of the Official Records of Salt Lake County, Utah.

All of the real property described on that certain plat entitled "KENNECOTT DAYBREAK VC1 MULTI FAMILY #7 AMENDING LOTS C-223 THROUGH C-231 OF KENNECOTT DAYBREAK VILLAGE CENTER 1A" recorded on September 4, 2015, as Entry No. 12127333, in Book 2015P, at Page 207 of the Official Records of Salt Lake County, Utah.

All of the real property described on that certain plat entitled "KENNECOTT DAYBREAK COUPLET LINER PRODUCT #1 AMENDING PARCEL C OF THE AMENDED KENNECOTT DAYBREAK PHASE I SUBDIVISION, PARCEL "I" & "J" OF THE KENNECOTT DAYBREAK PHASE II SUBDIVISION AND LOTS 4 THRU 7 OF THE AMENDED LOT M-104 KENNECOTT DAYBREAK PHASE I SUBDIVISION" recorded on July 2, 2009, as Entry No. 10745550, in Book 2009P, at Page 88 of the Official Records of Salt Lake County, Utah.

**Exhibit B Revised**

[Attach Executed Bylaws]

BY-LAWS  
OF  
SODA ROW TOWNHOME ASSOCIATION, INC.

ARTICLE I  
OFFICES

The Soda Row Townhome Association, Inc. (the "Association") shall have its principal office in Salt Lake County, Utah and may have such other offices, within the State of Utah, as the Board of Directors (the "Board") may designate or as the business of the Association may require from time to time.

ARTICLE II  
DEFINITIONS

Except as otherwise provided herein or as otherwise required by the context, all terms defined in the Declaration of Covenants, Conditions and Restrictions for Soda Row Townhome Project (the "Declaration"), shall have such defined meanings when used in these By-Laws.

ARTICLE III  
MEMBERS

Section 1. Membership. The Association shall have two classes of membership, Owner membership and Declarant membership, as also set forth in the Master Residential Declaration. The Declarant holds the sole Declarant membership, which membership shall terminate two years after expiration of the Declarant Control Period (as defined herein) or on such earlier date as the Declarant determines. Provisions of the Master Residential Declaration pertaining to membership and voting are incorporated herein by this reference.

Section 2. Annual Meetings. The annual meeting of members of the Association shall occur within ninety (90) days before or after the close of the Association's fiscal year, beginning with the year following the year in which the Articles of Incorporation are filed, for the purpose of electing Directors (if the members then have responsibility for so doing) and transacting such other business as may come before the meeting.

Section 3. Special Meetings. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called from time to time by the president. In addition, the president or the secretary shall immediately call a special meeting if so directed by a resolution of the Board or upon the written request of members holding not less than twenty-five percent (25%) of the Total Votes of the Association, such written request to state the purpose or purposes of the meeting and to be delivered to the Board or the president. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Place of Meetings. The Board may designate any place in Salt Lake County, State of Utah, as the place of meeting for any annual meeting or for any special meeting called by the Board. A waiver of notice signed by all of the members may designate any place, within the State of Utah, as the place for holding such meeting.

Section 5. Notice of Meetings. The Board, president or secretary shall cause written or printed notice of the time, place, and purpose of all meetings of the members, whether annual or special, to be delivered, not more than fifty (50) nor less than ten (10) days prior to the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to have been delivered when deposited in the U.S. mail addressed to the member at his registered address, with first class postage thereon prepaid. Each member shall register with the Association such member's current mailing address for purposes of notice hereunder. Such registered address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, the member's Lot address shall be deemed to be his registered address for purposes of notice hereunder.

Section 6. Waiver of Notice. Waiver of notice of an Association meeting shall be deemed the equivalent of proper notice. Any member may waive, in writing, notice of any Association meeting, either before or after such meeting. A member's attendance at a meeting shall be deemed a waiver by such member of notice of the time, date, purpose, and place thereof, unless the member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed a waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

Section 7. Fixing of Record Date. Upon purchasing a Lot in the Project, each Owner shall promptly furnish to the Association a certified copy of the recorded instrument by which ownership of such Lot has been vested in such Owner, which copy shall be maintained in the records of the Association. For the purpose of determining members entitled to notice of or to vote at any meeting of the members, or any adjournment thereof, the Board may designate a record date, which shall not be more than fifty (50) nor less than ten (10) days prior to the meeting. If no record date is designated, the date on which notice of the meeting is mailed shall be deemed to be the record date for determining members entitled to notice of or to vote at the meeting. The persons or entities appearing in the records of the Association on such record date as the Owners of record of Lots in the Project shall be deemed to be the members of record entitled to notice of and to vote at the meeting of the members and any adjournments thereof.

Section 8. Quorum. At any meeting of the members, the presence of members holding, or holders of proxies entitled to cast, at least twenty percent (20%) of the Total Votes of the Association shall constitute a quorum for the transaction of business. In the event a quorum is not present at a meeting, the members present (whether represented in person or by proxy), though less than a quorum, may adjourn the meeting to a later date. Notice thereof shall be delivered to the members as provided above. At the reconvened meeting, the members and proxy holders present shall constitute a quorum for the transaction of business.

Section 9. 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 thereunto duly authorized in writing. If a membership is jointly held, the instrument authorizing a proxy to act must have been executed by all holders of such membership 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.

Section 10. Votes. Each Lot shall have one vote, to be cast in person or by proxy, with respect to each matter submitted to a vote of the members. No vote shall be exercised for Lots that the Declarant or an affiliate of the Declarant owns; rather, the Declarant's consent shall be required for various actions of the Board as specifically provided for in these Bylaws, the Declaration, and the Master Residential Declaration. The affirmative vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the members, unless a greater proportion is required by the Articles of Incorporation, these By-Laws, the Declaration, the Master Residential Declaration, or Utah law.

Section 11. Waiver of Irregularities. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, form of proxies, and method of ascertaining members present shall be deemed waived if no objection thereto is made at the meeting.

Section 12. Informal Action by Members. Any action that is required or permitted to be taken at a meeting of the members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by more than fifty percent (50%) of the members entitled to vote with respect to the subject matter thereof.

#### ARTICLE IV BOARD OF DIRECTORS

Section 1. General Powers. The property, affairs, and business of the Association shall be managed by the Board. The Board may exercise all of the powers of the Association, whether derived from law, the Articles of Incorporation, these By-Laws, or the Declaration, except those powers which are by law or by the foregoing documents vested solely in the members. The Board shall, among other things, prepare or cause to be prepared, plan and adopt an annual budget in accordance with and as set forth in the Declaration and Master Residential Association, and cooperate with the Daybreak Community Council in levying, assessing and collecting assessments, and keep or cause to be kept sufficient books and records with a detailed account of the receipts and expenditures affecting the Project and its administration. The books and records shall be available for examination by all members by appointment and at convenient hours on working days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good accounting procedures and shall be audited as required by the Declaration. The Board may by written contract delegate, in whole or in part, to a professional management organization or person such of its duties, responsibilities, functions, and powers as are properly delegable. The Board' duties shall also include, but shall not be limited to, the following:

(a) maintaining the landscaping and related improvements on the Lots and maintaining, replacing and repairing the Lots all in accordance with the Declaration and the Master Residential Declaration;



(b) designating, hiring, and dismissing personnel necessary to carry out the Association's rights and responsibilities and where appropriate, providing for compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(c) depositing all funds received on the Association's behalf in a bank depository which it shall approve, and using such funds to operate the Association; however, in the Board of Director's business judgment any reserve funds may be deposited in depositories other than banks;

(d) opening bank accounts on the Association's behalf and designating the signatories required;

(e) making, adopting, amending or revising rules and regulations pertaining to the Project in accordance with the Declaration;

(f) appointing, removing, and replacing members of the Project DRC in accordance with these Bylaws and the Declaration;

(g) cooperating with the Master Residential Association in upholding the Community Wide Standard;

(h) when requested, providing copies of the Master Residential Association and the Covenant to Owners;

(i) enforcing by legal means the provisions of the Declaration and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; however, the Association's obligation in this regard shall be conditioned in the manner provided in the Master Residential Declaration and the Declaration;

(j) obtaining and carrying property and liability insurance, paying the cost thereof, and filing and adjusting claims, as appropriate and in accordance with the Declaration;

(k) paying the cost of all services rendered to the Association; and

(l) indemnifying a Director, officer or committee member, or former Director, officer or committee member of the Association, to the extent such indemnity is required by Utah law, the Articles, the Declaration and these By-Laws.

Section 2. Initial Board. The initial Board shall be composed of three (3) Directors. The Directors specified in the Articles of Incorporation shall serve as the initial Board until any successors or replacements are appointed by the Declarant. The three-Director initial Board, with any replacements or successors as appointed by the Declarant, shall serve until termination of the Declarant Control Period. Until the termination of the Declarant Control Period, Declarant may appoint, remove, and replace Directors in its sole and absolute discretion. As used herein, the "Declarant Control Period" shall refer to the period of time that the Declarant is entitled to appoint the members of the Association's Board. The Declarant Control Period begins on the date of the Association's incorporation and terminates upon the first of the following to occur:

(a) when 75% of the total number of “Units” (as defined in the Master Residential Declaration) permitted by applicable zoning for the Daybreak project described in the “Master Plan” (as defined in the Master Residential Declaration) have certificates of occupancy issued thereon and have been conveyed to persons other than “Builders”(as defined in the Master Residential Declaration) holding title for purposes of construction and resale;

(b) December 31, 2034; or

(c) when, in its discretion, the Declarant so determines and declares in a recorded instrument.

Notwithstanding anything in these Bylaws or the Declaration that may be construed to the contrary with respect to Declarant’s ability to voluntarily terminate the Declarant Control Period as set forth above, Declarant may (in the exercise of its sole and absolute discretion) voluntarily terminate the Declarant Control Period in whole or in part, with respect to all or any portion of any Lot, any Common Area, any Limited Common Area, any portion of Additional Land, or with respect to any issue, matter or subject whatsoever. Declarant’s decision to voluntarily terminate the Declarant Control Period with respect to all or any portion of any Lot, Common Area, Limited Common Area, portion of Additional Land, or with respect to any issue, matter or subject shall in no event affect, modify, or act to waive its authority under the Declarant Control Period except with respect to such Lot, Common Area, Limited Common Area, portion of Additional Land, or such issue, matter or subject.

### Section 3. Permanent Board.

(a) Following the termination of the Declarant Control Period, the Board shall be composed of three (3) Directors, elected by the Owners, but can be increased up to as many as seven (7) members upon the majority vote of the existing Board or the majority vote of the Owners at a duly called meeting of the Owners. Directors elected by the Owners are referred to hereinafter as “Owner Directors.”

(b) So long as Declarant is a member of the Association pursuant to Article III hereof, the Declarant shall be entitled to appoint, remove, and replace one Director on the Board. Thereafter, the Director elected by the Declarant shall resign and the remaining Directors shall be entitled to appoint a Director to serve until the next annual meeting, at which time the Owners shall be entitled to elect a Director to fill such position.

Section 4. Organizational Meetings. The Board shall hold an organizational meeting within ten (10) days following each annual Association meeting at such time and place as the Board shall fix.

Section 5. Regular Meetings. The Board shall hold regular meetings at such time and place as a majority of the Directors shall determine, but the Board shall meet at least four (4) times during each fiscal year with at least one meeting per quarter.

Section 6. Special Meetings. The Board shall hold special meetings when called by written notice of the president, or when any two Directors sign such written notice.

Section 7. Notice; Waiver of Notice. Notices of Board' meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The Board shall notify each Director of meetings by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or (iv) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission. All such notices shall be given at or sent to the Director's telephone number, fax number, electronic mail address, or sent to the Director's address as shown on the Association's records. The Board shall deposit notices sent by first class mail into a United States mailbox at least ten business days before the day of the meeting. The Board shall give notices by personal delivery, telephone, or other device at least seventy-two (72) hours before the time set for the meeting.

Transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each Director not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 8. Quorum and Manner of Acting. A majority of the then authorized number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. Except as otherwise required in these By-Laws, the Articles of Incorporation, the Declaration, or by Utah law, the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board. The Directors shall act only as a Board, and individual Directors shall have no powers as such. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the departure of Directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the Directors present may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the original meeting. At the reconvened meeting, if a quorum is present the Board may transact, without further notice, any business it might have transacted at the original meeting.

Section 9. Compensation. No Director shall receive compensation for any services that he may render to the Association as a Director; provided, however, that a Director may be reimbursed for expenses incurred in performance of his duties as a Director to the extent such expenses are approved by the Board and (except as otherwise provided in these By-Laws) may be compensated for services rendered to the Association other than in his capacity as a Director.

Section 10. Resignation and Removal. A Director may resign at any time by delivering a written resignation to either the president or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Owner Director may be removed at any time, for or without cause, by the affirmative vote of the Owners holding more than fifty percent (50%) of the Total Votes of the Association, at a special meeting of the members duly called for such purpose. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose.

Section 11. Vacancies. If vacancies shall occur in the Board by reason of the death, resignation, or disqualification of an Owner Director, the Directors then in office shall continue to act, and such vacancies shall be filled by a vote of the Directors then in office, until the next annual meeting, at which time the Owners shall elect a successor for the remainder of the term. Any vacancy in the Board occurring by reason of removal of a Director by the members shall be filled upon such removal by the election of a successor for the remainder of the term of such Director. If vacancies shall occur in the Board by reason of death, resignation, or removal of a Director appointed by the Declarant, such vacancies shall be filled by appointments to be made by the Declarant.

Section 12. Informal Action by Directors. Any action that is required or permitted to be taken at a meeting of the Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

## ARTICLE V OFFICERS

Section 1. Officers. The officers of the Association shall be a president, a secretary, a treasurer and such other officers as may from time to time be appointed by the Board.

Section 2. Election, Tenure, and Qualifications. The officers of the Association shall be chosen by the Board annually at the regular annual meeting of the Board. In the event of failure to choose officers at such regular annual meeting of the Board, officers may be chosen at any regular or special meeting of the Board. Each such officer (whether chosen at a regular annual meeting of the Board or otherwise) shall hold his office until the next ensuing regular annual meeting of the Board and until his successor shall have been chosen and qualified, or until his death, or until his resignation, disqualification, or removal in the manner provided in these By-Laws, whichever first occurs. Any one person may hold any two (2) or more of such offices; provided, however, that the president may not also be the secretary. No person holding two (2) or more offices shall act in or execute any instrument in the capacity of more than one office.

Section 3. Subordinate Officers. The Board may from time to time appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board may from time to time determine. The Board may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities, and duties. Subordinate offices need not be Directors or members of the Association.

Section 4. Removal. Any officer may resign at any time by delivering a written resignation to the president or to the Board. Any officer or agent may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 5. Vacancies. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board at any regular or special meeting.

Section 6. President. The president shall be the principal executive officer of the Association and, subject to the control of the Board, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the members and of the Board. He may sign, with the secretary or any other proper officer of the Association thereunto authorized by the Board, any contracts or other instruments the Association has authority to execute and which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board from time to time.

Section 7. Secretary. The secretary shall (a) keep the minutes of the Association and of the Board in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records of the Association; and (d) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board.

Section 8. Treasurer. The treasurer, if appointed, shall: (a) have charge and custody of and be responsible for all funds of the Association and have primary responsibility to prepare the Association's budget; (b) receive and give receipt for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be determined by the Board; and (c) in general perform all of the duties incident to the office of the treasurer and such other duties as from time to time may be assigned to him by the president or by the Board.

Section 9. Assistant Secretaries and Assistant Treasurers. The assistant secretaries and assistant treasurers, if any and in general, shall perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the president or the Board.

Section 10. Compensation. No officer shall receive compensation for any services that he may render to the Association as an officer; provided, however, that an officer may be reimbursed for expenses incurred in performance of his duties as an officer to the extent such expenses are approved by the Board and (except as otherwise provided in these By-Laws) may be compensated for services rendered to the Association other than in his capacity as an officer.

## ARTICLE VI COMMITTEES

Section 1. Designation of Committees. The Board may from time to time by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers, which committees perform such tasks and serve for such periods as the Board may designate by resolution. No committee member shall receive compensation for services that he may render to the Association as a committee member; provided, however, that a committee member may be reimbursed for expenses incurred in performance of his duties as a committee member to the extent that such expenses are approved by the Board and (except as otherwise provided in these By-Laws) may be compensated for services rendered to the Association other than in his capacity as a committee member.

Section 2. Proceedings of Committees. Each committee designated hereunder by the Board may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board.

Section 3. Quorum and Manner of Acting. At each meeting of any committee designated hereunder by the Board, the presence of members constituting at least a majority of the authorized membership of such committee (but in no event less than two (2) members) shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board hereunder shall act only as a committee, and the individual members thereof shall have no powers as such.

Section 4. Resignation and Removal. Any member of any committee designated hereunder by the Board may resign at any time by delivering a written resignation to the president, the Board, or the presiding officer of the committee of which he is a member. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board may at any time, for or without cause, remove any member of any committee.

Section 5. Vacancies. If any vacancy shall occur in any committee designated by the Board hereunder, due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board.

Section 6. Project DRC. Notwithstanding anything in this Article to the contrary, the formation, organization, purpose, conduct, powers, duties, and procedure of the Project DRC shall be as set forth in the Declaration.

ARTICLE VII  
INDEMNIFICATION

Section 1. Indemnification. To the fullest extent permitted by law, the Association shall indemnify the following persons and entities against all expenses and liabilities including, but not limited to, attorneys' fees, costs and expenses reasonably incurred by or imposed upon such person in connection with any proceeding to which such person may be a party, or in which such person may become involved, by reason of such person being or having served in any capacity on behalf of the Association (or by reason of having appointed, removed or controlled or failed to control members of the Board or the Project DRC):

- (a) every director and officer of the Association and every member of the Project DRC and any other committee of the Association;
- (b) every director, officer and employee of the Declarant and the Master Residential Association and the Daybreak Community Council, Inc.; and
- (c) every person serving as an employee of the Association.

Any such person shall be entitled to indemnification whether or not such a person is a Director, officer or member of the Association or of the Project DRC or any other committee of the Association or is serving in any other such specified capacity at the time such expenses are incurred, provided that the Board shall determine, in good faith, that the person to be indemnified hereunder did not act, fail to act, or refuse to act with gross negligence or fraudulent or criminal intent in the performance of its duties. The foregoing rights of indemnification shall be in addition to, and not in place of, all other rights to which such persons may be entitled at law or otherwise.

Section 2. Insurance. The Association may purchase and maintain insurance on behalf of any person who was or is a Director, officer, employee, or agent of the Association, or who was or is serving at the request of the Association as a trustee, Director, officer, employee, or agent of another corporation, entity, or enterprise (whether for profit or not for profit), against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the laws of the State of Utah, as the same may hereafter be amended or modified.

Section 3. Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this article shall constitute expenses of the Association and shall be paid with funds from the Common Expense Fund referred to in the Declaration.

ARTICLE VIII  
FISCAL YEAR

This fiscal year of the Association shall begin on the 1st day of January of each year and shall end on the 31st day of December next following; provided, however, that the first fiscal year shall begin on the date of incorporation.

ARTICLE IX  
RULES AND REGULATIONS

The Board may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and operation of the Project; provided, however, that such rules and regulations shall not be inconsistent with the rights and duties set forth in the Articles of Incorporation, the Declaration, the Master Residential Declaration, the rules and regulations of the Master Residential Association, or these By-Laws. The members shall be provided with copies of all rules and regulations adopted by the Board, and with copies of all amendments and revisions thereof.

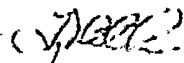
ARTICLE X  
AMENDMENTS

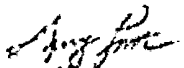
Prior to termination of the Declarant Control Period, the Declarant may unilaterally amend these By-Laws. Thereafter, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; or (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Lots. So long as there is a Declarant Member, the Declarant Member may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon the rights of more than two percent (2%) of the Owners.

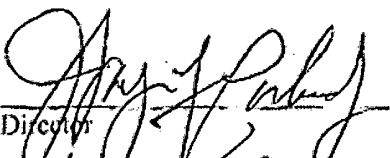
Except as otherwise provided above or by law, the Articles of Incorporation, the Declaration, or these By-Laws, these By-Laws may be amended, modified, or repealed and new bylaws may be made and adopted by the members upon the affirmative vote of at least fifty-one percent (51%) of the Total Votes of the Association and the consent of the Declarant member, if any; provided, however, that such action shall not be effective unless and until a written instrument setting forth (a) the amended, modified, repealed, or new bylaw, (b) the number of votes cast in favor of such action, and (c) the total votes of the Association, shall have been executed and verified by the current president of the Association and mailed to each member of the Association.




Adopted by action of the Board of Directors this 19 day of August, 2018.


By:   
Print Name: Ty McCutcheon  
Title: Director

By:   
Print Name: Andy Langston  
Title: Director

By:   
Print Name: Wayne H. Corbridge  
Title: Director

Adopted by action of the Board of Directors this 19 day of August, 2018.

By:   
Print Name: Ty McCutcheon  
Title: Director

By:   
Print Name: GARY LANGSTON  
Title: Director

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: Director