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**AMENDED DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF THE  
FARM HILL VILLAGE PLANNED CONDOMINIUM PROJECT**

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THIS AMENDED DECLARATION (the "Declaration"), made and executed this 12<sup>th</sup> day of May, 2007, by THE FARM HILL VILLAGE OWNERS ASSOCIATION, a Utah Nonprofit Corporation, (hereinafter referred to as "Declarant"), amends the original declaration made and executed on the 25<sup>th</sup> day of October 2002 by Farm Hill Development, L.C., (hereinafter referred to as "Original Declarant"). This Amended Declaration does not and is not intended to relieve Original Declarant of any obligations or responsibilities which Original Declarant had under the original declaration unless explicitly so stated in this Amended Declaration.

**RECITALS:**

A. Farm Hill Village was developed by Original Declarant on certain real property located in Salt Lake County, Utah, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, with improvements having been made in the manner hereinafter described. The real property and improvements, including condominiums and common areas that are more particularly described pursuant to Utah Code Ann. § 57-8-10(2) in Exhibit "B" attached hereto and incorporated herein by this reference, and in the survey map attached hereto as Exhibit "C" and incorporated herein by this reference (the "Map"), are hereinafter collectively referred to as the "Project. This Condominium Project is established under the provisions of the Utah Condominium Ownership Act such that the provisions of the Utah Condominium Ownership Act shall apply to the Project.

B. The Project consists of twenty-nine (29) individual Units (as hereinafter defined), each Owner having received title to a Unit plus an undivided one-twenty-ninth (1/29th) fractional interest as tenant-in-common to the Common Areas located within the Project. Each condominium Unit has appurtenant to it a membership in the Association (as hereinafter defined).

C. Owners desire to provide for the preservation of the values and amenities in said Project and for the maintenance of open spaces, and to this end, desire to subject the real property described in Exhibit "A" to the covenants, restrictions, easements, charges, assessments and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and the Owners thereof.

D. The Farm Hill Village Owners Association was created for the efficient preservation of the values and amenities in said Project. All the powers and duties of

maintaining and administering and enforcing the within covenants and disbursing the charges and assessments hereinafter created are delegated and assigned to the Farm Hill Village Owners Association.

## **DECLARATION:**

### **ARTICLE I**

#### **DEFINITIONS**

1.1 **Act.** Shall mean the Utah Condominium Ownership Act as it may be amended or replaced.

1.2 **Association.** Shall mean and refer to the Farm Hill Village Owners Association, Inc., and its successors and assigns. References to the Association herein shall, when appropriate, also refer to and include the Board of Directors, acting for and on behalf of the Association. The Bylaws of the Association are attached hereto as Exhibit “D.”

1.3 **Board of Directors.** Shall mean the Governing Board of Directors of the Association.

1.4 **Common Areas.** Shall mean the real property described in Exhibit “A” except for those portions thereof which lie within the description of any Unit. Without limiting the generality of the foregoing, Common Areas shall also include:

(a) All installations outside of a Unit for, and all equipment connected with, the furnishings of the Project and with any and all utility services, including but not limited to electricity, gas, water and sewer.

(b) The Project exterior lighting (excluding lighting that is part of a Unit), exterior or perimeter fences, landscaping and maintenance systems, street-adjacent sidewalks, curb and gutters, road(s) or roadway and water drainage system.

(c) The Project interior fences (e.g., fences between various Units) are considered to be part of the Limited Common Area appurtenant to the Unit for which the fence was constructed. Interior fences are the responsibility of the appurtenant Unit Owner and are not part of the Common Area.

1.5 **Common Assessment.** Shall mean an assessment levied to offset Common Expenses.

1.6 **Common Expenses.** Shall mean any of the following:

(a) The expenses of, or reasonable reserves for, the maintenance, management, operation, protection, preservation, repair, replacement for the Common Areas, including the cost of unpaid Special Assessments.

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(b) The cost of capital improvements to the Common Areas, which the Association may from time to time authorize.

(c) The expenses of management and administration of the Association, including compensation paid the Association to managers, accountants, attorneys or other employees or agents.

(d) Any other item or items designated by this Declaration or the Bylaws of the Association to be Common Expenses, and any other expenses reasonably incurred by the Association on behalf of the Owners.

1.7 Declarant. Shall mean The Farm Hill Village Owners Association, Inc., and its successors and assigns. (see also “Original Declarant”)

1.8 Development. Shall mean the Project divided into Condominiums including all structures and improvements, which is the subject of this Declaration from time to time. The Development is a “Condominium project” as defined in Utah Code Aim. § 5 7-8-3(7).

1.9 Limited Common Areas. Shall mean those portions of the Common Areas which are limited to and reserved for the exclusive use of individual Owners, specifically the driveways; the sidewalks between a Unit (including the Unit porch or stairs) and the Unit’s associated driveway, street or street sidewalk; the decks; the patios and the internal fences, if any, appurtenant to a Unit whether or not such Limited Common Area structures are more particularly described on the Map, attached as Exhibit “C” hereto, and incorporated herein by this reference. The maintenance, protection, preservation, repair and/or replacement for Limited Common Areas (and for any of the above referred to structures that are a part of a Limited Common Area) is the responsibility of the Owner of the Unit with which the Limited Common Area is associated.

1.10 Manager. Shall mean the person, firm or company, if any, designated from time to time by the Association to manage, in whole or in part, the Project.

1.11 Map. Shall mean the survey map or recorded plat, or vicinity map of Farm Hill Village prepared pursuant to the Utah Condominium Ownership Act and recorded at the Salt Lake County Recorder’s Office, State of Utah, a copy of which is attached hereto as Exhibit “C.”

1.12 Member. Shall mean a member of the Association.

1.13 Mortgagee. Shall mean any mortgagee under a real property mortgage or any beneficiary under a deed of trust, which mortgage or deed of trust encumbers a Unit and constitutes a first lien against the Unit.

1.14 Original Declarant. Shall mean Farm Hill Development, L.C., and its successors and assigns.

1.15 Owner. Shall mean and refer to the Owner of record (in the County Recorder’s Office, County of Salt Lake, State of Utah), whether one or more persons or entities,

of a Unit. The term “Owner” shall not mean or include a mortgagee or beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof. Limitations or restrictions placed on an Owner, however, for purposes of this Declaration shall similarly apply to any and all persons claiming rights by or through said Owner. Each Unit Owner shall be subject to all of the rights and duties assigned to Owners under the terms of this Declaration. Notwithstanding the foregoing, the term “Owner” shall not refer to Declarant, and it shall not refer to any Mortgagee, unless such Mortgagee has acquired title for other than security purposes.

1.16 Project. Shall mean the Farm Hill Village real property and improvements, including condominiums and common areas (see Recitals, Section A).

1.17 Project Documents. Shall mean this Declaration, the Articles of Incorporation of Farm Hill Village Owners Association, and Bylaws of Farm Hill Village Owners Association.

1.18 Rules and Regulations. Shall mean the Rules and Regulations governing the use of the Common Areas and the recreational facilities thereon, duly adopted by the Association.

1.19 Special Assessment. Shall mean an assessment for Special Expenses.

1.20 Special Expenses. Shall mean any of the following:

(a) The expenses incurred by the Association for unforeseen, unavoidable or otherwise unpredicted obligations of the Association that cannot be satisfied by funds obtained through insurance monies or through the Association’s Common Assessment funds.

(b) Late fees or fines levied by the Board of Directors against particular Members for failure to comply with this Declaration or the Bylaws or the Rules and Regulations of the Association.

(c) Any other item or items designated by other provisions of this Declaration or the Bylaws of the Association to be Special Expenses.

1.21 Unit. Shall mean the elements of a Condominium that are not owned in common with the other Owners of Condominiums in the Development. For purposes of this Declaration, a Unit is defined as a space in a residential building, and the exterior portions of such residential building applicable to such Unit, together with all fixtures and facilities located in such building intended and related to the sole use of such Unit. To the extent of common walls between two Units, each Unit shall include one half (½) of such common wall, lying on either side of the wall, closest to such Unit. For example, and not by means of limiting the foregoing, a Unit will include all of the following items that are located in a building and serving, servicing or related to the use and operation, use and enjoyment of Unit(s) located in the building: (i) all installations of all central and other utility and similar services, including power, light, gas, hot and cold water facilities, heating, ventilation, telephone, television, cable and satellite facilities and equipment, all garbage collection facilities and equipment; (ii) all tanks,

pumps, motors, fans, ducts and, in general, all apparatuses and installations; (iii) all utility pipes, lines, conduits, wires, facilities, equipment or systems; (iv) all ducts, flues, chutes, wires, conduits and other accessories and utility installations including the outlets used for any residential Unit in a building; (v) the exterior finishes and elements of a building in which a Unit is located including, without limitation, wood, stucco, masonry (whether natural or artificial), glass, steel, aluminum, asphalt roofing materials, concrete, etc.; (vi) exterior features of a building including the roof of a building, porches of a building, balconies of a building, exterior stairways of a building, decks, patios, if any; (vii) and any other areas so designated on the Map. The boundaries of a Unit are shown and described in such Map. The Unit Owner's interest in a Unit shall be held in fee simple or in an acceptable leasehold estate. Ownership of a Unit includes an undivided one-twenty-ninth (1/29th) interest as tenant-in-common in the Common Areas located within the Project, and any and all additional rights, interests or privileges with respect to Limited Common Areas appurtenant to said Unit, as more particularly described in this Declaration or in the Map. A Unit includes a membership in the Association as more particularly described in Article IV below. Whenever reference is made in this Declaration, in the Map, in any deed or elsewhere to a Unit it shall be assumed that such reference is made to the Unit as a whole, including each of its component elements, and to any and all exclusive easements appurtenant to said Unit over the Common Areas or Limited Common Areas, if any.

1.22 Utilities and Fixtures. (See 5.2(a) and 5.2(b) below.)

## **ARTICLE II**

### **PROPERTY RIGHTS**

2.1 Owners' Easements of Enjoyment. Every Owner shall have a fee simple interest in a Unit, as defined herein, together with a right and easement of enjoyment in and to the Common Areas, and Limited Common Areas applicable to such Unit, which shall be appurtenant to and shall pass with the title to every Unit, subject to any other rights of the Association, or limitations as set forth in this Declaration.

2.2 Delegation of Use. Any Owner may designate his right of enjoyment to the Common Areas to the members of his family who reside with him in his unit, or to his tenants or contract purchasers who reside in his unit and to the guests or invitees of any of the foregoing. The rights and privileges of such designee shall be subject to restriction, suspension or limitation in all respects in the same manner and to the same extent as those of the Owner.

2.3 Allocation of Interests in Common Area. The undivided interest in the Common Areas of each Owner appurtenant to each such Owner's unit shall be equal and undivided and shall be one-twenty ninth (1/29th) of the total ownership of the Common Areas.

2.4 Owners Rights to Decorate. Each Owner shall have the right, at his sole expense, to maintain, repair, paint, paper, panel, plaster, tile and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim, perimeter walls of the Units and surfaces of the bearing walls and the partitions located within such Unit. Each Owner shall also have the right to substitute new-finished surfaces in the place of those existing on the ceilings, floors and walls. The Owner shall have the right to maintain floors and walls. The Owner shall have the

right to maintain, repair, paint, finish, alter, substitute and add or remove any fixtures attached to such ceiling, floors and walls. Notwithstanding the foregoing, windows can be covered only by drapes, shades, blinds and shutters and cannot be painted or covered by foil, paper, blankets, sheets or other similar materials. Except as otherwise provided for herein, an Owner shall not be allowed to modify or decorate any exterior portion of a Unit, including the balcony, patio, fixtures, walls or other exterior portion or portions of any Unit without the prior written approval of the Association.

2.5 Fixtures and Appliances. An Owner shall be the Owner of the light fixtures, electrical fixtures and equipment, plumbing fixtures and equipment, heating, air conditioning and ventilation fixtures and equipment, refrigerator, stove, oven, disposer, dishwasher, trash compactor, cabinets, and all other fixtures, equipment and appliances located within such Owner's Unit.

2.6 Other Easements. Notwithstanding any of the provisions of this Declaration to the contrary, each Owner shall have an unrestricted right of ingress and egress to such Owner's Unit, which right shall be perpetual and appurtenant to Unit ownership. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary), of an individual interest in the Common Areas will be void unless the Unit to which that interest is allocated is also transferred. If any portion of the Common Areas encroaches upon any Unit or any Unit encroaches on the Common Areas or another Unit as the result of the construction, reconstruction, repair, shifting, settlement, or other movement of any portion of the improvements, a valid easement shall be deemed to exist for the encroachment and for the maintenance of the same — as long as the physical boundaries of the Units after the construction, reconstruction, repairs, etc., are in substantial accord with the description of those boundaries that appear in this Declaration. Such easement must extend for whatever period the encroachment exists, and the same shall exist in favor of the Association and/or the Owner.

### ARTICLE III

#### PROJECT ADMINISTRATION

3.1 Administration of Project. The Project or Development shall in all respects be administered by the Association, acting by and through its Board of Directors, who shall be elected in accordance with the Bylaws of the Association, and whose duties will be governed by the terms of the Act, this Declaration, and the Articles of Incorporation and Bylaws of the Association. The Association may employ a Manager to perform, subject to the supervision of the Board of Directors, such duties and services as the Board of Directors shall direct, including, but not limited to, management, repair and maintenance of the Common Areas and those Limited Common Areas appurtenant to Association Members in general (but excluding structures appurtenant to specific Units such as driveways, Unit sidewalks, decks, patios and internal fences) and the collection of and accounting for assessments made by the Association.

3.2 Rules and Regulations. The Association shall have the power to establish Rules and Regulations further governing the Units of the Development, and it shall enforce compliance with the Rules and Regulations and may amend the same from time to time. A copy

of such Rules and Regulations or amendment thereto shall be delivered or mailed to each Member promptly upon the adoption thereof.

3.3 Common Utilities. The Association shall be responsible for the monthly payment of Common Area utility services that are provided by public utilities. The Association shall prorate those costs to the Unit Owners on an equal basis.

#### **ARTICLE IV**

##### **MEMBERSHIP AND VOTING RIGHTS; TRANSFERS OF CONTROL**

4.1 Membership. Each Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the Ownership of the Units. Ownership of a Unit shall entitle the Owner to one vote and ownership of a Unit shall be the sole qualification for membership. The membership held by an Owner shall not be transferred, pledged, or alienated in any way, except upon the sale or encumbrance of such Unit, and then only to the purchaser or Mortgagee of such Unit. If more than one person is the Owner of a Unit, such persons shall jointly hold one Association membership.

4.2 Voting — Multiple Ownership. The vote attributable to and exercisable in connection with Unit ownership shall be equal to the percentage of undivided Ownership interest in the Common Areas which is appurtenant to each Unit. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves, however, no more than one vote per Unit shall be possible.

4.3 Suspension of Voting Rights. The voting rights of any Member shall automatically be suspended during any period in which the Member shall be delinquent in the payment of assessments or other amounts, expenses or fees due the Association. A Member shall be considered delinquent in the payment of assessments or other amounts, expenses or fees due the Association if the financial records of the Association show that payment is more than thirty (30) days past due.

#### **ARTICLE V**

##### **REPAIR AND MAINTENANCE OF PROJECT**

5.1 Duties of Association. The Association shall have the exclusive responsibility of maintaining, repairing, replacing and otherwise keeping in excellent condition any and all portions of the Project not required in this Article to be maintained by the Owners, specifically the utilities, Common Areas and Limited Common Areas (exclusive of structures appurtenant to specific Units such as driveways, Unit sidewalks, decks, patios and internal fences). In addition, the Association shall have a reasonable right of entry upon any Unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance or operation of the Project. The Association shall also have the right to grant permits, licenses

and easements over the Common Areas for utilities, roads and other purposes necessary for the proper operation of the Project.

5.2 Duties of Owners. Each Owner, at his expense, shall be responsible for the maintenance and repair of the Owner's Unit, including without limitation, the windows of such Unit, the appliances, fixtures and equipment located in such Unit, and the heating and all other utilities and any other systems within and servicing such Unit.

(a) Definition of Utilities. Term "Utilities" as used in this article means the lines, wires, conduits or other systems for electricity, water, gas or sewer, if any, located inside the walls, floors, ceilings or other areas of a building, which are a part of the Unit.

(b) Definition of Fixtures. The term "Fixtures" as used in this article means the plumbing fixtures and equipment; heating, air conditioning and ventilation fixtures, wires, and equipment; refrigerator, stove, oven, disposer, dishwasher, trash compactor, cooking equipment; and all other appliances located within a Unit, commencing at a point where they connect with the Utilities.

5.3 Unit Exterior Maintenance. Except as otherwise provided herein, the Owner shall have the responsibility for the maintenance and repair of the exterior of such Owner's Unit, including but not limited to decks, deck covers, patios, patio covers, porches, stairs, sidewalks and driveways.

## ARTICLE VI

### ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Unit by acceptance of a deed therefore whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Common Assessments or charges, with monthly payments due as defined below (Section 6.4); and (2) Special Assessments including those for capital improvements and individual special assessments. All such assessments are to be established and collected as herein provided. Each such person understands and agrees that the annual and all special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made except as otherwise provided in Utah Code Ann. § 57-8-20. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due, except as otherwise provided in Utah Code Ann. § 57- 8-20. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, except as otherwise provided in Utah Code Ann. § 57-8-20. In the event the Association exercises its right to foreclose for nonpayment of amounts due, Owner shall be required to pay a reasonable rental for the Unit during the time Owner is in possession thereof.

6.2 Purpose of Assessments. The Association's Board of Directors shall have the responsibility for levying and collecting annual assessments and special assessments.



Assessments shall begin for Owners upon acquisition of record title to a Unit. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Project and for the improvement and maintenance/repair/replacement of the Common Area and the Limited Common Areas, and of the Units in the Project.

6.3 Annual Budget. Not less than thirty (30) days prior to the commencement of each fiscal year, the Board of Directors shall establish an annual budget for such fiscal year, including therein all anticipated items of Common Expense together with a reasonable reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Areas and those Limited Common Areas which the Association is obligated hereby to maintain. Such funds shall be maintained out of regular assessments as common expenses.

6.4 Annual Common Assessment. By the adoption of the annual budget by the Board of Directors there shall be established an annual Common Assessment for the payment of which each Owner shall be personally liable in the same percentage as his percentage Ownership in the Common Areas. Each such Owner shall pay his percentage share in even monthly installments of one-twelfth (1/12) thereof payable on the first day of each month during the fiscal year.

6.5 Maximum Annual Common Assessment. The Board of Directors may fix the annual Common Assessment at an amount not in excess of 15% above the annual Common Assessment for the previous year. An increase in the annual Common Assessment greater than 15% above the previous year's annual Common Assessment requires a vote of two thirds (2/3) of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

6.6 Other Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, Special Assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall be approved by a majority of the members who are voting in person or by proxy at a meeting duly called and attended for this purpose.

6.7 Notices and Quorum for Any Action Authorized under Sections 6.5 and 6.7. Written notice of any meeting called for the purpose of taking any action authorized under Sections 6.5 or 6.6 shall be sent to all members not less than 10 days nor more than 30 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

6.8 Uniform Rate of Assessment. Both Common and Special Assessments must be fixed at a uniform rate for all Units except as otherwise provided herein and shall be collected on a monthly basis.

6.9 Individual Special Assessments – Right of Hearing Before Board of Directors. Special Assessments (including late fees and fines) may be levied by the Board of Directors against particular Owners for the payment of Special Expenses and for other purposes determined by the Board of Directors and consistent with the Association’s CC&Rs, Bylaws or Rules and Regulations. Such Individual Special Assessments shall be due and payable to the Association upon demand. However, no Individual Special Assessments shall be levied against an Owner until he shall have been given the opportunity to present evidence on his behalf at a hearing before the Board of Directors, and no such hearing shall be held until such Owner shall have received at least ten (10) days written notice specifying the reason for the proposed Individual Special Assessment and the exact time and place of the hearing.

6.10 Effect of Nonpayment of Assessments - Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of 18% per annum. In addition, the Board of Directors may impose late fees in addition to interest on past due amounts in amounts not to exceed 20% of the assessment due. The Association may pursue its rights pursuant to Utah law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Unit.

6.11 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein, or other charges the Association has on a Unit will be subordinate to a first mortgage or deed of trust on the Unit, if the mortgage or deed of trust was recorded before the delinquent assessment was due, unless otherwise restricted by Utah law. Subject to Utah law, sale or transfer of any Unit shall not affect the assessment lien, unless a foreclosure of a first mortgage or deed of trust is involved. Subject to Utah law, such foreclosure of a first mortgage or deed of trust will extinguish the assessment lien for any assessments that were payable before the foreclosure sale, but will not relieve any subsequent Unit Owner from paying further assessments. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

## ARTICLE VII

### INSURANCE

7.1 Insurance Coverage. With respect to the Common Areas within the Project, the Association shall obtain and pay premiums upon, as a Common Expense, the following insurance policies:

- (a) Hazard and flood insurance;
- (b) Liability insurance; and
- (c) Fidelity insurance coverage.

All such insurance policies shall be consistent with the FNMA insurance requirements as set forth in Chapter 7, Insurance Requirements, (Pages 879-886), as applicable, of the FNMA Selling Guide, as amended or supplemented

### **ARTICLE VIII**

#### **MORTGAGEES**

8.1 Notices. Any Owner who executes a real property mortgage or deed of trust and thereby creates a first lien against his Unit, shall furnish the Association the name and address of such Mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units."

8.2 Right to Examine. The Mortgagee shall have the right to examine the books and records of the Association upon request and to require annual reports of the financial status of the Association.

### **ARTICLE IX**

#### **ARCHITECTURAL CONTROL**

9.1 Creation of Committee. The Board of Directors will either:

- (a) serve as the Architecture Committee or
- (b) appoint an Architecture Committee composed of three (3) or more

Unit Owners.

9.2 No building, fence, wall or other structure shall be commenced, erected or maintained upon the Project (unless installed by Original Declarant or approved by the Association in writing), nor shall any exterior addition to or change or alteration therein be made until:

(a) the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted in writing and in person to, or by certified mail to, a member of the Architecture Committee, and

(b) the Architecture Committee has given its written concurrence as to harmony of external design and location in relation to surrounding structures and topography and has given the Committee's and the Board's written approval to proceed .

(c) In the event the Architecture Committee fails to make a determination regarding such written request, the requesting Member may take the request in writing to the Board of Directors. Upon receiving said written request the Board of Directors will meet to consider the request within ten (10) days. The Board will then render a decision within an additional ten (10) days

(d) Should the requested project be disapproved by the Architecture Committee, the requesting party may appeal the denial in writing to the Board of Directors. The Board of Directors will meet to consider the request within thirty (30) days of receiving said request. The Board will then render a decision within thirty (30) days.

## ARTICLE X

### RESTRICTIONS

10.1 Residential Use. The Project shall contain twenty-nine (29) Units, which Units are subject to the following occupancy or use restrictions:

(a) Each Unit may be occupied or used by its Owner(s), or by the tenants of any such Owner(s) as a dwelling Unit,

(i) provided each Unit is occupied by one family per Unit, or not more than four (4) single individuals, and

(ii) provided that such occupancy or use is not prohibited by applicable ordinance, rule or regulation.

(b) Each Unit may be occupied and used by social guests of the Owner or tenant, but no such social guests shall be allowed to remain at the Unit longer than twenty one (21) days without written approval of the Board of Directors.

10.2 Commercial Use. No part of the Development shall be used or caused, allowed or authorized to be used in any way, directly or indirectly for any business, commercial, manufacturing, mercantile, storing, vending, mineral extraction or other such nonresidential purpose or purposes, with the exception of a home-based business that is carried out from within a Unit, entirely via the telephone or the Internet and that does not cause or is not associated with an influx of persons visiting the Unit or the Development, or a significant increase in postal services for the Unit or other untoward effect as determined exclusively by the Board of Directors.

10.3 Antennas and External Fixtures. No television or radio dishes or poles, antennas, flag poles, clothes lines, or other external fixtures other than those originally installed by Original Declarant or subsequently approved in advance by the Board of Directors and any replacements, shall be constructed, erected or maintained on or within the Development or any structures within it. No wiring, insulation, air conditioning, or other machinery or equipment other than that originally installed by Original Declarant or approved by the Association, and their replacements, shall be constructed, erected or maintained on or within the Development, including any structures, within it.

10.4 Fences/Exterior Modifications. No fences, awnings, sunshades or walls of any nature shall be erected or maintained on or around any portion of the Development or within the Development except those that are installed by Original Declarant, and their replacements, or

as are authorized and approved by the Association in writing. No Owner shall make structural alterations or modifications to the exterior of such Owner's Unit or to any of the Common Areas or Limited Common Areas, except as otherwise approved by the Association in writing. The Association shall not approve any alterations, decorations or modifications which would jeopardize or impair the soundness, safety or appearance of the Development.

10.5 Signs. No sign of any kind shall be displayed to the public view on or from any condominium or Unit or any other portions of the Development without the approval of the Association. However, one sign of customary and reasonable dimensions advertising a Unit for sale or for rent may be placed within each Unit or within the Common Area immediately adjacent thereto by the Owner of such Unit, the location and size of such shall be subject to approval by the Association.

10.6 Offensive Conduct; Nuisances. No obnoxious or offensive activities, including but not limited to repair of automobiles or other motorized vehicles (other than emergency repairs), shall be carried on within the Development. Nothing shall be done on, about or within the Development that may be or may become an annoyance or nuisances to the residents of the Development, or that in any way interferes with the quiet enjoyment of the occupants of the Units. Unless otherwise permitted by the Association, no Owner shall (i) use power tools or maintain a hobby shop and/or (ii) serve food or beverages, cook, barbecue, or engage in similar activities, except within such Unit or Common Area appurtenant to such unit. No Owner shall store any dangerous explosive or inflammable materials either in his Unit or upon the Common Areas, or permit anything to be done or keep or permit to be kept in his Unit or on the Common Areas anything that will increase the rate of insurance, or increase the possibility of danger or injury to any persons or to the Development.

10.7 Restricted Use of Recreational Vehicles. No boat, truck, trailer, camper, recreational vehicle or tent shall be used as a living area while located on or within the Development. However, trailers or temporary structures for use incidental to the initial construction of the Development or any subsequent construction thereto may be maintained within the Development, but shall be promptly removed on completion of all construction.

10.8 Use of Common Areas. The Common Areas shall not be used for storage of supplies or personal property. The entrances to the Development, as well as stairs, sidewalks, yards, driveways or parking areas within the Development shall not be obstructed in any way, nor shall unauthorized persons use them for other than their intended purposes. In general, no activities shall be carried on nor conditions maintained by any Owner, either in his Unit or upon the Common Areas, which despoil the appearance of the Development as determined by the Association.

10.9 Animals. Pets are allowed on the Development only in accordance with and in compliance with local city, county and state statutes and regulations. Each person bringing or keeping a pet or other animal on the Development shall be liable pursuant to the laws of the State of Utah to other Owners, their family members, guests, invitees, tenants, and contract purchasers, and their respective family members, guests, and invitees for any damage to persons or property caused by any pet brought on or kept on the Development by such person or by members of his family, his guests or invitees. Any animal droppings must be immediately removed from the Common Area by the owner of such animal.

10.10 Trash Disposal. Trash, garbage or other waste shall be kept only in sanitary containers or receptacles, which containers or receptacles, unless otherwise directed by Salt Lake County or Murray City, shall be placed at the discretion of the Association. No Owner of a Unit or tenant thereof shall permit or cause any trash or refuse to be kept on any portion of the Development other than in the receptacles customarily used for it, which shall be located only in places specifically designed for such purpose or within the Owner's Unit (except on the scheduled day for trash pick-up).

10.11 Outside Drying and Laundering. No exterior clothes lines shall be erected or maintained and there shall be no exterior drying or laundering of clothes or other items of personal property on decks, patios, porches, railings or other areas.

10.12 Structural Alterations. No structural alterations to the exterior of any Unit shall be made without the prior written consent of the Association.

10.13 Exterior Alterations. No Owner shall at Owner's expense or otherwise make or permit to be made any alterations or modifications (including painting) to the exterior of the buildings in which Units are located, or to exterior elements of Units, or in the case of twin home Units, to common walls of Units, or to fences, railings, walls or landscaping situated within the Development without the prior written consent of the Association.

10.14 Limited Common Areas. Included in the Development shall be Limited Common Areas as described in section 1.9 hereof. Notwithstanding any provision in this Declaration to the contrary, the Owner of each such Unit shall have an exclusive appurtenant easement to use such appurtenant Limited Common Areas whether or not such is specifically described in the deed for such Unit. Each such area shall be subject to the terms of this Declaration. Each such Owner shall have the right to place furniture, outdoor barbecue grills and potted plants upon his patio and deck area, if any. Except as provided in this paragraph, nothing contained herein shall give any Owner the right to paint, decorate, remodel or alter said Limited Common Area without the prior written consent of the Association. An Owner may not repaint or restain his deck in a color different from the original natural or redwood color or finish. The Association is not responsible for the maintenance, repair or replacement of decks, deck covers, patios, patio covers, cement pads, driveways, Unit sidewalks or internal fences. If an Owner fails to properly maintain his Limited Common Area structures to the extent that they jeopardize the safety or appearance of the Development the Board of Directors may require maintenance or repair of the same. Ultimately, if after at least three (3) written notifications, each separated by a period of at least two (2) weeks over a period of at least three (3) months, a member fails to maintain his Limited Common Area structures the Board of Directors may contract to have the maintenance, repair or replacement completed and pass the expense (including any associated fines) on to the Owner by way of a Special Assessment.

10.15 Parking Restrictions; Use of Parking Area. Unless otherwise permitted by the Association, no automobile, boat, trailer or recreational vehicle, camper, truck or commercial vehicle shall be parked or left on any street or any part of the Development other than in any parking area designated by the Association for the parking and storage of such vehicles, including Limited Common Areas. However, parking by commercial vehicles for the purpose of making deliveries, shall be permitted in accordance with Association Rules and Regulations.

Except with the written consent of the Association, no Owner shall park any where in the Development more motor vehicles than there are parking spaces owned by or assigned to such Owner.

10.16 Compliance. Nothing shall be done or kept in any Unit or in the Development that might increase the rate of, or cause the cancellation of, insurance on the Development, or any portion of the Development, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his Unit that violates any law, ordinance, statute, rule or regulation of any local, county, state or federal body. No Owner shall allow any furniture, furnishings or other personal property belonging to such Owner to remain within any portion of the Development except in such Owner's Unit or exclusive use area and except as may otherwise may be permitted by the Association.

## **ARTICLE XI**

### **DEFAULT**

11.1 Definition and Rights of Action. Failure of an Owner or any Tenant or Agent of any Owner to comply with any of the terms of this Declaration, the Articles of Incorporation or Bylaws of the Association or the duly adopted Rules and Regulations of the Association, shall constitute an event of default and shall be grounds for relief, which may include without limitation an action to recover sums due for damages and injunctive relief, any combination thereof, or any other right allowed by Utah law. The Association and any aggrieved Owner shall have a right of action against Unit Owners who fail to comply with the provisions of the Project Documents, the Rules and Regulations or the decisions or actions of the Association. Owners also have the same right(s) of action against the Association.

11.2 Remedies. Except as may be limited by law, in addition to all other remedies herein contained or as may be provided by law, the Association may discontinue the furnishing of any utilities or other services to an Owner who is in default of his obligations to the Association or other Owners as set forth herein upon thirty (30) days' written notice to such Owner and to any Mortgagee of such Owner's Unit of its intent to do so. A first mortgagee, upon request, is entitled to written notification from the Association of any default in the performance by an individual unit borrower of any obligation under this Declaration not cured within sixty (60) days. Notwithstanding the foregoing, the Association shall be required to initiate judicial proceedings before any items of the construction can be altered or demolished.

11.3 Costs. In any proceeding arising because of any alleged default by any Owner, the Association, if successful, shall be entitled to recover all amounts, allowed by law including the costs of the proceedings and reasonable attorneys' fees from such Owner.

11.4 No Waiver. The failure of the Association or of any Owner to enforce any right, provision, covenant or condition which may be granted by the Act, this Declaration, the Articles of Incorporation or Bylaws of the Association, or the Rules and Regulations, shall be deemed to be cumulative and the exercise of any one or more of such rights, remedies and privileges shall not be deemed to constitute an election of remedies, nor shall it preclude the

party thus exercising the same from exercising such other additional rights, remedies or privileges, as may be available to such party at law or in equity.

## ARTICLE XII

### GENERAL PROVISIONS

12.1 Association as Representative. The Association shall represent Unit owners (1) in any condemnation proceedings or in negotiations, settlements and agreements with any condemning authority for acquisition of the Common Areas or any part thereof; (2) with respect to any insurance maintained by the Association pursuant to Article VII hereof; and (3) in the event of partial or complete destruction of the Project or liquidation of the Project. Each owner hereby irrevocably names, constitutes and appoints the Association as his true and lawful attorney-in-fact for the purpose of allowing the Association to represent such owner in any such proceedings, negotiations, settlements, agreements, or insurance matters. The Association shall establish a procedure for the allocation of losses, awards, or proceeds from condemnation, destruction or liquidation of all or a part of the Project or from the termination of the Project, except as otherwise provided in Utah Code Ann. § 57-8-32.5.

12.2 Limitations in Actions of Association. Except as provided by the Act, in case of condemnation or substantial loss to the Units and/or Common Areas of the Project, unless at least two-thirds (2/3) of the first mortgagees (based on one vote for each mortgage owned) or Owners of the individual Units have given their prior written approval, the Association may not:

- (a) By act or omission seek to abandon or terminate the Project;
- (b) Change the pro rata interest or obligations of any Unit in order to levy assessments or charges, allocate distributions of hazard insurance proceeds or condemnation awards, or determine the pro rata share of ownership of each Unit in the Common Area;
- (c) Partition or subdivide any Unit;
- (d) Seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Area by act or omission. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area as otherwise provided in this Declaration, shall not be considered a transfer for purposes of this Declaration;
- (e) Use hazard insurance proceeds for losses to any Unit or to the Common Area for other than the repair, replacement or restriction of the Unit, or the Common Area.

Notwithstanding the foregoing, in the event of a taking or acquisition of part or all of the Common Areas by the right of eminent domain, or if the Project or a portion thereof is not sold but is instead taken by the right of eminent domain, the award shall be distributed among the Owners and their respective Mortgagees pursuant to Utah Code Ann. § 57-8-32.5. Subject to the foregoing, proceeds from a settlement shall be payable to the Association, for the benefit of the



Unit owners and their mortgage holders. Subject to the foregoing, distribution of funds in connection with the termination of the Project shall be based on the relative value of each unit, and in accordance with the Owner's interest in the Common Areas.

12.3 Act Governs; Acceptance of Governing Rules. The Declarant hereby states that it intends the Development to be subject to all the provisions of the Act. The Association, all present or future Owners, tenants or future tenants, or any other persons using the facilities of the Project are subject to and shall comply with the Act, this Declaration, the Articles of Incorporation and Bylaws of the Association, and the Rules and Regulations, and the acquisition, occupancy or rental of a Unit shall signify that all such documents are accepted and ratified. In the event of a conflict in any of the provisions of any such documents, the documents shall govern or control in the following order or preference:

- (a) the Act;
- (b) this Declaration;
- (c) the Articles of Incorporation of the Association;
- (d) the Bylaws of the Association; and
- (e) the Rules and Regulations.

12.4 Enforcement and Dispute Resolution.

(a) Owners shall have the right to bring to the attention of other Owners or to the attention of the Association's Board of Directors perceived lack of compliance with Association CC&Rs, Bylaws, and/or Rules and Regulations. The Association shall have the right to enforce, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

(b) In case of any claim or dispute between 1) the Original Declarant, its builder, general contractor, or broker, or their agents or employees, 2) the Association or its agents or employees, or 3) the Board of Directors or its agents or employees, on the one hand, and any Owner(s), on the other hand, which claim or dispute relates to the rights and/or duties of the parties under the Project Documents, or relates to the design or construction of the Project or any part thereof, the procedure shall be as follows: The aggrieved party or parties shall notify the other party or parties of the grievance, in writing. When such a notice is received by 1) Original Declarant, 2) the Association, or 3) the Board of Directors, it shall promptly respond with an investigation, inspection, meeting, discussion, or other action reasonably appropriate to the circumstances. Appropriate action shall include, without limitation, prompt communication with the aggrieved party or parties, and a proposed course of action to resolve the problem. All parties involved in the matter shall negotiate in a good faith attempt to amicably resolve the problem. If the parties are unable to resolve the problem within a reasonable period of time (not to exceed ninety (90) days after the first notice of claim or dispute) the matter shall, at the behest of either party, be submitted to binding arbitration pursuant to the rules of the American

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Arbitration Association, provided that if the dispute or claim involves a sum not in excess of the jurisdictional limit of the Utah Small Claims Court, any party shall have the option of taking the matter to the Utah Small Claims Court in lieu of binding arbitration.

**12.5 Notices.**

(a) Any holder, insurer, or guarantor of a mortgage on any Unit in the Project shall be entitled to the right to timely notice of:

(i) any condemnation or casualty loss that affects either a material portion of the Project or the Unit securing its mortgage;

(ii) any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner on any Unit on which it holds the mortgage;

(iii) a lapse, cancellation or material modification of any insurance policy maintained by the Association; and

(iv) any proposed action that requires the consent of a specified percentage of eligible mortgage holders. Each mortgage holder, insurer or guarantor shall be required to send a written request for the foregoing information to the Association, stating both its name and address and the Unit number or address of the Unit on which it has (or insures or guarantees) such mortgage.

(b) All notices or other documents required herein to be delivered by the Association or Owners may be delivered either personally or by mail. If delivered personally, same shall be deemed to have been delivered when actually received by the Owner or when left at the front door of his Unit. If mailed, the same shall be deemed delivered two (2) working days after it has been posted by the United States Mail addressed to the Owner at his address as it appears on the records of the Association with postage thereon prepaid.

**12.6 Severability.** If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstances shall be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

**12.7 Covenants and Restrictions.** The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years beginning October 25, 2002 (the date the original Declaration was recorded), after which time they shall be automatically extended for successive periods of ten (10) years.

**12.8 Amendment.**

(a) Owners shall have the right to amend this Declaration, the Articles of Incorporation of Farm Hill Village Owners' Association, and Bylaws of Farm Hill Village Owners Association (the "Project Documents") as set forth herein. Amendments of a material nature must be agreed to by Unit Owners representing at least sixty-seven percent (67%) of the

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total allocated votes in the Association and by eligible mortgage holders who represent at least fifty-one percent (51%) of the votes of Unit estates that are subject to mortgages held by eligible holders. Eligible mortgage holders shall be those holders of a first mortgage on a Unit estate who have submitted a written request that the Association notify them of any proposed action requiring the consent of a specified percentage of eligible mortgage holders. Such eligible mortgage holders shall have the right to join in the decision making respecting certain amendments, as provided herein. For purposes of this paragraph, a change or amendment to or of any of the following shall be considered material:

- (i) Voting Rights;
- (ii) Increases in assessments that raise the previously assessed amount by more than fifteen percent (15%), assessment liens, or the priority of assessment liens;
- (iii) Reductions in reserves for maintenance, repair and replacement of Common Areas;
- (iv) Responsibility for maintenance and repairs;
- (v) Reallocation of interests in the Common Areas or Limited Common Areas, or rights to their use;
- (vi) Redefinition of any Unit boundaries;
- (vii) Convertibility of Units into Common Areas or vice versa;
- (viii) Expansion or contraction of the Project, or the addition, annexation, or withdrawal of property to or from the Project;
- (ix) Hazard or fidelity insurance requirements;
- (x) Imposition of any restrictions on the leasing of Units;
- (xi) The placing of any restriction on a Unit Owner's right to sell or transfer his or her Unit;
- (xii) Restoration or repair of the Project (after a hazard damage or partial condemnation) in a manner other than that specified in the Project Documents;
- (xiii) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs; or
- (xiv) Any provisions that expressly benefit mortgage holders, insurers, or guarantors.

(b) In the event of a termination of the legal status of the Project for reasons other than substantial destruction or condemnation of the property, such termination must be agreed to by eligible mortgage holders that represent at least sixty-seven (67%) of the

votes of the mortgaged units held by eligible mortgage holders. Implied approval shall be assumed when an eligible mortgage holder fails to submit a response to any written proposal for an amendment within thirty (30) days after the eligible mortgage holder receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with “return receipt” requested.

(c) In addition, an amendment to the Project Documents shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. A Mortgagee who receives a written request to approve additions or amendments and who does not deliver to the requesting part a negative response within thirty (30) days shall be deemed to have approved such request. Amendments to this Declaration and the Bylaws of the Association which are not material shall be accomplished by majority vote by the Members of the Association in accordance with the terms of the Bylaws, without notice to or approval by any Mortgagee.

12.9 Paragraph Titles. Paragraph titles are used in this Declaration for convenience of reference and are not intended to limit, enlarge or change the meaning of the contents of the various paragraphs.

12.10 Lease; Rental. An Owner may lease his Unit to another person or persons on a nightly, weekly, monthly or yearly basis, without the approval of the Board of Directors; provided that all such tenants agree in writing to comply with all the affirmative and restrictive uses and covenants of the Unit as provided for in this Declaration; and further provided that any lease or rental agreement be in writing and subject to this Declaration and to the Rules and Regulations adopted by the Association.

12.11 Amenities and Facilities. Amenities and facilities within the Project, including parking and recreational facilities, if any, shall be owned by the Association and may not be subject to lease between the Association and any other party.

### **ARTICLE XIII**

#### **AVAILABILITY OF DOCUMENTS AND STATEMENTS**

The Association shall at all times maintain current copies of this Declaration, the Bylaws and the Rules and Regulations 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. Such documents shall be available during normal business hours, or upon reasonable prior request. In the event the Association chooses to have audited statements prepared, such audit statement shall be made available for inspection by such mortgage holder according to the terms and conditions of this Article XIII.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration the day and year first above written.



**EXHIBIT "A"**

**Real Property**

**BOUNDARY DESCRIPTION**

A PARCEL OF LAND LOCATED IN THE EAST HALF OF THE NORTHEAST QUARTER SECTION 17 AND THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 2 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, SALT LAKE COUNTY, UTAH DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH RIGHT-OF-WAY LINE OF 5600 SOUTH STREET (40 FOOT HALF-WIDTH), SAID POINT BEING SOUTH 0022'30" WEST 1335.94 FEET ALONG THE SECTION LINE AND NORTH 8924'05" WEST 277.01 FEET AND NORTH 035'55" EAST 7.00 FEET FROM THE NORTHEAST CORNER OF SECTION 17, TOWNSHIP 2 SOUTH, RANGE 1 Z EAST, SALT LAKE BASE AND MERIDIAN, SAID POINT ALSO BEING NORTH 0007'00" EAST 33.00 FEET ALONG THE MONUMENT LINE AND SOUTH 8924'05" EAST 64.47 FEET AND NORTH 035'55" EAST 7.00 FROM A SALT LAKE COUNTY MONUMENT INTERSECTION OF 5600 SOUTH STREET AND 1300 EAST STREET, AND RUNNING THENCE NORTH 4454'15" WEST 24.60 FEET TO THE EAST RIGHT-OF-WAY OF 1300 EAST STREET (40 FOOT HALF-WIDTH); THENCE ALONG SAID EAST RIGHT-OF-WAY LINE NORTH 0007'00" EAST 254.76 FEET; THENCE SOUTH 8924'05" EAST 118.00 FEET; THENCE NORTH 0007'00" EAST 8.00 FEET TO THE SOUTH LINE OF A PARCEL DESCRIBED IN BOOK 1561 AT PAGE 537 OF THE SALT LAKE COUNTY RECORDS; THENCE ALONG SAID SOUTH LINE SOUTH 89'24'05" EAST 530.00 FEET TO THE NORTHEAST CORNER OF A PARCEL DESCRIBED IN BOOK 1561 AT PAGE 540; THENCE SOUTH 0007'00" WEST 280.00 FEET; THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID 5600 SOUTH STREET (40 FEET HALF-WIDTH) NORTH 8924'05" WEST 630.61 FEET TO THE POINT OF BEGINNING.

CONTAINS 4.14 ACRES

22-17-235-001 thru -030

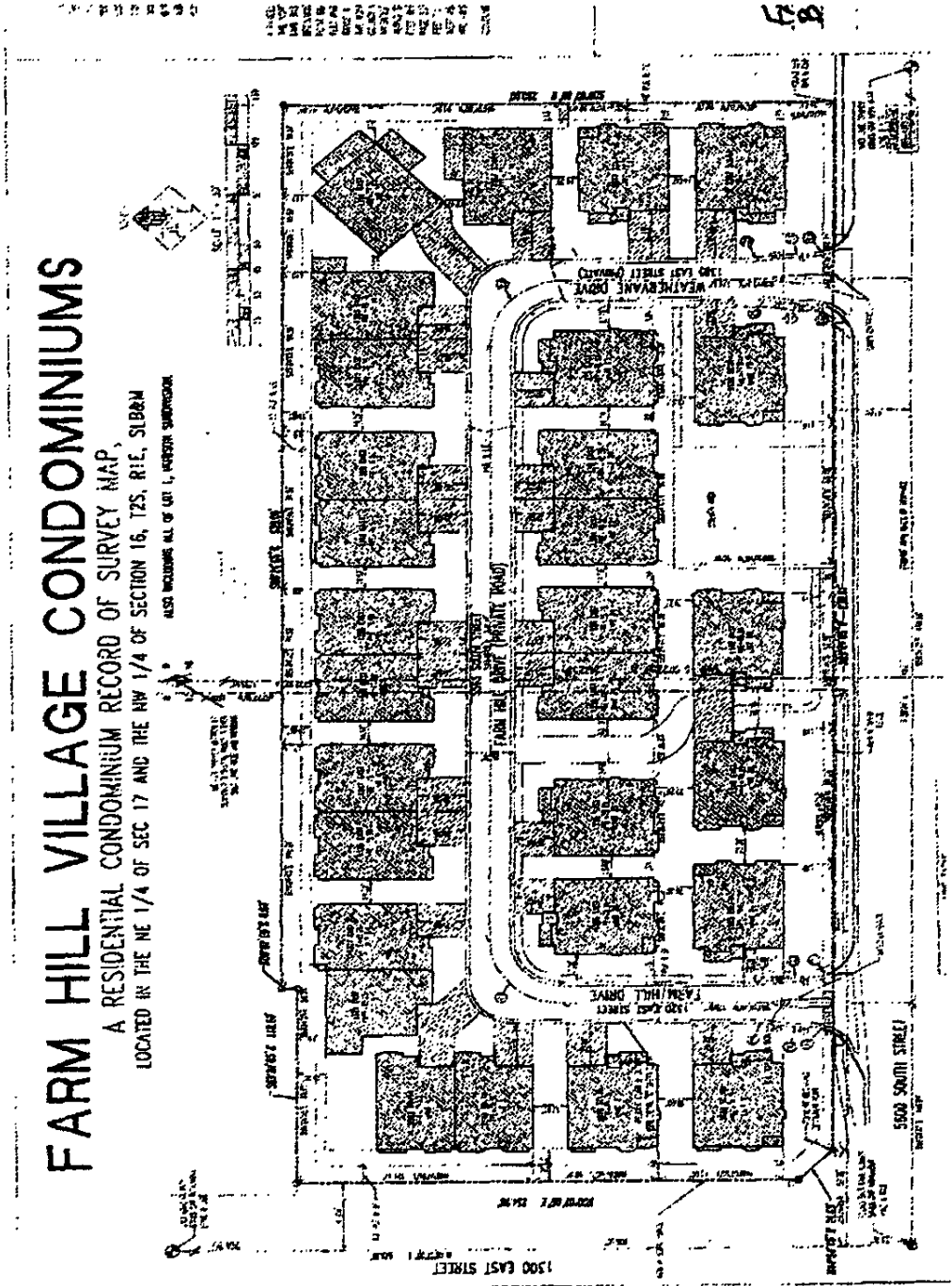
**EXHIBIT “B”**

1. **Description of Real Property.** A description of the land or interests in the Project is attached hereto as Exhibit “C” in the form of a survey map, or recorded plat, and incorporated herein by this reference.
2. **Buildings.** Two building types will exist in the project, a detached home and a twin home structure. Detached homes will have approximately 1870 square feet on the main level and approximately 2020 square feet in the basement level. The detached home will have one to four bedrooms and one to three bathrooms. Twin home type units will have approximately 1720 square feet on both the main and basement levels. The twin home type unit will have one to four bedrooms and one to three bathrooms. All Units will be of platform construction and principally constructed of wood framing and covered with a stucco and artificial rock exterior over concrete footings and walls. All necessary utilities will be provided. Each Unit will include a patio appurtenant to such Unit and a two car garage. The patios shall be deemed Limited Common Areas of the Owner or occupant of such Unit  
  
Other significant improvements include trees, shrubbery, grass, sidewalks, lighting, and general landscaping. The Project will have asphalt roadways with curb and gutter and storm drainage as required.
3. **Unit Identification.** Units will be numbered by street address on the Map C and recorded plat, such as 5585 Farm Hill Drive, Salt Lake City, Utah.
4. **Common Areas.** The term Common Areas is defined in section 1.4 hereof, and is incorporated herein by this reference.
5. **Limited Common Areas.** The term Limited Common Areas is defined in section 1.9 hereof, and is incorporated herein by this reference.
6. **Service of Process.** Pursuant to the provisions of Utah Code Ann. § 57-8- 10(2)(h), Kevin L. Ludlow shall be the agent to receive service of process. Mr. Ludlow’s place of business is located at 8188 So. Highland Drive, Suite D-4, Sandy, Utah 84093, which place of business is located within the county in which the Project is located.

**EXHIBIT "C"**

**SURVEY MAP**

(This is a photo copy of a portion of page 1 of 4 pages of the map on file at the Salt Lake County Recorder's office.)





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**EXHIBIT “D”**

**BYLAWS**

**(ATTACHED)**

# BYLAWS

## THE FARM HILL VILLAGE OWNERS ASSOCIATION, INC.

AMENDED MAY 12, 2007

The administration of THE FARM HILL VILLAGE OWNERS ASSOCIATION, INC. (the "Association") shall be governed by the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE FARM HILL VILLAGE PLANNED CONDOMINIUM PROJECT (the "Declaration"), recorded in the Official Records of Salt Lake County, Utah, the Articles of Incorporation of the Association and these Bylaws. These amended Bylaws replace the original Bylaws that were adopted October 25, 2002 and duly recorded by the Salt Lake County Recorder on November 1, 2002 and any subsequent amendments thereto. Terms that are capitalized in these Bylaws and which are not otherwise defined herein shall have the meaning set forth in the Declaration.

**1. Application of Bylaws.** All present and future Owners, Mortgagees, lessees and occupants of Units and their employees and guests, and any other persons who may use the facilities of the Project in any manner are subject to the Declaration, these Bylaws and all rules made pursuant hereto and any amendments hereof. The acceptance of a deed or conveyance of a Unit, or the occupancy of any Unit, shall constitute an agreement that the provisions of the Declaration, 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.

**2. Board of Directors.**

**2.1** The management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by the Board of Directors, which shall consist of an odd number of not less than five (5) and not more than seven (7) natural persons. The Management Committee shall be the Association's governing board.

**2.2** At every annual meeting, the Association shall elect the members of the Board of Directors to fill those positions becoming vacant at such meeting.

**2.3** The Association may, by two thirds (2/3) majority vote at an annual meeting of the Association, establish the number of persons to serve on the Board of Directors.

**2.3.1** Unless otherwise specified in a vote to increase the number of persons serving on the Board of Directors, such change shall take place immediately.

**2.3.2** If the number of persons to serve on the Board of Directors is being decreased, then those individuals whose position on the Board of Directors is being eliminated, but who still have one year left in their term of office shall be allowed to complete said term of office.

**2.4** The Board of Directors may, but shall not be obligated to, inquire of the Owners to identify those having an interest in serving on the Board of Directors. Nominations for positions on the Board of Directors may be made by petition filed with the Secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by the Owner making the nomination and by the nominee named therein indicating his or her willingness to serve as a member of the Board of Directors, if elected. Nominations for positions on the Board of Directors may also be made by Owners at the annual meeting of the Association, provided the nominee is either present at the meeting or has signed a statement presented to the Secretary of the Association to indicate the nominee's willingness to serve as a member of the Board of Directors, if elected.

**2.5** Voting for the Board of Directors shall be by secret written ballot. Voting entitlement shall be in accordance with ARTICLE IV MEMBERSHIP AND VOTING RIGHTS; TRANSFERS OF CONTROL of the Declaration. At any meeting of the Association, the Owner(s) of each Unit, either in person or by proxy, shall be entitled to the same number of votes set forth in Exhibit A to the Declaration for each Parcel owned multiplied by the number of Board of Directors seats to be filled. Each Owner may cumulate his or her votes with respect to the Units for which he or she is voting and cast all of them in favor of a single candidate, or distribute his or her votes among as many candidates as the Owner sees fit.

**2.6** Members of the Board of Directors shall serve for terms of two (2) years beginning immediately upon their election by the Association, or until their respective successors are elected, or until their death, resignation or removal. Any member of the Board of Directors who fails to attend three consecutive Board of Directors meetings or fails to attend at least 25% of the Board of Directors meetings held during any fiscal year shall be deemed to have tendered his resignation, and upon acceptance by the Board of Directors his position shall be vacant.

**2.7** Any member of the Board of Directors may resign at any time by giving written notice to the President of the Association or to the remaining Board of Directors members. The sale of any such member's Unit or Units resulting in that member no longer owning a Unit in the Project shall constitute a resignation from the Board of Directors. The Owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board of Directors with or without cause.

**2.8** If vacancies shall occur in the Board of Directors by reason of the death or resignation of a Board of Directors member, the Board of Directors members then in office shall continue to act, and such vacancies shall be filled by a vote of the Board of Directors members then in office, though less than a quorum. Any vacancy in the Board of Directors occurring by reason of removal of a Board of Directors member by the Owners may be filled by election at the meeting at which such Board of Directors member is removed or any subsequent regular or special meeting of the Association.

**2.9** The members of the Board of Directors shall receive no compensation for their services unless expressly approved by the vote or written assent of a majority of the voting power residing in Owners; provided, however, that members of the Board of Directors shall

be reimbursed by the Association for transportation expenses (including without limitation coach airfare and mid-sized car rental) actually incurred by the member and a reasonable per diem payment for attendance at regular and special meetings of the Board of Directors. Any member of the Board of Directors 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 members of the Board of Directors not including the member to be employed.

**2.10** The Board of Directors, for the benefit of the Project and the Association, shall manage the business, property and affairs of the Project and the Association and enforce the provisions of the Declaration, these Bylaws and the rules and regulations governing the Project. The Board of Directors is authorized to adopt rules and regulations governing the use and operation of the Project, which shall become effective 30 days after adoption by the Board of Directors. The Board of Directors shall have the powers, duties and responsibilities with respect to the Project as contained in the Utah Code Title 17, Chapter 6: Revised Nonprofit Corporation Act, the Declaration, the Articles and these Bylaws.

**2.11** The meetings of the Board of Directors shall be held at least twice each calendar year at such times and places within the Project, or some other reasonable and suitable location in the State of Utah, unless a meeting at another location would significantly reduce the cost to the Association and/or the inconvenience to Board of Directors members, as the Board of Directors shall determine. A majority 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 election of officers shall be conducted at the first meeting of the Board of Directors held subsequent to the annual meeting of the Association.

**2.12** Written notice of the time and place of Board of Directors meetings shall be posted at a prominent place or places within the Project not less than four (4) days prior to the meeting.

**2.13** Special meetings of the Board of Directors may be called by written notice signed by any two members of the Board of Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Special meetings shall be held within the Project or some other reasonable location in the State of Utah unless a meeting at another location would significantly reduce the cost to the Association and/or inconvenience to the members of the Board of Directors. Written notice of any special meeting shall be posted in a manner prescribed for notice of regular meetings (see 2.12) of the Board of Directors and shall be sent to all members of the Board of Directors not less than 48 hours prior to the scheduled time of the meeting; provided, however, that notice of such meeting need not be given to any member signing a waiver of notice or a written consent to the holding of such meeting. If mailed, such notice shall be deemed to be delivered two (2) working days after it has been posted by the U.S.P.S. mail, addressed to the member at his address as it appears on the records of the Association with first-class postage thereon prepaid. If an agenda is prepared for a special meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

**2.14** Notices of all regular Board of Directors meetings shall be given in writing or by E-mail to each member of the Board of Directors not less than 14 days prior to the meeting, provided that this requirement shall not apply to any member of the Board of Directors who has signed a waiver of notice or a written consent to the holding of a meeting.

**2.15** Regular and special meetings of the Board of Directors shall be open to all Members; provided, however, that the Members who are not on the Board of Directors may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board of Directors. The Board of Directors may, with the approval of a majority of a quorum of its members, adjourn the meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

**2.16** Any action that is required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Board of Directors members, and an explanation of the action so taken is posted at a prominent place or places within the Project within three (3) days after the written consent of all Board of Directors members has been obtained.

**2.17** The Association's fiscal year shall be a calendar year but may be changed by the Board of Directors.

**2.18** Minutes of each Board of Directors meeting need not be distributed or otherwise made available to all Owners, but shall be available at the request of the Owners.

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

**2.20** In order to serve as a member of the Board of Directors a person must year be:

- (a) an owner of record of a Farm Hill Village Unit, or
- (b) a duly authorized representative (such as a partner, trustee, designated beneficiary, fiduciary of an estate, shareholder, officer, employee, agent) of an ownership entity (such as a partnership, trust, estate, limited liability company or corporation) that owns not more than one Unit, or
- (c) a person who has power of attorney for another person who is an owner of record of a Farm Hill Village Unit.

**2.21** If a person who is not an owner of record of a Farm Hill Village Unit is offering to serve on the Management Committee – whether by election or by appointment – he shall first provide to the Association written proof that he meets one or more of the above criteria.

**2.22** The Board of Directors or the officers appointed thereby may delegate to the Manager, or such other persons as it so determines, all of the duties and obligations of the Board of Directors set forth herein and in the Declaration to the extent such duties and obligations are properly delegable.

### **3. Meetings of the Association.**

**3.1** There shall be an annual meeting of the Association at a reasonable place in the Project or at a meeting place as close thereto as reasonably possible, and at a reasonable time as may be designated by written notice by the Board of Directors. Notice of the annual meeting shall be delivered to the Owners by first-class U.S.P.S. mail not less than ten (10) days prior to the date set for said meeting and shall specify the place, day and hour of the meeting and a brief statement of the matters on the agenda which the Board of Directors intends to present or believes others will present for action by the members. The statement shall include the name, address and a brief biographical sketch, if available, of each person who will stand for election to the Board of Directors.

**3.2** Special meetings of the Association shall be called by written notice signed by the President, a majority of the Board of Directors or by Owners representing at least twenty five percent (25%) of the Total Votes of the Association (the Total Votes means one vote for every Unit in the Project which on May 12, 2007 is twenty-nine (29) Units), which shall be hand delivered or sent prepaid by United States Postal Service mail, not less than thirty (30) nor more than ninety (90) days prior to the date fixed for said meeting, to each Owner at such Owner's address as shown in the records of the Association or to any other mailing address designated in writing by the Owner. Such notice shall specify the place, day and hour of the meeting and a brief statement of the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budgetary changes and any proposal to remove an officer or member of the Board of Directors. Special meetings may be held at a reasonable place in the Project or at a meeting place as close thereto as reasonably possible, to consider matters which, by the terms of the Declaration, require the approval of all or some of the Owners or for any other reasonable purpose.

**3.3** The presence in person or by proxy of Owners holding 50% or more of the Total Votes of the Association at any meeting of the Association held in response to notice to all Owners of record properly given shall constitute a quorum. In the absence of a quorum at an Association meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum by those in attendance shall be to a date not less than five (5) nor more than thirty (30) days from the original meeting date. No quorum shall be required for an adjourned meeting. If the time and place for an adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members

in the manner prescribed for regular meetings of the Association. At any special meeting of the Association, only those matters of business, the general nature of which was given in the notice of the special meeting, may be voted upon by the Owners. Unless otherwise expressly provided in the Declaration and these Bylaws, any action may be taken at any meeting of the Owners at which a quorum is present upon a majority vote of the Owners who are present in person or by proxy.

**3.4** Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meeting when not in conflict with the Declaration or these Bylaws.

**3.5** 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:

**3.5.1** A written ballot is distributed to every Owner entitled to vote setting forth the proposed action, providing an opportunity to signify approval or disapproval of the proposal and providing a reasonable time of not less than thirty (30) days following the date post marked (if delivered by U.S.P.S. mail) or the date hand delivered to each Unit for the Owner to return the ballot to the Association.

**3.5.2** The written ballot is signed by all of the Members who are entitled to vote on the subject matter thereof.

**3.6** At each meeting of the Association, each Member entitled to vote shall be entitled to vote in person or by proxy. For any Unit owned by more than one Owner, all of the Owners of such Unit may sign a certificate designating one of the co-Owners as the Member authorized to cast the votes appurtenant to such Unit. In such event the Board of Directors may rely on such certificate as being sufficient evidence of the authority of the person casting the votes appurtenant to such Unit. In the absence of such a certificate, if only one of several Owners of a Unit is present at a meeting of the Association, that Owner is entitled to cast all the votes allocated to that Unit. If more than one of the Owners of a Unit is present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of such Owners. Absent a certificate of authorization, there shall be deemed to be majority agreement if any one of the Owners casts the votes allocated to the Unit owned without protest made promptly to the person presiding over the meeting by any of the other Owners of such Unit. The right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Owner or by its attorney thereunto duly authorized in writing. The instrument authorizing the proxy to act shall be delivered at the beginning of the meeting to the secretary of the Association, or such other officer or person who may be acting as the secretary at the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting. An Owner may revoke a proxy given pursuant to this Section only by actual notice of revocation to the Association. Actual notice includes the Association's receipt of one or more proxies signed by the same Owner. In such event, the proxy with the latest date shall be accepted. A proxy is void if it is not dated or purports to be revocable without notice. Proxies received by facsimile transmission are valid if they meet all other requirements under this section.

**3.7** Minutes of the annual and special meetings of the Association shall be distributed to each member within sixty (60) days after the meeting.

**4 Officers of the Association / Board of Directors.**

**4.1** All officers and employees of the Association shall serve at the will of the Board of Directors. The officers shall be a President, Secretary and Treasurer. No person may hold more than one office at the same time with the exception that the offices of Secretary and Treasurer may be combined in the discretion of the Board of Directors. The Board of Directors may appoint Vice Presidents and such other assistant officers as the Board of Directors may deem necessary. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Board of Directors and may be removed and replaced by the Board of Directors. The Board of Directors may require that officers (and other employees of the Association) be subject to fidelity bond coverage.

**4.2** The President shall be the chief executive of the Board of Directors and shall preside at all meetings of the Association and of 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 Project 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.

**4.3** The Vice President, if any, shall perform the functions of the President in his absence or inability to serve.

**4.4** 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 Owners and the Board of Directors.

**4.5** 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 the Manager. If there are no Vice Presidents and the President is absent or unable to serve, then the Treasurer shall perform the functions of the President.

**4.6** Any officer may prepare, execute, certify and record properly adopted amendments to the Declaration on behalf of the Association.

**5. Common Area Maintenance Expenses / Maintenance Assessments.**

**5.20** Common Area Maintenance Expenses are Common Expenses which relate to the Common Area. All Common Area Maintenance Expenses shall be made in accordance with the Declaration.

**5.21** No Owner shall be exempt from liability for Common Area Maintenance Expenses by waiver of the use or enjoyment of any of the Project or by abandonment of his Unit.

**5.22** 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. A Maintenance Assessment is an assessment levied by the Board of Directors to offset Common Area Maintenance Expenses. In accordance with the actions of the Board of Directors in assessing Maintenance Assessments against the Units, the Treasurer shall keep an accurate record of such Maintenance Assessments and of the payments thereof by each Owner.

**5.23** All Maintenance Assessments shall be a separate, distinct and personal liability of the Owners at the time each Maintenance Assessment is made. The Board of Directors shall have the rights and remedies contained in the Declaration to enforce the collection of Maintenance Assessments.

**5.24** Any person who shall have entered into a written agreement to purchase a Unit, by written request directed to the Board of Directors, shall be entitled to obtain a written statement from the Treasurer setting forth the amount of any unpaid Maintenance Assessment charged against such Unit and its Owner, and if such statement does not reveal the full amount of the unpaid Maintenance Assessment as of the date it is rendered, neither the purchaser nor the Unit shall be liable for the payment of an amount in excess of the unpaid Maintenance Assessments shown thereon, provided that the former Owner shall remain so liable for the excess. Any such excess which cannot be promptly collected from the former Owner shall be reassessed by the Board of Directors as a Common Area Maintenance Expense to be collected from all Owners, including without limitation the purchaser of such Unit, his successors and assigns. The new Owner shall, and the former Owner shall not, be liable for any Maintenance Assessments made after the date of transfer of title, even though the expenses incurred or the advances made by the Board of Directors for which the Maintenance Assessment is made relate in whole or in part to any period prior to that date. The Board of Directors is authorized to require a reasonable fee for furnishing such statements.

**5.25** In addition to the statements issuable to purchasers, the Board of Directors shall, upon ten (10) days' prior written request therefor, provide to any Owner, to any person who shall have entered into a binding agreement to purchase a Unit and to any Mortgagee, on request at reasonable intervals, a current statement of unpaid Maintenance Assessments for Common Area Maintenance Expenses with respect to a Unit. The Board of Directors is authorized to require a reasonable fee for furnishing such statements.

**5.26** In all cases where all or part of any Maintenance Assessment cannot be promptly collected from the persons or entities liable therefor under the Declaration or these Bylaws, the Board of Directors shall reassess the uncollected amount(s) equally against all Owners as a new Common Area Maintenance Expense without prejudice to its right of collection against such persons or entities whose Maintenance Assessments are in arrears, or without prejudice to its lien for such Maintenance Assessments.

## **6. Litigation.**

**6.20** If any action is brought by the Board of Directors on behalf of the Association, the expenses of suit, including reasonable attorneys' fees and costs, shall be a Common Expense. Except as otherwise provided, if any action is brought against the Owners or against

the Board of Directors or the officers, employees or agents thereof in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Owners, the expenses of suit, including attorneys' fees and costs, shall be a Common Expense. If any action is brought against one or more, but less than all Owners, with the result that the ultimate liability would, if proved, be borne solely by such Owners, the expenses of suit, including attorneys' fees, shall not be charged to or borne by the other Owners, as a Common Expense or otherwise.

6.21 Any action brought against the Association, the Board of Directors or the officers, employees or agents thereof, in their respective capacities as such, or the Project as a whole, shall be directed to the Board of Directors, and shall be defended by the Board of Directors; and the Owners and Mortgagees shall have no right to participate in such defense other than through the Board of Directors. Actions against one or more, but less than all Owners, shall be directed to such Owners, who shall promptly give written notice thereof to the Board of Directors, and shall be defended by such Owners.

## **7. Abatement and Enjoinment of Violations by Owners.**

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

7.20.1 To enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner or Owners, 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 in any manner of trespass; and/or

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

7.21 These remedies are in addition to other remedies provided in the Declaration and these Bylaws, or in any other applicable laws.

## **8. Accounting.**

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

8.21 A budget for each fiscal year shall be adopted by the Board of Directors and distributed to all Members not less than 30 days prior to the beginning of the fiscal year to which the budget applies. Said budget shall consist of as least the following information:

8.21.1 Estimated revenue and expenses on an accrual basis.

8.21.2 The amount of the total cash reserves of the Association currently available for replacement or major repair of the Common Areas and Common Utility Facilities and for contingencies.

**8.21.3** An itemized estimate of the current replacement costs of, and the estimated remaining life of, and the methods of funding to defray the costs of future repair, replacement or additions to the major components of the Common Areas and Common Utility Facilities.

**8.21.4** A general statement setting forth the procedures used by the Board of Directors in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Common Areas and Common Utility Facilities.

**8.22** Unless the Association, by a majority of the Total Votes of the Association at the meeting of the Association held after distribution of the proposed budget, rejects the budget, the budget shall be deemed ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors.

**8.23** The Board of Directors shall distribute to the Owners an annual report, consisting of the following, within one hundred twenty (120) days after the close of each fiscal year:

- (d) A balance sheet as of the end of the fiscal year.
- (e) An operating (income) statement for the fiscal year.
- (f) A statement of changes in financial position for the fiscal year.
- (g) For any fiscal year in which the gross income to the Association exceeds \$75,000.00, a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a certified public accountant licensed by the State of Utah.
- (h) Any other disclosures required by applicable state law.

If the annual report referred to in this Section is not prepared by an officer of the Association, then it shall be accompanied by a certificate of the person preparing the report that the statements were prepared from the books and records of the Association without independent audit or review.

**8.24** The Board of Directors (or the Manager, if so delegated by the Board of Directors) shall do the following not less frequently than quarterly:

- (a) Cause a current reconciliation of the Association's operating accounts to be made and review the same.
- (b) Cause a current reconciliation of the Association's reserve accounts to be made and review the same.

(c) Review the current year's actual reserve revenues and expenses compared to the current year's budget.

(d) Review the most current account statements prepared by the financial institution where the Association has its operating and reserve accounts.

(e) Review an income and expense statement for the Association's operating and reserve accounts.

**8.25** The membership register, including mailing addresses and telephone numbers, 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 or Association maintained by the Association or Manager shall be made available for inspection and copying by any Member or his duly appointed representative at any reasonable time and for a purpose reasonably related to his interest as an Owner, at the office where the records are maintained. Upon receipt of an authenticated written request from an Owner 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 Owner a copy of any and all records requested. The Association may, as a condition to permitting an Owner to inspect the membership register or to its furnishing information from the register, require that the Owner agree in writing not to use, or allow the use, of information from the membership register for commercial or other purposes not reasonably related to the regular business of the Association and the Owner's interest in the Association. The Board of Directors shall establish reasonable rules with respect to:

**8.25.1** notice to be given to the custodian of the records by the Owner desiring to make the inspection or obtain copies;

**8.25.2** hours and days of the week when such an inspection may be made;

**8.25.3** payment of the cost of reproducing copies of documents requested by an Owner.

Every member of the Board of Directors shall have the absolute right at any time to inspect all books, records and documents of the Association and to inspect all real and personal properties owned or controlled by the Association. This right of inspection shall include the right to make extracts and copies of records, subject only to the right of the Association to require that the Board of Directors member agree in writing not to use, or allow the use of, the information from the membership register for commercial or other purposes not reasonably related to the business of the Association and the Board of Directors member's interest in such Association.

**9. Special Committees.** The President has the executive authority to appoint committees (see 4.2 above). The Board of Directors by resolution may designate one or more special committees, each committee to consist of two (2) or more of the members of the Board of Directors, which to the extent provided in said resolution shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Board of Directors.

All special committees shall keep regular minutes of their proceedings and report the same 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 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.

**10. Rental or Lease of Units.**

**10.20** Any Owner who rents or leases his Unit shall file with the Board of Directors a copy of the rental or lease agreement. The provisions of Section 7 of these Bylaws shall apply with equal force to renters or lessees of Units.

**10.21** Any Owner who rents or leases or otherwise permits any other person to utilize his Unit shall be responsible for the conduct of his tenants or occupants, and upon written notice from the Board of Directors or the Manager, said Owner shall be responsible for correcting violations of the Declaration, Bylaws or rules and regulations committed by such tenants or occupants.

**10.22** If an Owner fails to correct violations by tenants within 72 hours of such notice, the Board of Directors or Manager shall be deemed to be the agent of the Owner and empowered to take any enforcement action the Owner would be entitled to take, the reasonable costs of such action, including but not limited to fees and costs paid to third parties, to be assessed to the Owner and payable within 30 days of assessment. Such costs shall be collected and enforced in the same manner as Common Expenses under the Declaration.

**10.23** The power of the Board of Directors or Manager hereunder shall include but not be limited to any and all legal remedies available under the laws of the State of Utah. Any Owner by the act of renting, leasing or otherwise permitting any other person to utilize his Unit shall be deemed to have consented to these procedures and shall indemnify and save harmless the Board of Directors and the Manager from and against any and all liability therefor. It is expressly understood that the remedies available to the Board of Directors or Manager shall include but not be limited to the right to seek eviction of the tenant without any liability to the Owner.

**11. Amendment of Bylaws.** Except as otherwise provided in the Declaration or these Bylaws, these Bylaws may be amended by the vote or written assent of Owners holding a majority of the Total Votes of the Association. Provided, however, the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. Upon such an affirmative vote, the Board of Directors shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the Owners, and the amendment shall be effective upon recording.

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

**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. Arbitration.** Any unresolved dispute, disagreement or controversy between Declarant and the Association shall at the request of either party be submitted to an arbitration board of at least three members with one chosen by the Association, the other by the Declarant and a third by the other two arbitrators so chosen. The arbitrators shall act in accordance with the Commercial Arbitration Rules then in effect of the American Arbitration Association. The decision of the majority of such arbitrators shall be binding on the Association and the Declarant. Such decisions shall include the awarding of costs, including reasonable attorneys' fees, as the arbitrators shall determine. The decision of the arbitrators shall be judicially enforceable as a judgment.

Adopted this 12<sup>th</sup> day of May, 2007.

*Colby R. Cook*  
Signature

Vice President  
Title

STATE OF UTAH  
COUNTY OF: Davis  
ON THE 15 DAY OF May, 2007  
PERSONALLY APPEARED BEFORE ME  
Colby R. Cook SIGNER(S) OF THE ABOVE  
INSTRUMENT, WHO ONLY ACKNOWLEDGED TO ME THAT  
HE/SHE/THEY EXECUTED THE SAME

*Colby R. Cook*  
NOTARY PUBLIC

NOTARY PUBLIC  
**COLBY R COOK**  
440 W Parrish Lane  
Centerville, UT 84014  
My Commission Expires  
July 27, 2008  
STATE OF UTAH