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05/18/2007 09:52 AM \$158.00  
Book - 9465 Pg - 9329-9394  
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RECORDER, SALT LAKE COUNTY, UTAH  
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DECLARATION OF  
COVENANTS, CONDITIONS  
AND RESTRICTIONS  
FOR  
CHATEAU REVE COTTAGES  
(Including Bylaws)

A Utah Condominium Project

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereafter "Declaration") is made on the date evidenced below by Tabriz Construction & Development, LLC (hereafter "Declarant").

### RECITALS

A. The Declarant is the owner of certain land in Salt Lake County, Utah, shown on the Record of Survey Map entitled, "Chateau Re've Cottages," a Utah Condominium Project, to be recorded in the Recorder's Office of Salt Lake County, State of Utah, (the "Recorder's Office"), in Plat Book \_\_\_\_\_, No. \_\_\_\_\_ and more particularly described in **Exhibit "A"** attached hereto and made part hereof.

B. It is the intention of the Declarant to develop the land subject to this Declaration as a residential condominium community, and to insure a uniform plan and scheme of development, and unto that end the Declarant has adopted, imposed and subjected the property hereinafter described to certain covenants, conditions, restrictions, easements, charges and liens (collectively, the "Covenants"), as set forth herein for the following primary purposes:

(1) To insure uniformity in the development of the Units (as hereinafter defined) in the Community (as hereinafter defined).

(2) To provide for the benefit of the Owners, the preservation of the value and amenities in the Community, and the maintenance of the landscaping of the Common Areas, including but not limited to easements, charges and liens, herein below set forth, and for the creation of an Association to be delegated and assigned the powers of maintaining and administering the Common Areas (as hereinafter defined), and enforcing all applicable covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created upon the Property designated by this Declaration; which association shall be incorporated under the laws of the State of Utah, as a nonprofit corporation, for the purpose of exercising the functions mentioned herein.

C. Chateau Re've Cottages Condominiums, a Utah Condominium Project, is hereby submitted to Utah' Condominium Ownership Act, Utah Code Ann. §57-8-1 et seq. (the "Act"), and any amendments thereto, as a townhome style condominium community with the rights, privileges and obligations of ownership as set forth herein and in the Act.

NOW, THEREFORE, the Declarant does hereby declare as follows:

## ARTICLE I

### DEFINITIONS

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The following words when used in this Declaration (unless the context otherwise requires) shall have the following meanings:

**1.1 "Act"** means the Utah Condominium Ownership Act (Section 57-8-1 et seq., Utah Code Annotated, 1953), as the same may be amended from time to time.

**1.2 "Assessment"** means any charge imposed or levied by the Association on or against an Owner or Unit pursuant to the terms of this Declaration, the Bylaws or applicable law, including (1) annual/regular assessments; (2) special assessments; (3) emergency; and/or (4) individual assessments as set forth below.

**1.3 "Association"** means and refers to the Chateau Re've Cottages Owners Association, Inc.

**1.4 "Bylaws"** means the Bylaws of the Association and recorded simultaneously with this Declaration, as they may be amended from time to time and attached hereto as **Exhibit "C."**

**1.5 "Common Area"** means, refers to, and includes:

(a) The real property, excluding all Units as defined herein, and interests in the real property which this Declaration submits to the terms of the Act;

(b) The real property, excluding all Units as defined herein, and interests which comprise Chateau Re've Cottages;

(c) All common areas and facilities designated as such on the plat map for Chateau Re've Cottages;

(d) All Limited Common Areas and facilities;

(e) All foundations, roofs, columns, girders, beams, supports and perimeter walls constituting a portion of or included in the improvements which comprise a part of the Project;

(f) All installations for and all equipment connected with the furnishing of the project's utility services, such as electricity, gas, water and sewer;

(g) In general, all apparatus, installations and facilities included within the Project and existing for common use;

(h) The Project's outdoor lighting, fences, landscape, sidewalks, parking spaces, driveways and roads (unless the parking spaces and/or roads have been dedicated to the public);

(i) All portions of the Project not specifically included within the individual Units;

(j) All other parts of the project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management;

(k) All common areas as defined in the Act, whether or not enumerated herein.

**1.6 "Common Expenses"** means and refers to all sums which are required by the Management Committee to perform or exercise its functions, duties, or rights under the Act, this Declaration, the Bylaws and such rules and regulations as the Management Committee may adopt from time to time.

**1.7 "Community"** means all of the land described in attached **Exhibit A** .

**1.8 "Community Wide Standard"** means the standard of conduct, maintenance, or other activity generally prevailing in the community, as set forth in this Declaration, the Bylaws and as defined by the Management Committee from time to time pursuant to Rules and Regulations.

**1.9 "Declarant"** means Tabriz Construction & Development, LLC, and any successor or assign thereof to whom it shall expressly (a) convey or otherwise transfer all of its right, title and interest in the Property as an entirety, without reservation of any kind; or (b) transfer, set over and assign all of its right, title and interest under this Declaration, or any amendment or modification thereof.

**1.10 "Development Period"** means the time between the date of recordation of this Declaration with the Recorder's Office and the date on which the administrative control of the Association to turned over to the Owners. The Development Period shall be the earlier of seven (7) years from the recording of this Declaration or the date the Declarant has conveyed ninety-five percent (95%) of the total number of Units to be added by Supplemental Declaration to Owners of the Association.

**1.11 "Fines"** shall mean and refer to fines levied against a Unit Owner for violations of this Declaration, the Bylaws or Rules and Regulations of the Association. Fines shall be enforced and collected consistent with Utah's Condominium Ownership Act, or any amendments thereto, and may be collected as an unpaid assessment.

**1.12 "Improvements"** means every structure or improvement of any kind, including but not limited to landscaping, Units, decks, porches, awnings, fences, garages, carports, driveways, storage compartments or other products of construction efforts on or in respect to the Property (but does not include any exterior antenna or satellite dish, authorized in accordance with the Declaration).

**1.13 "Limited Common Areas"** means all of the real property identified as limited common area on the plat map for Chateau Re've Cottages and maintained pursuant to the terms of this Declaration. Limited Common Areas are Common Areas limited to the use of certain Units to the exclusion of other Unit Owners and consist of driveways and patios.

**1.14 "Management Committee"** shall mean and refer to the Management Committee of the Association vested with the authority to manage the Community and to enforce this Declaration, Bylaws and Rules and Regulations.

**1.15 "Mortgage"** means any mortgage or deed of trust encumbering any Unit and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that such mortgage, deed of trust or other form of security

instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Recorder's Office.

**1.16 "Mortgagee"** means the person secured by a Mortgage.

**1.17 "Owner"** means the person or persons owning any Unit (including the holder of a vendee's interest under a land sale contract, unless otherwise stated in the contract), but does not include a tenant or holder of a leasehold interest or person holding only a security interest in a Unit (including the holder of a vendor's interest under a land sale contract, unless otherwise stated in the contract).

**1.18 "Party Walls"** means and refers to a common wall separating the Units. Party walls shall be considered Common Areas.

**1.19 "Percentage Interest"** means and refers to the percentage of undivided ownership interest of each Unit Owner in the Common Areas as set forth in **Exhibit B** attached hereto.

**1.20 "Plat" or "Plat Map" or "Record of Survey Map"** (these terms may be used interchangeably herein) means the Record of Survey Map entitled, "Chateau Re've Cottages, a Utah Condominium Project" to be recorded at the Recorder's Office of Salt Lake County, State of Utah, and any plats recorded among the Recorder's Office in substitution therefor or amendment thereof.

**1.21 "Property"** mean all of the real property described in attached **Exhibit A** and also includes all Common Area.

**1.22 "Rules and Regulations"** means and refers to those rules and regulations adopted by the Management Committee from time to time that are deemed necessary for the enjoyment of the Property and Community.

**1.23 "Single Family"** shall mean and refer to the definition of "family" as contained in the local municipal code, as may be amended from time to time.

**1.24 "Turnover Meeting"** means the meeting at which the Declarant turns over administrative control of the Association to the Owners pursuant to Article VIII of this Declaration.

**1.25 "Unit"** means and refers to a separate physical part of the Property intended for independent use and ownership, consisting of rooms and spaces located within a building structure. Units are shown on the appropriate Record of Survey Map. Mechanical equipment and appurtenances located within any one Unit or located outside of said Unit but designated and designed to serve only that specific Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall be all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows, and window frames, doors and door frames, and trim, consisting of, among other items and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits or other public utility lines or installations constituting part of the Unit and serving only a specific Unit, and any structural features or any other property of any kind, including fixtures and

appliances within any Unit, which are removable without jeopardizing the soundness, safety, or usefulness of the remainder of the structure/building within which the Unit is situated shall be considered part of the Unit.

NOTES

Units are intended to be occupied and use as a residence by a single-family as that term is defined in the local municipal code.

## ARTICLE II

### *PROPERTY SUBJECT TO THIS DECLARATION - DESCRIPTION OF IMPROVEMENTS - FORM OF UNIT CONVEYANCE*

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#### **2.1 Property Subject the Declaration and Bylaws.**

Chateau Re've Cottages, a Utah Condominium Project, is hereby submitted to Utah Code Ann. §57-8-1 et seq.(the Act), and any amendments thereto, as a townhome style condominium community with the rights, privileges and obligations of condominium ownership as set forth herein and in the Act.

The real property which is, and shall be, transferred, held, sold, conveyed and occupied subject to this Declaration is located in Salt Lake County, Utah, also known as "the Community," and is described on **Exhibit "A"** attached hereto, all of which real property is referred to herein as the "Property."

#### **2.2 Description of Improvements.**

The significant improvements within Chateau Re've Cottages include buildings with a basement plus two additional floors, patios, driveways, enclosed garages, sidewalks and/or walkways. Less significant improvements consist of outdoor lighting and landscaping. The appropriate Plat Map indicates the number of Unit which are contained in Chateau Re've Cottages. There are 19 Units in this townhome style condominium community, separated by Common Area party walls as defined below. The buildings are composed of the following materials: concrete foundations; stone exteriors, wood frame with load and non-load bearing walls, asphalt shingle roofs,

interior plywood and sheet rock walls and American standard plumbing.

#### **2.3 Description and Legal Status of Units.**

The Map shows the Units and Building designations, their locations, dimensions from which its areas may be determined, those Limited Common areas which are reserved for such use, and the Common Areas to which it has immediate access. All Units are residential Units. All Units shall be capable of being independently owned, encumbered, and conveyed.

#### **2.4 Contents of Exhibit "B".**

**Exhibit "B"** to this Declaration furnishes the following information with respect to each Unit: (a) The Unit Designation; (b) The square footage of each Unit; and (c) The percentage interest of undivided ownership interest in the common areas which is appurtenant to the Unit. With respect to Percentage Interest, to avoid a perpetual series of digits and to obtain a total of one hundred, percent (100%), the last digit has been adjusted, and rounded up or down to a value that is most nearly correct.

#### **2.5 Ownership Interest in Common Areas.**

Neither the percentage interest in the Common Areas nor the right of exclusive use of the Limited Common Areas shall be separated from the Unit to which it appertains; and even though not specifically

mentioned in the instrument of transfer, the percentage interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which they related.

**2.6 Computation of Percentage Interests**

The proportionate share of the Unit Owners in the Common Areas is based on the square footage that each of the Units bears to the total square footage of all Units. For all purposes under this Declaration and Bylaws, however, each Unit shall have the same voting rights, pay an equal assessment (except for individual assessments defined below), and share equally in the common profits and expenses of the Association.

**2.7 Covenants Run with the Land.**

Declarant declares that all of the Property shall be owned, conveyed hypothecated, encumbered, used, occupied and improved subject to this Declaration. The easements, covenants, conditions, restrictions and charges, described in this Declaration shall run with the Property and shall be binding upon all parties having or acquiring any right, title or interest in such property or any part thereof and shall inure to the benefit of the Association, and each Owner thereof.

**2.8 Form of Unit Conveyance - Legal Description of Unit.**

Each conveyance or installment contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the number shown on the Record of Survey Map with appropriate reference to said Map and to this Declaration, as each shall appear on the records of the County

Recorder for Salt Lake County, State of Utah, and in substantially the following form:

Unit \_\_\_ shown on the Record of Survey Map for Chateau Re've Cottages, a Utah Condominium Project, appearing in the records of the Salt Lake County Recorder as Entry No. \_\_\_ Map No. \_\_\_, and as identified in the Declaration of Condominium appearing as Entry No. \_\_\_ in Book \_\_\_ at Pages \_\_\_ of the official records of the Salt Lake County Recorder together with an undivided interest in and to the Common Areas appertaining to said Unit as established in said Declaration, as may be amended, and the Map. This conveyance is subject to the provisions of the aforementioned Declaration, including any amendments thereto.

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## ARTICLE III

### *PROPERTY RIGHTS IN UNITS /EASEMENTS IN GENERAL/EASEMENTS OF RECORD*

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#### **3.1 Use and Occupancy.**

Except as otherwise expressly provided in this Declaration or the Bylaws, the Owner(s) of a Unit shall be entitled to the exclusive use and benefits of ownership of such Unit. Each Unit, however, shall be bound by, and the Owner shall comply with, the restrictions contained in Article VII below and all other provisions of this Declaration and the Bylaws for the mutual benefit of the Owners.

#### **3.2 Restriction on Unit Division.**

All Owners are prohibited from dividing any and all Units subject to this Declaration unless expressly permitted, in writing, by the Management Committee. However, Owners' allocated ownership interests in the Common Areas may not be altered without the consent of all Owners.

#### **3.3 Easements Reserved.**

In addition to the easements shown on the Plat or provided for under this Declaration, the Bylaws or law, the following easements are hereby reserved for the benefit of Declarant, its successor and assigns, the Owners and the Association:

(a) **Right of Entry.** The Association and any person authorized by the Association may at any reasonable time, and from time to time at reasonable intervals, enter upon any Unit for the purpose of performing maintenance referred to in Article XI below and determining whether or not the Unit is in compliance with this Declaration and

Bylaws or whether the use of the Unit is causing damage or harm to the Common Areas or Limited Common Areas. Requests for entry shall be made in advance and at a time convenient to the Owner, except in the case of an emergency, when such right shall be immediate. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Unit.

(b) **Utility Easements.** Declarant, its successors and assigns, the Association, or any public utility provider shall have an easement through all Units and the Common Areas for the installation, maintenance and development of utilities and drainage facilities, as may be necessary. The easement area of within each Unit and all improvements therein shall be maintained continuously by the Owner of the Unit of the Association in accordance with Article XI below, except for those improvements for which a public authority or utility provider is responsible. Each Unit Owner shall have an easement in common with all Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other Unit and serving his or her Unit.

(c) **Common Areas.** All Owners are hereby granted a non-exclusive right and easement of enjoyment to the Common Areas.

(d) **Recorded Easement.** A Grant of Easement and Storm Drain Agreement (the "Agreement"), recorded in the Salt Lake County Recorder's Office on April 3, 2006,

as Entry No. 9682473, in Book No. 9275, on  
Page No. 5071.

NOTES

(1) Pursuant to the Grant  
of Easement and Storm Drain Agreement,  
this easement is restricted by this  
Declaration not to place any structures,  
pavement, side walks, park equipment, etc.  
or otherwise encroach on the easement in  
any manner, including not adding back fill  
on top of the easement, other than as  
engineered, as specified in the above  
mentioned Agreement.

## ARTICLE IV

### *ENCROACHMENTS*

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#### **4.1 *No Encroachment***

#### NOTES

No Encroachment. No Unit shall encroach upon an adjoining Unit without the express written consent of the Management Committee. If, however, an encroachment occurs due to the settlement or shifting of a structure/building or any other reason whatsoever beyond the control of the Management Committee or any Owner, there shall forthwith arise, without the necessity of any further or additional act or instrument, a good and valid easement for the maintenance of such encroachment, for the benefit of the Owner, its heirs, personal representatives and assigns, to provide for the encroachment and non disturbance of the Structure. Such easement shall remain in full force and effect so long as the encroachment shall continue.

## ARTICLE V

### *BUDGETS, EXPENSES AND ASSESSMENTS*

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#### **5.1 *Covenant for Assessments.***

(a) The Declarant for each Unit owned by it within the Property, hereby covenants, and each Owner, by acceptance of a deed hereafter conveying any such Unit to it, whether or not so expressed in the deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association the following types of assessments:

(1) Annual assessments (the "Annual Assessment") as provided in Section 5.2 below.

(2) Special assessments ("Special Assessments") as provided in Section 5.7 below.

(3) Emergency assessments ("Emergency Assessments") as provided in 5.10 below.

(4) Individual assessments ("Individual Assessments") as provided in Section 5.11 below.

(b) Assessments shall be established and collected as provided in this Article.

(c) No member may exempt itself from liability for Assessments by abandonment of any Unit owned by such member.

#### **5.2 *Annual Budget and Assessment.***

(a) Adoption of Budget.

(1) The Management Committee shall prepare, or cause the preparation of, an

annual budget for the Association, which shall provide, without limitation, for the maintenance of the Common Areas and for the administration, management and operation of the Association. If the Management Committee fails to adopt an annual budget, the last adopted budget shall continue in effect.

(b) Determination of Annual Assessment.

(1) The Management Committee of the Association shall fix the amount of the annual assessment ("Annual Assessment") against each Unit for each assessment period at least thirty (30) days in advance of the beginning of the period. Written notice of the Annual Assessments shall be sent to all members of the Association at least thirty (30) days in advance of the beginning any assessment period.

(2) The omission by the Management Committee, before the expiration of any assessment period, to fix the amount of the Annual Assessment for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this article or a release of any member from the obligation to pay the Annual Assessment, or any installment thereof, for that or any subsequent assessment period. In the event of such omission, the Annual Assessment fixed for the preceding period shall continue until a new assessment is fixed.

#### **5.3 *Apportionment of Assessments.***

Subject to Subsections (d) and (e) of this section, assessments shall be apportioned as follows:

(a) Annual, Special and Emergency Assessments. All Units shall pay a pro rata share of the Annual Assessment, Special Assessments and Emergency Assessments commencing upon the date the Units are made subject to this Declaration. The pro rata share shall be based upon the total amount of each such assessment divided by the total number of Units.

(b) Individual Assessments. Individual Assessments shall be apportioned exclusively against the Units benefitted or to which the expenses are attributable as provided for below.

(c) Payment of Assessments. Upon resolution of the Management Committee, installments of Annual Assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis. Any member may prepay one or more installments of any Assessment levied by the Association, without premium or penalty.

(d) Declarant and Builder Assessment Allowance. Neither the Declarant, nor a builder, nor any Unit to which the Declarant or builder holds record title, shall be exempt from any Assessment under this Article. However, except until the date specified in Section 5.9(a)(1)(B) below, the following allowance shall be made by the Association to the Declarant and builder in each instance:

(1) Annual Assessments or Emergency Assessments made or levied against any Unit to which the Declarant or Builder hold record title shall equal twenty-five percent (25%) of the Annual Assessment or Emergency Assessment made or levied against any other Unit.

(2) In no event shall the Declarant or builder pay less than twenty-five percent (25%) of the per Unit Annual Assessment or Emergency Assessment established by the Association under this Article. Nothing in this Article shall preclude the Declarant or builder from electing to pay more than the minimum percentage specified in this subsection.

(e) Deferral of Payment of Assessment for Reserves. After the date a Use and Occupancy Permit is issued by the proper authorities of the Salt Lake City, Utah, for any Unit owned by Declarant or a builder, the Declarant or builder may elect to defer payment to the Association of that portion of the Annual Assessment or Emergency Assessment attributable to reserves or any Individual Assessment for the particular Unit until the closing of the sale of the Unit as provided in Section 5.9(c) below.

#### **5.4 Lien.**

The Annual Assessment and all other Assessments imposed shall be a charge and continuing lien upon each of the Units against which the assessment is made in accordance with the terms and provisions of this Article V and shall be construed as a real covenant running with the land.

#### **5.5 Personal Obligation and Costs of Collection.**

(a) Assessments imposed under this Declaration, together with interest at a rate to be established by resolution of the Management Committee, not to exceed the maximum permitted by law, and costs and reasonable attorneys' fees incurred or expended by the Association in the collection

thereof (whether or not a lawsuit is initiated), shall also be the personal obligation of the Owner holding title to any Unit at the time when the assessment became due.

(b) The personal obligation for any delinquent Assessment, together with interest, costs and reasonable attorneys' fees, however, shall not pass to the Owner's successor or successors in title unless expressly assumed by such successor or successors.

### **5.6 Purpose of Assessments.**

The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Community, and including, but not limited to:

- (a) The improvement and maintenance, operation, care, and services related to the Common Areas;
- (b) The payment of insurance premiums;
- (c) The costs of utilities and other services which may be provided by the Association for the Community;
- (d) The cost of labor, equipment, insurance, materials, management, legal and administrative fees incurred or expended in performing the duties under this Declaration or the Bylaws;
- (e) The cost of funding all reserves established by the Association, including a general operating excess and a reserve for replacements in accordance with Section 5.16 below; and
- (f) Any other items properly chargeable as

a Common Expense of the Association.

### **5.7 Special Assessments.**

In addition to the Annual Assessments authorized in this article, the Association may levy in any assessment year, a special assessment ("**Special Assessment**"), applicable for that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of Common Areas. The Management Committee may authorize a special assessment for any lawful purpose in any given calendar year provided, however, that such assessment shall first be approved by two-thirds (2/3) of the votes of members of the Association other than the Declarant, voting in person or by proxy at a meeting duly called for such purpose, and the written consent of Declarant until the Turnover Meeting and thereafter as long as Declarant owns at least one Unit. Notwithstanding the foregoing, the Management Committee may levy a special assessment in an amount not to exceed \$10,000.00 without approval of the members, except for the Declarant as long as Declarant owns at least one Unit.

### **5.8 Notice and Quorum for any Action Authorized Under Section 5.7 and 5.10.**

(a) Written notice of any meetings of members of the Association called for the purpose of taking any action authorized under Sections 5.7 and 5.10 of this Article shall be sent to all members not less than thirty (30) days, nor more than sixty (60) days, in advance of the meeting. At the first such meeting called, the presence at the meeting of members or of proxies, entitled to cast sixty percent (60%) of all of the votes of members, other than the Declarant, entitled to be cast at

such a meeting shall be necessary and sufficient to constitute a quorum.

(b) If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at any subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting, provided that no subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

### **5.9 Commencement and Due Date of Assessments.**

(a) Commencement of Assessments. All Units subject to this Declaration shall be subject to assessment as provided in Section 5.1 above.

(1) Subject to Subsection (c) of this section, the full Annual Assessment or Emergency Assessment as to any Unit shall commence on the earlier of:

(A) The date the Unit is conveyed to any person or entity other than the Declarant or a builder; or

(B) The date a Use and Occupancy Permit is issued by the proper authorities of Salt Lake City, Utah to the Declarant or a builder.

(2) Until the date specified in Subsection (a)(1)(B) of this section, the Annual Assessment or Emergency Assessment as to any Unit owned by the Declarant or a builder shall be as specified in Section 5.3(d) above.

(b) Dues Dates.

(1) The Annual Assessments shall be due and payable on a monthly basis on the first (1st) calendar day of each month, unless otherwise provided by resolution of the Management Committee, and shall be delinquent if not paid within thirty (30) days after the due date.

(2) The due date of any Special Assessment, Emergency Assessment or other Assessment shall be fixed in the resolution authorizing the Assessment.

(c) Commencement of Assessment for Replacement Reserves.

(1) The portion of the Annual or Individual Assessments allocated for major maintenance and replacement reserves as described in Section 5.16 below shall commence to accrue upon the closing of the sale of the first Unit in the Community for which the reserve is established.

(2) After the date a Use and Occupancy Permit is issued by the proper authorities of the Salt Lake City, Utah, for any Unit owned by the Declarant or a builder, the Declarant or builder may elect to defer payment to the Association of that portion of the Annual Assessment or any Emergency Assessment attributable to reserves or any Individual Assessment for the particular Unit until the closing of the sale of the Unit. However, neither the Declarant nor any builder may defer payment of accrued assessments for reserves beyond the Turnover Meeting or if the Turnover Meeting is not held, the date the Owners assume administrative control of the Association. The deferral shall not apply to the obligation of the

Declarant or a Builder to pay regular operating expense assessments under Section 5.3 above.

(3) Declarant and any builder shall deposit the balance due the Association within thirty (30) days after the date due specified in paragraph (2) of this subsection.

#### **5.10 Emergency Assessments.**

(a) If the Annual Assessments levied at any time are, or will become, inadequate to meet all expenses incurred under this Declaration for any reason, including nonpayment of any Owner's Assessments on a current basis, the Management Committee shall, as soon as practicable, determine the approximate amount of the inadequacy and adopt a resolution which establishes a supplemental budget and levies the additional assessment ("**Emergency Assessment**"). The resolution shall specify the reason for the Emergency Assessment.

(b) Any Emergency Assessment in the aggregate in any fiscal year would exceed an amount equal to five percent (5%) of the budgeted expenses of the Association for the fiscal year may be levied only if approved by not less than a majority of the members other than the Declarant voting in person or by proxy, at a meeting duly called for such purpose and the written consent of Declarant until the Turnover Meeting and thereafter as long as Declarant owns at least one Unit.

(c) Emergency Assessments shall be apportioned as provided in Section 5.3 above.

#### **5.11 Individual Assessments.**

(a) Any expenses benefitting or attributable to fewer than all of the Units may

be assessed exclusively against the Units affected or benefitted ("**Individual Assessment**"). Individual Assessments shall include, but are not limited to:

(1) Assessments levied against any Unit to reimburse the Association for costs incurred in bringing the Unit or its Owner into compliance with the provisions of this Declaration or rules and regulations of the Association and for fines or other charges imposed pursuant to this Declaration for violation of this Declaration, the Bylaws or any rules and regulations of the Association.

(2) Expenses relating to the cost of maintenance, repair replacement and reserves of the Units.

#### **5.12 Nonpayment of Assessments.**

Any assessment or portion thereof not paid within thirty (30) days after the due date (which shall be established by resolution of the Management Committee):

(a) Shall be delinquent and shall bear interest from the date of delinquency at the rate, established by resolution of the Management Committee, not to exceed the maximum rate permitted by law, and

(b) Shall be subject to a late charge of Ten Dollars (\$10.00) per month until paid, or ten percent (10%) of the assessment, whichever is greater; and

(c) If paid by installments, may, in the discretion of the Management Committee, be accelerated (including interest as provided for above) and the entire balance declared due and payable upon not less than ten (10) days' written notice to the Owner.



**5.13 Subordination of Lien to Mortgages.**

(a) The lien of the Assessments provided for in this article shall be subordinate to the lien of any first mortgagees or deeds of trust now or hereafter placed upon the Unit subject to assessment, except as provided in subsection (b) of this section.

(b) The sale or transfer of any Unit pursuant to mortgage or deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Such sale or transfer shall not relieve the Unit from liability for any Assessments thereafter becoming due, nor from the lien of any future assessment.

**5.14 Enforcement of Lien.**

The Association may establish and enforce the lien for any Assessment, including Annual, Special, Individual or otherwise, pursuant to the provisions of this Declaration. The lien is imposed upon the Unit against which the Assessment is made. The lien may be established and enforced for damages, interest, costs of collection, late charges permitted by law, and attorneys' fees provided for in this Declaration (whether or not a legal proceeding is initiated) or by law or awarded by a court for breach of any provisions of this Declaration, the Bylaws or any rules and regulations of the Association. The lien maybe foreclosed judicially or non-judicially consistent with the laws of the State of Utah for the non-judicial foreclosure of Deeds of Trusts. In such an event, the Owner hereby irrevocably appoints the Association, or its authorized agent, to act as Trustee for purposes of foreclosing any lien hereunder.

**5.15 Exempt Property.**

All Units owned by the Association or dedicated to and accepted by a public authority and all property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Utah shall be exempt from the assessments created under this Declaration.

**5.16 Reserves Funds.**

(a) The Association shall establish and maintain a reserve fund for repairs and replacement of the Common Areas by the allocation and payment monthly to such reserve fund of in an amount to be designated from time to time by the Management Committee. The fund shall be conclusively deemed to be a Common Expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Management Committee, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

(b) The Association may establish such other reserves for such other purposes as the Management Committee may from time to time consider to be necessary or appropriate, including for costs relating the maintenance, repair and replacement of Townhouse Units.

(c) The proportional interest of any member of the Association in any reserve fund established under this section shall be considered an appurtenance of such Owner's Unit and shall not be separated from the Unit to which it appertains and shall be deemed to be transferred with the Unit.

NOTES

(d) The Management Committee's reasonable determination with respect to the amount of the reserve fund contribution shall be conclusively deemed appropriate absent intentional misconduct or gross mismanagement of Association funds. Except in such instances, individual Management Committee members shall not be held liable for any potential or alleged "under-funding" of the reserve account.

**5.17 *Initial Capital Contribution.***

At settlement for each Unit, an amount equal to two (2) months of the current monthly Assessment amount for that type of Unit shall be paid from each prospective member of the Association (other than the Declarant or a builder), for the purpose of start-up expenses and operating contingencies. Such amount shall be in addition to any pro rata share of Assessments due and adjusted at settlement.

**5.18 *Certificate of Assessment.***

The Association shall, upon demand at any time, furnish to any Owner liable for assessment a certificate in writing signed by an officer of the Association setting forth whether Assessments has been paid. The certificate shall be conclusive evidence of payment of any assessment therein stated as having been paid. A reasonable charge, determined by resolution of the Management Committee, may be levied in advance by the Association for each certificate so delivered.

## ARTICLE VI

### *ARCHITECTURAL CONTROL PROVISIONS*

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#### **6.2 *Improvements.***

#### NOTES

(a) Front Lawn and Landscaping. The area within the front of a dwelling is Common Area and shall be kept only for decorative planting of grass, trees, shrubbery or rock landscaping materials and shall at all times be maintained in a reasonably neat condition.

(b) Replacement Roofing Materials. All replacement roofing materials shall be consistent with those originally installed by the Declarant or of a grade, quality and style similar thereto, unless otherwise approved by the Management Committee.

(c) Garages. Each Unit shall have an enclosed private garage for not less than two (2) automobiles.

(d) Guest Parking Spaces. Limited guest parking spaces are available on a first come first serve basis.

(e) Front and Rear Exteriors. As the exteriors of the Project are Common Areas, no remodeling may be undertaken unless initiated by the Management Committee. To the extent possible, any such projects shall be consistent with the materials, colors, quality and architectural styles of the original construction.

#### **6.3 *Landscaping.***

That portion of the Common Areas which are visible from a street shall be landscaped in accordance with a landscaping plan determined by the Management Committee.

## ARTICLE VII

### *RESTRICTIONS ON USE OF UNITS AND COMMON AREAS*

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#### **7.1 Restrictions and Requirements.**

The following restrictions and requirements are in addition to all other restrictions and requirements contained in this Declaration and the Bylaws:

(a) Residential Use. Units shall be used for residential purposes in accordance with, and subject to, the other provisions of this Declaration and the Bylaws and rules and regulations adopted pursuant thereto.

Except as provided in this subsection, no trade, craft, business, profession, commercial or similar activities that causes additional pedestrian or vehicular traffic, creates a sight or noise nuisance, shall be conducted on any Unit or in any other portion of the planned community.

(b) Drainage System. There shall be no interference with the established drainage patterns or systems, if any, over or through any Unit so as to affect any other Unit or any real property outside the Property unless adequate alternative provision is made for proper drainage and is approved by the Management Committee.

(c) Offensive Activities. No noxious, offensive or unsightly conditions, including, but not limited to, the placement or storage of inoperable vehicles, car parts and appliances, or activities shall be permitted on any Unit or other portion of the Common Areas, nor shall anything be done in or placed upon any Common Area which interferes with or jeopardizes the enjoyment of other Units or which is a source of annoyance to residents.

(d) Unlawful Activities. No unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(e) Animals.

(1) No animals, livestock, or poultry of any kind may be raised, bred, kept or permitted within any Unit, except dogs, cats, or other household pets not exceeding 20 pounds provided that they are not kept, bred, or maintained for any commercial purpose or in any unreasonable numbers. The Owner of any dog must keep such dog on a leash when outside of the Unit or keep it confined within the Unit and no cat or dog shall be allowed to run free in the Community.

(2) Those animals which are permitted shall not cause any noise or disturbance that would be deemed a nuisance to other Owners or residents within the Community. Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective Owners thereof and Owners shall be responsible for removal of wastes of their animals from the Common Areas and Limited Common Areas.

(3) An Owner may be required to remove a pet upon receipt of a written notice from the Management Committee given pursuant to a resolution relating to rules and regulations governing pets within the Community and enforcement of such rules and regulations and provisions of this subsection. The Management Committee may apply for appropriate judicial relief in the

event that Owners violate this Article.

(f) Rubbish and Trash. No part of the Property may be used or maintained as a dumping ground for rubbish, trash, garbage, or any other waste. No garbage, trash, or other waste may be kept or maintained on any part of the Property except in a sanitary container as specified by the Association or within a trash enclosure screened from public view. All such waste and garbage must be promptly and periodically removed.

(g) Vehicles in Disrepair.

(1) No Owner shall permit any vehicle which is in an extreme state of disrepair to be abandoned or to remain parked upon any part of the Property unless such vehicle is within a garage. A vehicle shall be deemed in an "extreme state of disrepair" when the Management Committee reasonably determines that its presence offends the occupants of the other Units.

(2) If an Owner fails to remove a vehicle deemed to be in an extreme state of disrepair within seventy-two (72) hours after the date and time on which written notice is securely placed on such vehicle or delivered to the responsible Owner by the Management Committee, the Management Committee may have such vehicle removed from the Property (i.e. towed) and assess the Owner the expense of such removal and any storage necessitated thereby.

(h) Fences and Hedges. No fences or boundary hedges shall be installed by an Owner without the prior written approval of the Management Committee. The Management Committee may establish a common fencing and hedge standard to be

applied to all Owners.

(i) Parking of Automobiles and Other Vehicles.

(1) Except as otherwise provided in this subsection, parking of boats, trailers, commercial vehicles, motorcycles, commercial trucks, truck campers, motor homes and like vehicles and equipment and the parking of automobiles shall be allowed only within the confines of a garage, unless written approval, for temporary use or storage, has been given by the Management Committee.

No portion of such vehicle or equipment or automobile may project beyond the enclosed garage area. All other parking of such automobiles, vehicles and equipment shall be prohibited. As used in this subsection, "automobile" means a small truck or car, sports utility vehicle, van and other similar passenger vehicles.

(2) Parking for Owners, guests and visitors is not permitted on the streets of Chateau Re've Cottages. To the extent possible, all Owners, guests, visitors and other invitees shall park on the driveway of each Unit. There shall be no parking whatsoever in the "turnaround" area.

(3) The Management Committee may adopt and amend rules to govern the enforcement of this subsection which rules may include assessing an Owner the expense of removing any automobile, vehicle or equipment parked in violation of this subsection and the cost of any storage thereof.

(j) Clothes Lines and Materials. No clothes lines, clothing racks, or other apparatus on which clothes, rags, or similar items are exposed for the purpose of drying or airing shall be located on the Property except within a Unit, unless in an area screened from public view. No garments, rugs, rags, laundry, or other clothing or materials shall be allowed to hang from the windows or from any of the facades or any other part of a Unit unless in an area screened from public view.

(k) Signs. Unless written approval is first obtained from the Management Committee, no advertisement or poster of any kind may be posted in or upon the Properties except:

(1) Not more than one (1) "For Sale" or "For Rent" sign, not exceeding twenty-four (24) inches in height and thirty-six (36) inches long, may be temporarily placed on a Unit by the Owner, resident or a licensed real estate agent;

(2) "Political" signs may be temporarily placed on a Unit by the Owner or occupant of the Unit; and

(3) Signs may be placed on the Property by Declarant as set forth herein.

(m) Antennas and Service Facilities. Exterior antennas and satellite dishes shall not be permitted to be placed upon the exterior of the front or sides of any structure, except as permitted by the Management Committee. Such permission shall be consistent with the Federal Communication Commission requirements.

(n) Noise Disturbance. Residents shall exercise extreme care about making noises or the use of musical instruments, radios, televi-

sions, or amplifiers and may not disturb other residents may be fined for this, and other, offensive behavior.

(o) Increase in Insurance Cost. Nothing shall be done or kept within any Unit or on the Common Areas, including Limited Common Areas, which will increase the cost of insurance to the Association or to other Owners. No Owner shall permit anything to be done or kept within his or her Unit or Common Areas which will result in cancellation of insurance on any Unit.

## 7.2 *Association Rules and Regulations.*

In addition to the restrictions and requirements in Section 7.1 above, the Management Committee from time to time may, by resolution, adopt, modify, or revoke such rules and regulations governing the conduct of persons and the operation and use of the Units and Common Areas as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Property. Reasonable fines may be levied and collected as an assessment for violations of said Rules and Regulations.

## NOTES

## ARTICLE VIII

### *DECLARANT RIGHTS AND CONTROL*

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#### **8.1 Administrative Control of Association.**

Declarant shall assume full administrative control of the Association through an appointed interim Management Committee, which shall serve until the Turnover Meeting. The Turnover Meeting shall be held within ninety (90) days of the earlier of the following:

- (a) Seven years from the recording of this Declaration; or
- (b) The Declarant having conveyed eighty-percent (80% i.e., 16 Units) of the Units.

The Declarant, however, may elect to relinquish control of the Association at an earlier time by written notice to Owners and the Turnover Meeting shall be held within ninety (90) days of such notice.

#### **8.2 Other Rights.**

In addition to any other rights under this Declaration or the Bylaws, as long as Declarant owns at least one (1) Unit within the Property, Declarant:

- (a) Sales Office and Model. Shall have the right to maintain a sales office and model in one or more of the Units which Declarant owns. Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week.

- (b) "For Sale Signs." May maintain a reasonable number of "For Sale" signs, the size of which may be determined by Declarant, at reasonable locations on the Property.

- (c) Approval of Amendments. Consistent with the amendment provisions of this Declaration and Bylaws, for so long as the Declarant owns at least one Unit within the Property or any Additional Property, Declarant shall have the right to approve all amendments to the Declaration or Bylaws of the Association proposed by the members.

#### **8.3 Easements Reserved to Declarant.**

- (a) The reservation to Declarant, its successors and assigns, of non-exclusive easements and rights of way over those strips or parcels of land designated or to be designated on the Plat as "Drainage and Utility Easement," "Sewer Easement," "Drainage and Sewage Easement," and "Open Space," or otherwise designated as an easement area over any road or on the Property, and over those strips of land running along the front, rear, side and other Unit lines of each Unit shown on the Plat.

- (b) An easement for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Property and the Units therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to

any Unit, or in the area or on the area in which the same is located.

NOTES

(c) Declarant further reserves unto itself and its successors and assigns, the right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Common Area and grade a portion of such Common Area adjacent to such street, provided such grading does not materially interfere with the use or occupancy of any Structure built on such Common Area, but Declarant shall not be under any obligation or duty to do such grading or to maintain any slope.



## ARTICLE IX

### ASSOCIATION

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#### **9.1 Organization.**

(a) The Association has been organized as a nonprofit corporation under the nonprofit corporation laws of the State of Utah (Utah Code Annotate Titled 16 Chapter 16a, as may be amended from time to time). The name of the association is "The Chateau Re've Cottages Owners Association, Inc."

(b) The Articles of Incorporation of the Association provide for its perpetual existence, but in the event the Association is at any time dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. All of the property, powers and obligations of the incorporated Association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association.

Such vesting shall thereafter be confirmed as evidenced by appropriate conveyances and assignments by the incorporated Association. However, the Management Committee, upon its own motion, may re-incorporate the Association without a vote of the Owners.

To the greatest extent possible, any successor unincorporated association shall be governed by the Articles of Incorporation and Bylaws (as the same may be amended from time to time) as if they had been drafted to constitute the governing documents of the unincorporated association.

(c) The affairs of the Association shall be governed by a Management Committee as provided in the Bylaws.

#### **9.2 Membership; Management Committee.**

Each Owner during the entire period of Owner's ownership of one or more Units within the Community shall be a member of the Association. The membership shall commence, exist and continue by simple virtue of the ownership, shall expire automatically upon termination of ownership and need not be confirmed or evidenced by any certificate or acceptance of membership.

#### **9.3 Voting Rights.**

Voting rights within the Association shall be allocated as follows:

(a) Units. Subject to any rights granted to Declarant during the period of Declarant control expressed Article VIII above, each Owner shall have one (1) vote in matters of the Association for each Unit owned as set forth in the Bylaws.

(b) Method of Voting. The method of voting shall be as provided in the Bylaws.

#### **9.4 Powers, Duties and Obligations.**

The Association shall have such powers and duties as may be granted to it or imposed by this Declaration, the Articles of Incorporation, the Bylaws and any applicable statute, as such statute may be amended to expand the scope of association powers, including without limitation:

(a) Duties of the Association. Without limiting any other duties which may be imposed upon the Association by its Articles of Incorporation or this Declaration; the Association shall have the obligation and duty to do and perform each and every one of the following for the benefit of the Owners and the maintenance and improvement of the Property:

(1) The Association shall accept all Owners as members of the Association.

(2) The Association shall maintain the Common Areas.

(3) To the extent not assessed to or paid by the Owners directly, the Association shall pay all real property taxes and assessments levied upon any portion of the Property, provided that the Association shall have the right to contest or compromise any such taxes or assessments.

(4) The Association shall obtain and maintain in force the policies of insurance required by the provisions of this Declaration.

(5) The Association may employ a responsible corporation, partnership, firm, person or other entity as the Managing Agent to manage and control the Community, subject at all times to direction by the Management Committee, with such administrative functions and powers as shall be delegated to the Managing Agent by the Officers.

(b) Powers and Authority of the Association. The Association shall have all the powers set forth in its Articles of Incorporation and any Bylaws, together with its general powers as a corporation, and the power to do any and all things which may be

authorized, required or permitted to be done by the Association under and by virtue of this Declaration, including the power to levy and collect assessments and fines as provided in this Declaration. Without in any way limiting the generality of the foregoing, the Association shall have the following powers:

(1) The Association shall have the power and authority at any time and from time to time and without liability to any Owner for trespass, damage or otherwise, to enter into any Unit for the purpose of maintaining and repairing such Unit or any improvement thereon if for any reason the Owner fails to maintain and repair such Unit or improvement, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such Unit in violation of this Declaration.

The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or any rules and regulations promulgated by the Officers, or to enforce by mandatory injunction or otherwise all of the provisions of this Declaration and such rules and regulations.

(2) In fulfilling any of its duties under this Declaration, including its duties for the maintenance, repair, operation or administration of the Community or in exercising any of its rights to construct, maintain and repair the Common Areas, and provided that any contract for goods or services having a term of more than one (1) year shall state that it may be terminated by either party at the end of the first year or at

any time thereafter upon no less than ninety (90) days written notice, the Association shall have the power and authority (i) to pay and discharge any and all liens placed upon any Unit on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration and (ii) to obtain, contract and pay for, or to otherwise provide for:

(i) Such utility services, including (without limitation) water, sewer, trash removal, snow removal, electrical, telephone and gas services, as the Officers may from time to time deem desirable;

(ii) The services of architects, engineers, attorneys and certified public accountants and such other professional or nonprofessional services as the Officers may deem desirable.

(3) The Officers may delegate by resolution or contract to the Managing Agent any of its powers under this Declaration; provided, however, that the Officers cannot delegate to such Managing Agent the power to execute any contract binding on the Association for a sum in excess of One Thousand Dollars (\$1,000.00).

***9.5 Adoption of Bylaws, Appointment of Interim Management Committee.***

The Association has adopted Bylaws for the Association which are being recorded simultaneously with this Declaration as **Exhibit "C."** Declarant has appointed an interim Management Committee of the Association, which shall serve until their successors have been elected at the Turnover

Meeting as provided in Article VIII above.

NOTES

## ARTICLE X

### *PARTY WALLS*

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#### ***10.1 General Rules of Law Apply.***

#### NOTES

Each wall to be built as a part of the original construction of any Unit and placed substantially on a dividing line between any two (2) Units shall constitute a party wall and shall be deemed Common Area. However, in the event the Owner, tenant, guest or invitees causes damage to the party wall, then the general rules of law regarding party walls and liability for damage due to negligence or willful acts or omissions shall apply thereto.

#### ***10.2 Sharing or Repair and Maintenance.***

In the event that damage to a party wall in chargeable as an individual assessment, the cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

#### ***10.3 Right to Contribution Runs with Land.***

Other than for instances where the party wall is maintained as a Common Area, the right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

## ARTICLE XI

### ASSOCIATION AND OWNER MAINTENANCE OBLIGATIONS - UNITS AND COMMON AREAS

#### **11.1 Owner's Responsibility.**

(a) Units. Maintenance of the Units shall be the sole responsibility of the Owner(s) thereof, who shall maintain such Unit in good repair so as to not interfere with other Owner's Units or the Common Areas. Each Owner at his or her sole expense shall maintain, repair, paint, re-paint, tile, paper or otherwise re-finish or decorate the interior surfaces of the walls, ceilings, floors, interior and exterior windows, and interior and exterior doors/door frames forming the boundaries of his or her Unit and all walls, ceilings, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of his or her Unit in good repair and in a clean and sanitary condition, he or she shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, heating equipment, air conditioners, lighting fixtures, refrigerators, dishwasher, disposal equipment, ranges, toilets, or other appliances or fixtures that may be in, or connected with, his or her Unit. Each Unit shall be maintained so as to not detract from the appearance of the Community and so as to not adversely affect the value or use of any other Unit.

(b) Limited Common Area. Each Unit Owner shall, at its own cost, keep the Limited Common Areas in a clean, sanitary and attractive condition at all times. Each Unit Owner shall be responsible for the cost of maintenance, repair of all Limited Common Areas, as shown on the Plat Map.

#### **11.2 Maintenance by Association.**

(a) Common Areas. The Association shall maintain the Common Areas of the Property including Limited Common Area Improvements unless otherwise stated in this Declaration, Section 11.1. However, if the Common Areas are damaged by the willful misconduct of an Owner, their guests, tenants, or invitees, the Owner shall be responsible for all such damage.

The Association shall provide for snow removal from the driveways and sidewalks. The Association shall also maintain all Common Area amenities which may be installed from time to time.

Additionally, the Association, by and through the Management Committee, may assume the Owner's general maintenance responsibility over a Unit and Limited Common Area if, in the opinion of the Management Committee, the Owner is unwilling or unable to adequately provide such maintenance. Before assuming such maintenance responsibility, the Management Committee shall provide notice to the Owner of its intention to do so, and if such Owner has not commenced and diligently pursued remedial action with thirty (30) days after mailing of such written notice, then the Association may proceed to maintain the Unit.

The expenses of such maintenance incurred by the Association shall be reimbursed to the Association by the Owner. Such expenses shall be levied and collected in the same manner as assessments pursuant to this Declaration and the Bylaws.

## ARTICLE XII

### *COMPLIANCE AND ENFORCEMENT*

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#### **12.1 Compliance.**

Each Owner, tenant or occupant of a Unit shall comply with the provisions of this Declaration, the Bylaws and the rules and regulations adopted pursuant thereto and any applicable statute.

Failure to comply therewith shall be grounds for an action or suit maintainable by the Association or an aggrieved Owner.

#### **12.2 Remedies.**

Violation of any provisions of this Declaration, the Bylaws, or any rules or regulations adopted pursuant thereto, or of any decision of the Association made pursuant to such documents, shall give the Management Committee acting on behalf of the Association, the right, in addition to any other rights set forth in this Declaration or the Bylaws, or under law, to do, any or all of the following after giving notice:

(a) Subject to the provisions of this Declaration, to enter the Unit which or as to which such violation exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist contrary to the intent and meaning of such provisions, and the Management Committee shall not thereby be deemed guilty of any manner of trespass, provided that judicial proceedings shall be instituted before any items of construction may be altered or demolished;

(b) To enjoin, abate, or remedy such thing or condition by appropriate legal proceeding;

(c) To levy reasonable fines pursuant to a schedule of fines adopted by resolution of the Management Committee a copy of which has been delivered to each Owner, mailed to the mailing address of Unit or mailed to the mailing address designated by the Owner in writing to the Association;

(d) To terminate the right to receive utility services paid for out of assessments, if any, or, except for the right to an assigned parking space, to terminate the right of access to and use of recreational and service facilities of the Association, if any, until the correction of the violation has occurred; or

(e) The right of the Association to suspend the voting rights after notice and a hearing for any period not to exceed sixty (60) days for any infraction of any of the published rules and regulations of the Association or of this Declaration.

(f) Bring suit or action against the Owner on behalf of the Association and other Owners to enforce this Declaration, the Bylaws and any rules or regulations adopted pursuant thereto.

#### **12.3 Action by Owners.**

Subject to any limitation imposed under this Declaration, the Bylaw or Utah law, an aggrieved Owner may bring an action against such other Owner or the Association to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

***12.4 Injunctive Relief.***

NOTES

Nothing in this section shall prevent an Owner, the Association, or other interested party from resort to a court of competent jurisdiction in those instances where injunctive relief may be appropriate.

***12.5 Notification of First Mortgagee.***

The Management Committee shall notify in writing any first Mortgagee of any individual Unit of any default in performance of the terms of this Declaration by the Unit Owner which is not cured within sixty (60) days provided such Mortgagee has requested in writing to be so notified.

## ARTICLE XIII

### INSURANCE

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#### **13.1 Types of Insurance Maintained by the Association.**

The Association shall obtain the following types of insurance:

(a) A public liability insurance policy covering the Association, its officers, Committee members and managing agents, having at least a Five Hundred Thousand Dollar (\$500,000.00) limit per total claims that arise from the same occurrence or in an amount not less than the minimum amount required by applicable law, ordinance or regulation;

(b) Workers' compensation insurance, if and to the extent required by law; and

(c) Fidelity bond or bonds covering all Directors, officers, employees and other persons handling or responsible for the funds of the Association, in such amounts as the Management Committee deems appropriate.

(d) Property and casualty insurance for the full replacement value of the entire Property. If, however, loss to the Property is caused by the fault, either negligent or intentional, of an Owner, their guests, tenants, or invitees, the Association's insurance policy, as required hereunder, shall be deemed "secondary."

That is, the at-fault Owner's policy shall be primary and shall be claimed against first before claiming on the Association's master policy.

#### **13.2 Premiums for Insurance Maintained by Association.**

Premiums for all insurance and bonds required to be carried under Section 13.1 hereof or otherwise obtained by the Association shall be a Common Expense of the Association, and shall be included in the Annual Assessments. Premiums on any fidelity bond maintained by a third party manager shall not be an expense of the Association.

#### **13.3 Hazard Insurance on Improved Units.**

Each Owner of an improved Unit at all times shall maintain fire and extended coverage insurance or other appropriate damage and physical loss insurance, in an amount equal to not less than one hundred percent (100%) of the current replacement value of the improvements on the Unit.

#### **13.4 Obligation of Unit Owner to Repair and Restore.**

(a) In the event that any damage or destruction of the improvements in a Unit or to an adjoining Unit are due to the neglect and/or fault of a particular Owner, the insurance proceeds from the "at fault" Owner's insurance policy on an improved Unit, unless retained by a Mortgagee of a Unit, shall be applied first to the repair, restoration or replacement of the damaged or destroyed improvements.



Any such repair, restoration or replacement shall be done in accordance with the plans and specifications for such improvements originally approved by the Declarant or the *Management Committee as the case may be*; unless the Owner desires to construct improvements differing from those so approved, in which event the Owner shall submit plans and specifications for the improvements to the Management Committee and obtain its written approval prior to commencing the repair, restoration or replacement.

## NOTES

(b) If any Owner of an improved Unit fails to maintain the insurance required by Section 13.3 above of this Article, the Association may, but shall not be obligated to, obtain such insurance and pay any premiums required in connection with obtaining such insurance. Such Owner shall be personally liable to the Association for any costs incurred by the Association in obtaining such insurance, to the same extent as such Owner is liable for assessments levied against its Unit, and, upon the failure of the Owner to pay such costs within ten (10) days after such Owner's receipt of a written demand therefor from the Association, the Association may establish a lien therefor upon the Owner's Unit in accordance with and subject to the provisions of this Declaration applicable to an assessment lien.

## ARTICLE XIV

### AMENDMENT AND DURATION

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#### 14.1 Amendments.

(a) How Proposed. Amendments to the Declaration shall be proposed by either a majority of the Management Committee or by Owners holding thirty percent (30%) or more of the voting rights of the Association. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for approval or consent to the amendment

(b) Approval Required. Except as otherwise provided in Subsections (c) and (e) of this section or by other provisions of this Declaration, this Declaration may be amended if such amendment is approved by Owners holding sixty-seven percent (67%) of the voting rights of the Association.

Notwithstanding the foregoing, however, for so long as the Declarant owns a single Unit in the Property or any of the Additional Property, any and all amendments proposed pursuant to this Section must first receive the approval of the Declarant. Failure to receive such approval shall make the amendment null and void.

(c) Additional Approval Requirements.

(1) No amendment may create, limit or diminish any special Declarant rights, change the boundary of any Unit, change the method of determining liability for Common Expenses or right to common profits, or voting rights of any Unit unless the Owners of the affected Units unanimously consent to the amendment.

(d) Execution and Recordation. An amendment shall not be effective until the

amendment is certified by the president and secretary of the Association as being adopted in accordance with this Declaration is acknowledged and is recorded in the Recorder's Office of Salt Lake County, Utah.

#### 14.2 Duration.

(a) Period. This Declaration perpetually shall run with the land and shall be and remain in full force and effect at all times with respect to all property included within the Property and the Owners thereof for an initial period of fifty (50) years commencing with the date on which this Declaration is recorded. Subject to Subsection (b) of this section, thereafter, this Declaration shall continue to run with the land and be and remain in full force and effect at all time with respect to all property within the Property and the Owners thereof for successive additional period of ten (10) years each. The continuation from the initial or any additional period into the next subsequent period shall be automatic and without the necessity of any notice, consent or other action whatsoever.

(b) Termination. This Declaration may be terminated at the end of the initial or any additional period by resolution approved not less than six (6) months prior to the intended termination date by the vote or written consent of Owners owning not less than ninety percent (90%) of the voting rights in the Association.

(c) Execution and Recording of Termination Certificate. Any such termination shall become effective only if a certificate of the president and secretary of the Association, certifying that termination as of a specified termination date has been approved in the manner required herein, is duly acknowledged

and recorded in the Recorder's Office of Salt Lake County, Utah not less than six (6) months prior to the intended termination date.

NOTES

## ARTICLE XV

### *RIGHTS OF MORTGAGEES*

---

#### **15.1 Approval Required.**

In addition to any other approvals required by this Declaration, or the Bylaws, subject to any special Declarant rights, the prior written approval of fifty-one percent (51%) of the holders of first Mortgages of Units in the Community (based upon one vote for each Mortgage owned) must be obtained for the following (**however, the Mortgagee consent required herein is only applicable to those Mortgagees that have made a prior written request to be notified of any of the following issues.**):

(a) The abandonment, termination, or removal of the Property from the provisions of this Declaration, except when provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(b) The addition of Common Property;

(c) Any material amendment to this Declaration or the Bylaws. Except for an amendment to the Declaration or Bylaw if its purpose is to correct technical errors or to clarify, a change to the following would be considered as material:

(1) Voting rights;

(2) The funding of reserves for maintenance, repair, and replacement of the Common Areas;

(3) Responsibility for maintenance and repairs;

(4) Redefinition of any Unit boundaries;

(5) Convertibility of Units into Common Property or vice versa;

(6) Expansion or contraction of the project, or the addition, annexation, or withdrawal of property to or from the project;

(7) Insurance or fidelity bond;

(8) Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration or the Bylaws;

(9) Any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or

(10) Any provisions that expressly benefit mortgage holders, insurers, or guarantors; or

(d) Use of hazard insurance proceeds for losses to any planned community property, whether to Units, for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units.

#### **15.2 Additional Rights.**

In addition to the approvals required in Section 15.1 above, each mortgagee (or beneficiary of a trust deed or vendor and including guarantors) shall have the following rights:

NOTES

(a) Right to Examine Books and Records. All mortgagees shall have the right to examine the books and records of the Association upon reasonable notice and at reasonable times.

(b) Right to Annual Reports. All mortgagees shall, upon written request, be entitled to receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

(c) Right to Receive Written Notice of Meetings. The Association shall give all mortgagees, upon written request, written notice of all meetings of the Association, and such mortgagees shall be permitted to designate a representative to attend all such meetings.

***15.3 Request for Approval of Mortgagees.***

Any mortgagee that has requested, and subsequently receives, a written request to approve amendments to the Declaration or Bylaws, or any other action to be taken by the Management Committee, the Association or Owners, shall be considered to have given such approval unless such mortgagee delivers or posts a negative response within thirty (30) days after receipt of such request.

## ARTICLE XVI

### *MISCELLANEOUS PROVISIONS*

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#### **16.1 *Invalidity; Number; Captions .***

The invalidity of any part of this Declaration shall not impair or affect in any manner the validity, enforceability, or effect of the balance of this Declaration. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Declaration.

#### **16.2 *Joint Owners.***

In any case in which two or more persons share the ownership of any Unit, regardless of the form of ownership, the responsibility of such persons to comply with this Declaration shall be a joint and several responsibility and the act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Management Committee, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter in accordance with the Bylaws.

#### **16.3 *Lessees and Other Invitees.***

Lessees, invitees, contractors, family members and other persons entering the Property under rights derived from an Owner shall comply with all of the provisions of this Declaration, the

Bylaws and rules and regulations adopted by the Association restricting or regulating the Owner's use, improvement or enjoyment of such Owner's Unit and other areas within the Property. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner.

#### **16.4 *Nonwaiver.***

Failure by Declarant, the Association, the Management Committee or any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

#### **16.5 *Waiver, Precedent and Estoppel.***

No restriction, condition, obligation or provision contained in this Declaration or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Declarant, Association, the Management Committee or any Owner by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute precedent or estoppel impairing the right of the Declarant, Association, Management Committee or Owner as to any similar matter.

#### **16.6 *Notice of Sale, Mortgage, Rental, or Lease.***

Immediately upon the sale, mortgage, rental, or lease of any Unit, the Owner shall promptly inform the secretary or manager of the name and address of said grantee, vendee, mortgagee, lessee, or tenant.

IN WITNESS WHEREOF, Tabriz Construction & Development, LLC has executed this Declaration this 18 day of May, 2007.

**TABRIZ CONSTRUCTION & DEVELOPMENT, LLC:**

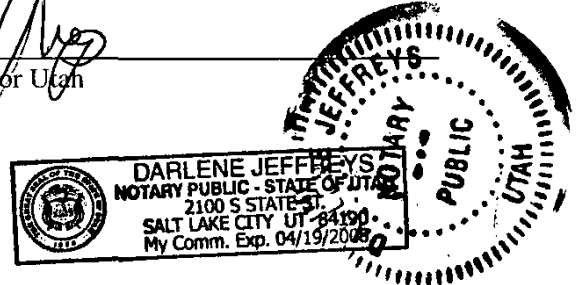
By: M. Dehmanji  
\_\_\_\_\_  
, President

By: \_\_\_\_\_  
\_\_\_\_\_  
, Secretary

STATE OF UTAH                    )  
  )ss:  
County of Salt Lake            )

The foregoing instrument was acknowledged before me on this 18<sup>th</sup> day of MAY, 2007 by MEHRAN TABMASSEB and \_\_\_\_\_, President and Secretary, respectively, of Tabriz Construction & Development, LLC.

[Signature]  
\_\_\_\_\_  
Notary Public for Utah



**EXHIBIT "A"**  
(LEGAL DESCRIPTION)

COMMENCING 574.67 FEET SOUTH FROM THE NORTHEAST CORNER OF LOT 10, BLOCK 8, 10 ACRE PLAT "A," BIG FIELD SURVEY, AND RUNNING THENCE WEST 345 FEET; THENCE SOUTH 207.33 FEET; THENCE SOUTH 80°30' EAST 69.79 FEET; THENCE NORTH 61°57' EAST 104.5 FEET; THENCE NORTH 61°36' EAST 209.06 FEET; THENCE NORTH 00°02'03" EAST 70.27 FEET (NORTH 50.88 FEET - DEED) TO THE BEGINNING.

BEING THE PROPOSED CHATEAU RE'VE COTTAGES, A UTAH CONDOMINIUM PROJECT.

PARCEL IDENTIFICATION NO. 16-31-376-022.



## EXHIBIT "B"

<u>Unit #</u>	<u>Square Feet</u>	<u>Percentage Interest in the Common Areas</u>	<u>Physical Address of Unit</u>
1	<u>2050</u>	<u>5.263</u>	<u>251 Ailee Lane</u>
2	<u>2050</u>	<u>5.263</u>	<u>255 Ailee Lane</u>
3	<u>2050</u>	<u>5.263</u>	<u>259 Ailee Lane</u>
4	<u>2050</u>	<u>5.263</u>	<u>263 Ailee Lane</u>
5	<u>2050</u>	<u>5.263</u>	<u>267 Ailee Lane</u>
6	<u>2050</u>	<u>5.263</u>	<u>271 Ailee Lane</u>
7	<u>2050</u>	<u>5.263</u>	<u>275 Ailee Lane</u>
8	<u>2050</u>	<u>5.263</u>	<u>279 Ailee Lane</u>
9	<u>2050</u>	<u>5.263</u>	<u>283 Ailee Lane</u>
10	<u>2050</u>	<u>5.263</u>	<u>287 Ailee Lane</u>
11	<u>2050</u>	<u>5.263</u>	<u>291 Ailee Lane</u>
12	<u>2050</u>	<u>5.263</u>	<u>295 Ailee Lane</u>
13	<u>2050</u>	<u>5.263</u>	<u>252 Ailee Lane</u>
14	<u>2050</u>	<u>5.263</u>	<u>256 Ailee Lane</u>
15	<u>2050</u>	<u>5.263</u>	<u>260 Ailee Lane</u>
16	<u>2050</u>	<u>5.263</u>	<u>264 Ailee Lane</u>
17	<u>2050</u>	<u>5.263</u>	<u>268 Ailee Lane</u>
18	<u>2050</u>	<u>5.263</u>	<u>272 Ailee Lane</u>
19	<u>2050</u>	<u>5.263</u>	<u>276 Ailee Lane</u>
	<u>38,950</u> Total Square Footage	<u>100%</u> Total Interests in the Common Areas	

EXHIBIT "C"

BYLAWS  
OF  
THE CHATEAU RE'VE COTTAGES OWNERS ASSOCIATION  
A UTAH CONDOMINIUM PROJECT

ARTICLE I

*PLAN OF UNIT OWNERSHIP*

---

**1.1 Name and Location.**

These are the Bylaws of The Chateau Re've Cottages Owners Association (the "Association").

Chateau Reve Cottages is condominium community of owners that has been subjected to Declaration of Covenants, Conditions and Restrictions and the provisions of the Utah Condominium Ownership Act, 57-8-1 et seq., and as may be amended from time to time.

**1.2 Principal Office.**

The principal office of the Association shall be located at a place as may designated by the Management Committee from time to time and as set forth in the Association's Articles of Incorporation.

**1.3 Purposes.**

This Association is formed to serve as a means through which the Unit Owners may take action with regard to the administration, management and operation of the Association, maintain the Common Areas, and enforce the use restrictions affecting all Units and Common Areas.

**1.4 Applicability of Bylaws.**

The Association, all Unit Owners and all persons using the Property (as defined in the Declaration) shall be subject to these Bylaws and to all rules and regulations which may be adopted pursuant to the Declaration and these Bylaws.

**1.5 Composition of Association.**

The Association shall be composed of all Unit Owners, including Tabriz Construction & Development, LLC (the "Declarant"), and the Association, itself, to the extent any of these own any Unit or Units of the Property.

**1.6 Incorporation of Association.**

(a) The Association shall be incorporated under the Utah Revised Nonprofit Corporation Act. The Articles of Incorporation of the Association shall be consistent with the Declaration and these Bylaws, and these Bylaws shall constitute the Bylaws of the incorporated association. The name of the association shall be "The Chateau Re've Cottages Owners Association."

**1.7 Definitions.**

The definitions contained in or adopted by the Declaration shall be applicable to these Bylaws.

NOTES

ARTICLE II

*MEETINGS OF ASSOCIATION*

---

**2.1 Place of Meeting.**

The Association shall hold meetings at such suitable place convenient to the Owners as may be designated by the Management Committee from time to time.

**2.2 Initial Meeting.**

The initial meeting of the Association shall be the first annual meeting of the Association pursuant to the provisions of Section 2.4 below, unless the Turnover Meeting is called by the Declarant prior to the date of the first annual meeting, in which case the initial meeting of the Association shall be the Turnover Meeting.

**2.3 Turnover Meeting.**

(a) The Declarant shall call the Turnover Meeting pursuant to the provisions of Section 2.6 below in accordance with the terms of the Declaration. The purpose of the meeting shall be to organize the Association and to elect directors. If the Turnover Meeting is not called within the time specified, the meeting may be called and notice given by any Owner or first mortgagee of a unit.

(b) At the Turnover Meeting, the Declarant shall turn over to the Owners the responsibility for the administration of the Association, and the Owners shall accept the administrative responsibility from the Declarant. The Declarant shall deliver to the Association all records, documents and instruments relating to the Property and the Association.

**2.4 Annual Meetings.**

The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at a time and place within the State of Utah selected by the Management Committee of the Association. If the annual meeting of the members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

**2.5 Special Meetings.**

Special meetings of the members may be called at any time by the president or by the Management Committee, or upon written request of the at least thirty percent (30%) of the members stating the purpose of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

**2.6 Notice of Meetings.**

Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days but not more than sixty (60) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting,

and, in the case of a special meeting, the purpose of the meeting.

## **2.7 Voting.**

Each Unit shall be allocated one vote in the affairs of the Association. The Management Committee shall be entitled to vote on behalf of any Unit which has been acquired by or on behalf of the Association, except the Management Committee shall not be entitled to vote such Units in any election of Management Committee members.

## **2.8 Proxies, Absentee Ballots and Rights of Mortgagees.**

### **(a) Proxies**

(1) A vote may be cast in person or by proxy. A proxy given by an Owner to any person who represents the Owner at meetings of the Association shall be in writing, dated and signed by such Owner and shall be filed with the secretary in accordance with procedures adopted by resolution of the Management Committee.

(2) No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy; however, no proxy may be valid for more than eleven (11) months after the date of execution.

(3) No proxy shall be valid if it purports to be revocable without notice.

(4) An Owner may not revoke a proxy given except by actual notice of revocation to the person presiding over a meeting of the Association or to the Management Committee if a vote is being

conducted by written ballot in lieu of a meeting pursuant to Section 2.14 below.

(5) Every proxy shall automatically cease upon sale of the Unit.

(b) Absentee Ballots. At the discretion of the Management Committee, a vote may be cast by absentee ballot. The use of absentee ballots shall be as set forth by the Management Committee.

### **(c) Mortgage Rights.**

(1) An Owner may pledge or assign the owner's voting rights to a Mortgagee. In such a case, the Mortgagee or its designated representative shall be entitled to receive all notices to which the owner is entitled hereunder and to exercise the owner's voting rights from and after the time that the Mortgagee shall have given written notice of the pledge or assignment to the Management Committee.

(2) Any first Mortgagee may designate a representative to attend all or any meetings of the Association.

## **2.9 Fiduciaries.**

(a) Fiduciaries. An executor, administrator, guardian, or trustee may vote in person or by proxy, at any meeting of the Association with respect to any Unit owned or held in such capacity, whether or not the same shall have been transferred to his or her name; provided, that the person shall satisfy the secretary that he or she is the executor, administrator, guardian, or trustee holding the Unit in such capacity.

**2.10 Quorum of Owners.**

(a) Except as otherwise provided in the Declaration or these Bylaws, at any meeting of the Association, Owners holding twenty percent (20%) of the voting rights, present in person or by proxy, or absentee ballot if permitted under Section 2.8(b) above, shall constitute a quorum.

(b) The subsequent ratification of an Owner, in the action taken at a meeting shall constitute the presence of the person for the purpose of determining a quorum. When a quorum is once present to organize a meeting it cannot be broken by the subsequent withdrawal of an Owner or Owners.

(c) If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. For each adjourned meeting, the quorum requirement shall be reduced by one-fourth (1/4) of the quorum requirement of the previous meeting. The adjournment provisions of this subsection (c) do not apply to action by written ballot in lieu of a meeting under Section 2.14 below.

**2.11 Binding Vote.**

The vote of the holders of more than fifty percent (50%) of the voting rights present, in person or by proxy or absentee ballot if permitted under Section 2.8(b) above, at a meeting at which a quorum is constituted shall be binding upon all s for all purposes except where a higher percentage vote is required by law, the Declaration, or these Bylaws.

**2.12 Order of Business.**

The order of business at annual meetings of the Association, unless otherwise changed by the Management Committee, shall be:

- (a) Calling of the roll and certifying of proxies (and absentee ballots, if any);
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees, if any;
- (f) Election of Management Committees;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

**2.13 Meeting Procedure.**

Unless other rules of order are adopted by resolution of the Management Committee:

- (a) Meetings of the Association shall be conducted according to Management Committee adopted rules of procedure. If no formal rules have been adopted, then the latest edition of Robert's Rules of Order published by the Robert's Rules Association shall govern meetings.
- (b) A decision of the Association may not be challenged because the appropriate rules of order were not used unless a person entitled to

be heard was denied the right to be heard and raised an objection at the meeting in which the right to be heard was denied.

(c) A decision of the Association is deemed valid without regard to procedural errors related to the rules of order one year after the decision is made unless the error appears on the face of a written instrument memorializing the decision.

**2.14 Action By Written Ballot In Lieu of a Meeting.**

(a) Action By Written Ballot. At the discretion of the Management Committee, any action, except election or removal of Management Committees, that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Owner that is entitled to vote on the matter not less than twenty (20) days prior to the date on which the ballots must be received by the Association in order to be counted.

(b) Form and Effect of Ballot

(1) The written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action.

(2) A written ballot may not be revoked.

(c) Information Required in Ballot Solicitations. All solicitations for votes by written ballot must:

(1) State the number of responses needed to meet any applicable quorum

requirements and the total percentage of votes needed for approval.

(2) Specify the period during which the Association will accept written ballots for counting, which period shall end on the earliest of the following unless the vote is pursuant to the secrecy procedure described in Subsection (d) of this section:

(A) The date on which the Association has received a sufficient number of approving ballots to pass the proposal;

(B) The date on which the Association has received a sufficient number of disapproving ballots to render the proposal impossible of passage; or

(C) A date certain on which all ballots must be returned to be counted.

(d) Secrecy Procedure. The Management Committee may elect to conduct a vote pursuant to this section by a secrecy procedure whereby a written ballot is accompanied by:

(A) A secrecy envelope;

(B) A return identification envelope to be signed by the owner; and

(C) Instructions for marking and returning the ballot.

(e) Determination of Vote. The outcome of a vote by written ballot in lieu of a meeting shall be determined by the Management Committee within forty-eight (48) hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within

forty-eight (48) hours of the postponed date. Matters that may be voted on by written ballot shall be deemed approved or rejected as follows:

(1) If approval of a proposed action would otherwise require a meeting at which a certain quorum must be present and at which a certain percentage of total votes cast is required to authorize the action, the proposal will be deemed to be approved when the date for return of ballots has passed, a quorum of owners has voted and the required percentage of approving votes has been received. Otherwise, the proposal shall be deemed to be rejected.

(2) If approval of a proposed action otherwise would require a meeting at which a specified percentage of owners must authorize the action, the proposal shall be deemed to be approved when the percentage of total votes cast in favor of the proposal equals or exceeds such required percentage. The proposal shall be deemed to be rejected when the number of votes cast in opposition renders approval impossible or when both the date for return of ballots has passed and such required percentage has not been met.

(3) Except as provided in Subsection (e)(4) of this section, votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are entered.

(4) Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

(f) Owner Notification of Ballot Results. Each Owner shall be notified within ten (10) days after the ballots have been counted, by mail or other delivery of written notice, of the results of the ballot meeting or that a quorum of ballots was not returned.

#### **2.15 Action Without a Meeting.**

(a) Any action that may be taken at any annual, regular or special meeting of the Association, may be taken without a meeting and without solicitation of written ballots pursuant to Section 2.14 above, if the action is taken by all of the owners entitled to vote on the action.

(b) The action must be evidenced by one or more written consents describing the action taken, signed by all of the owners entitled to vote on the action, and delivered to the Association for inclusion in the minutes or filing with the Association records.

(c) Action taken under this section is effective when the last owner signs the consent, unless the consent specifies an earlier or later effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

#### NOTES



ARTICLE III

*MANAGEMENT COMMITTEE; SELECTION; TERM OF OFFICE*

---

**3.1 Number and Qualification**

(a) The affairs of the Association shall be governed by a Management Committee composed of three (3) interim Management Committees as provided in Section 3.2 below. Subsequent to the Turnover Meeting, the Management Committee shall consist of up to three (3) Management Committees elected as provided in Section 3.3 below.

(b) Except for interim Management Committees, all Management Committees must be an Owner or the co-owner of a Unit. However, multiple owners of the same Unit may not serve as Management Committees simultaneously. An officer or employee of a corporation, a partner of a partnership, a trustee of a trust, a personal representative of an estate or an employee of a trust or estate, may serve on the Management Committee if the corporation, partnership, trust or estate owns a Unit.

**3.2 Interim Management Committees.**

Upon the recording of the Declaration, the Declarant shall appoint an interim Management Committee of three (3) Management Committees, who shall serve until replaced by the Declarant or their successors have been elected by the Owners as provided in Section 3.3 below.

**3.3 Election and Term of Office.**

(a) At the Turnover Meeting called by the Declarant, the interim Management Committees shall resign and the Owners shall elect two (2) Management Committees to

serve for two years and one (1) Management Committee to serve for one (1) year. Thereafter, the successors to each class of Management Committees shall serve for terms of two years.

(b) Upon a binding vote of the voting rights entitled to be cast by the members present or represented by proxy or absentee ballot if permitted under Section 2.8(b) above at which a quorum is present, the Management Committee may be increased from three (3) Management Committees to five (5) Management Committees. At the next annual meeting or special meeting called for such purpose, two (2) additional Management Committees shall be elected to serve, one for a one-year term, and one to serve for a two-year term.

(c) Nomination to the Management Committee and election shall be as specified in Article IV below.

(d) All Management Committees shall hold office until their respective successors shall have been elected by the members.

**3.4 Vacancies.**

Vacancies on the Management Committee, caused by any reason other than the removal of a Management Committee by a vote of the Association, shall be filled for the balance of the term of each Management Committee by vote of a majority of the remaining Management Committees even though they may constitute less than a quorum. Each person so elected shall be a Management Committee until a successor is elected upon

expiration of the term for which the person was elected by the other Management Committees to serve.

NOTES

**3.5 *Removal of Management Committees***

(a) At any annual or special meeting, other than a meeting by written ballot conducted pursuant to Section 2.14 above, any one or more of the Management Committees, other than interim Management Committees, may be removed, with or without cause, by a majority of the Owners present in person or by proxy, at a duly constituted meeting. A successor may be elected at that meeting to fill the vacancy thus created. The notice of the meeting must state that the removal is to be considered and any Management Committee whose removal has been proposed by the owners may be given an opportunity to be heard at the meeting.

(b) The Management Committee, pursuant to Section 6.2(b) below, may declare the office of a member of the Management Committee to be vacant in the event such member is absent from three (3) consecutive regular meetings of the Management Committee. The vacancy shall be filled as provided in Section 3.4 above.

**3.6 *Compensation.***

No Management Committee shall receive compensation for any service he or she may render to the Association. However, any Management Committee may be reimbursed for actual expenses incurred in the performance of his or her duties.

ARTICLE IV

*NOMINATION AND ELECTION OF MANAGEMENT COMMITTEES*

---

4.1 **Nomination.**

NOTES

(a) **Method of Nomination.** Nomination for election to the Management Committee, including action under Section 3.4 above, shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting or any special meeting held pursuant to Section 2.5 above. The Nominating Committee shall make as many nominations for election to the Management Committee as it shall in its discretion determine, but not less than the number of vacancies

(b) **Nominating Committee.** The Nominating Committee shall consist of a chairman, who shall be a member of the Management Committee; and two (2) or more members of the Association. The Nominating Committee shall be appointed by the president of the Association prior to each annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting.

4.2 ***Election.***

Election to the Management Committee shall be by secret written ballot. At the election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V

*MEETINGS OF MANAGEMENT COMMITTEES*

---

**5.1 Organizational Meeting.**

(a) Location, Date and Time. The first meeting of a newly-elected Management Committee shall be held within ten (10) days of election at such place, date and time as shall be fixed by the Management Committees at the meeting at which the Management Committees were elected and no notice shall be necessary to owners or to the newly elected Management Committees in order to legally hold the meeting providing a majority of the elected Management Committees are present.

(b) Procedure and Business. Until the election of new officers, the meeting shall be chaired by the outgoing president, or in the absence of such person, the outgoing secretary, regardless of whether the outgoing president or secretary is as member of the newly constituted Management Committee. At the organizational meeting, the Management Committee shall elect officers in accordance with Section 7.2 below and may conduct any other Association business.

**5.2 Regular Meetings.**

Regular meetings of the Management Committee shall be held at least quarterly, at such place and hour as may be fixed from time to time by resolution of the Management Committee. Should the meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

**5.3 Special Meetings.**

Special meetings of the Management Committee shall be held when called by the president of the Association, or by any two (2) Management Committees, after not less than three (3) days notice to each Management Committee by mail, including electronic mail if approved by the Management Committee, telephone, or telegraph. The notice must state the time, place, and purpose of the meeting.

**5.4 Meeting Procedure.**

Unless other rules of order are adopted by resolution of the Management Committee:

(a) Unless other rules of procedure have been adopted, meetings of the Management Committee shall be conducted according to the latest edition of Robert's Rules of Order published by the Robert's Rules Association.

(b) A decision of the Management Committee may not be challenged because the appropriate rules of order were not used unless a person entitled to be heard was denied the right to be heard and raised an objection at the meeting in which the right to be heard was denied.

(c) A decision of the Management Committee is deemed valid without regard to procedural errors related to the rules of order one year after the decision is made unless the error appears on the face of a written instrument memorializing the decision.

**5.5 *Open Meetings; Executive Sessions.***

(a) Open Meetings. Except as provided in Subsection (b) of this section, all meetings of the Management Committee shall be open to Unit Owners. However, no Owner shall have a right to participate in the Management Committee meeting unless the Owner is also a member of the Management Committee. The president shall have the authority to exclude an Owner who disrupts the proceedings at a Management Committee meeting.

(b) Executive Sessions. In the discretion of the Management Committee, the following matters may be considered in executive session:

(1) Consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation or criminal matters;

(2) Personnel matters, including salary negotiations and employee discipline;

(3) The negotiation of contracts with third parties; and

(4) Collection of unpaid assessments.

(c) Executive Session Procedure.

(1) Except in the case of an emergency, the Management Committee shall vote in an open meeting whether to meet in executive session. If the Management Committee votes to meeting in executive session, the president or other presiding officer shall state the general nature of the

action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

(2) A contract or an action considered in executive session does not become effective unless the Management Committee, following the executive session, reconvenes in open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes.

**5.6 *Meetings by Telephonic or Electronic Communication.***

In the event of an emergency, meetings of the Management Committee may be conducted by telephonic communication or by the use of a means of communication that allows all members of the Management Committee participating to hear each other simultaneously or otherwise to be able to communicate during the meeting.

**5.7 *Notice to Owners of Meetings of Management Committee.***

For other than emergency meetings, notice of each Management Committee meeting must be posted at a place or places on the property at least three (3) days prior to the meeting, or notice must be provided by a method otherwise reasonably calculated to inform the Owners of the meeting.

**5.8 Waiver of Notice.**

Any Management Committee may, at anytime, waive notice of any meeting of the Management Committee in writing, and the waiver shall be deemed equivalent to the giving of the notice. Attendance by a Management Committee at any meeting of the Management Committee shall constitute a waiver of notice by the Management Committee, except where the Management Committee attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all Management Committees are present at any meeting of the Management Committee, no notice to Management Committees shall be required and any business may be transacted at the meeting.

**5.9 Quorum and Acts.**

At all meetings of the Management Committee a majority of the existing Management Committees shall constitute a quorum for the transaction of business and the acts of the majority of the Management Committees present shall be the acts of the Management Committee. If, at any meeting of the Management Committee, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

**5.10 Action Without a Meeting.**

In the case of any emergency, the Management Committees shall have the right

to take any action in the absence of a meeting which they could take a regular or special meeting by obtaining the written approval of all the Management Committees in accordance with U.C.A. 16-6a-813 (or as this Code Section may be amended from time to time). Any action so approved shall have the same effect as though taken at a meeting of the Management Committee.

NOTES

ARTICLE VI

*POWERS, RIGHTS AND DUTIES OF EH MANAGEMENT COMMITTEE*

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**6.1 General Powers and Duties.**

The Management Committee shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, the Declaration or by these Bylaws directed to be exercised and done by the Owners.

**6.2 Specific Powers.**

In addition to powers imposed by the Declaration, these Bylaws or by resolutions of the Association, the Utah Revised Nonprofit Corporation Act or other applicable law, the Management Committee shall have the power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area, including any improvements and amenities located thereon, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.
- (b) Declare the office of a member of the Management Committee to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Management Committee.
- (c) Employ a manager, independent contractor, or such other individuals, entities or employees as they deem necessary and to prescribe their duties.

**6.3 Specific Duties.**

In addition to duties imposed by the Declaration, these Bylaws or by resolutions of the Association, the Utah Revised Nonprofit Corporation Act or other applicable law, the Management Committee shall have the duty to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such a statement is requested in writing by twenty-five percent of the members who are entitled to vote;
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
  - (1) Fix the amount of the Annual Assessment against each Unit at least thirty (30) days in advance of each Annual Assessment period;
  - (2) Send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of each Annual Assessment period;
- (d) Procure and maintain adequate liability and hazard insurance on property Owned by the Association or maintained by the Association if required by the Declaration or

any supplemental declaration annexing Additional Property to the Community.

NOTES

(e) Cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate.

(f) Cause to be maintained the Common Area and any other areas shown on the Plat that may be owned by governmental entities who are not maintaining such areas and any other property required to be maintained by the Declaration or any supplemental declaration annexing Additional Property to the Community.

(g) Establish and maintain the financial accounts of the Association.

(h) Establish a budget for payment of all Common Expenses of the Association, and institute and maintain a voucher system for payment, which shall require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of the Association's funds.

(i) Prepare and distribute annual financial statements for the Community to each Owner.

(j) At least annually, the review of the insurance coverage of the Association as provided in the Declaration.

(k) File the Annual Report with the Utah Secretary of State, Department of Corporations and Commercial Code.

(l) Prepare or cause to be prepared and filed any required income tax returns or forms.



## ARTICLE VII

### *OFFICERS AND THEIR DUTIES*

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#### **7.1 *Designation and Qualification.***

(a) Designation. The principal officers of the Association shall be a president, a vice-president, a secretary and a treasurer. The Management Committees may designate the office of assistant treasurer and assistant secretary.

(b) Qualifications. The president and vice-president shall be a member of the Management Committee, but the other officers need not be Management Committees or Owners. Any Management Committee may be an officer of the Association.

(c) Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices specified in subsection (a) of this section.

(d) Special Appointments. The Management Committee may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Management Committee may, from time to time, determine.

#### **7.2 *Election and Vacancies.***

The officers of the Association may be elected by the Management Committee at the organizational meeting of each new Management Committee held in accordance with Section 5.1 above or any Management Committee' meeting thereafter to serve until

their respective successors are elected at the next organizational meeting. If any office becomes vacant by reason of death, resignation, removal disqualification or any other cause, the Management Committee shall elect a successor to fill the unexpired term at any meeting of the Management Committee.

#### **7.3 *Resignation.***

Any officer may resign at any time by giving written notice to the Management Committee, the president or the secretary. The resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

#### **7.4 *Removal of Officers.***

Officers shall hold office at the pleasure of the Management Committee. Upon an affirmative vote of a majority of the members of the Management Committee any officer may be removed, either with or without cause.

#### **7.5 *Compensation of Officers.***

No officer who is a member of the Management Committee may receive any compensation from the Association for acting as an officer, unless the compensation is authorized by a binding vote of the Owners. The Management Committee may fix any compensation to be paid to any officers who are not also Management Committees.

## 7.6 *Duties of Officers.*

The duties of the officers are as follows:

(a) President. The president shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Management Committee. The president shall have all of the general powers and duties which are usually vested in the office of president of an association. The president shall have the authority to sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Management Committee. The Vice-President shall likewise have the authority to sign all leases, mortgages, deeds and other written instruments.

(c) Secretary. The secretary shall keep the minutes of all meetings of the Management Committee and the minutes of all meetings of the Association, have charge of such books and papers as the Management Committee may direct, and in general, perform all the duties incident to the office of secretary.

(d) Treasurer. The treasurer shall have responsibility for the Association's funds and securities not otherwise held by a managing agent, and shall be responsible for causing full and accurate accounts of all receipts and disbursements to be kept in books belonging to the Association. The treasurer shall be responsible for causing the deposit of all

monies and other valuable effects in the name and to the credit of the Association in such depositories as may, from time to time, be designated by the Management Committee and disbursing funds as directed by resolution of the Management Committee.

## NOTES

## ARTICLE VIII

### *INDEMNIFICATION OF OFFICERS AND MANAGEMENT COMMITTEES*

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Each officer and Management Committee member of the Association, in consideration of his or her services, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he or she may be a party by reason of being or having been a Management Committee or officer of the Association. The foregoing right to indemnification shall be exclusive of any other rights to which the Management Committee or officer or person may be entitled by law or agreement or vote of the members or otherwise.

### NOTES

## ARTICLE IX

### *RECORDS AND AUDITS*

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The Association shall maintain within the State of Utah all documents, information and other records of the Association in accordance with the Declaration, these Bylaws and the Utah Revised Nonprofit Corporation Act in the manner prescribed by a resolution adopted by the Management Committee of Management Committees.

#### **9.1 General Records.**

(a) The Management Committee and managing agent or manager, if any, shall keep detailed records of the actions of the Management Committee and managing agent or manager; minutes of the meetings of the Management Committee; and minutes of the meeting of the Association.

(b) The Management Committee shall maintain a Book of Resolutions containing the rules, regulations, and policies adopted by the Association and Management Committee.

(c) The Management Committee shall maintain a list of Owners and a list of all Mortgagees of Units. The list of Owners shall specify whether the Owner is an Owner in "Good Standing" or a "Suspended Owner."

(d) The Association shall retain within this state all records of the Association for not less than the period specified in applicable law, except that:

(1) Documents of a permanent nature such as the following, if available, must be maintained as permanent records of the Association:

(A) The as-built architectural, structural, engineering, mechanical, electrical and plumbing plans;

(B) The original specifications, indicating all subsequent material changes;

(C) The plans for underground site service, site grading, drainage and landscaping together with cable television drawings;

(D) Any other plans and information relevant to future repair or maintenance of the property; and

(E) A list of the general contractor and the electrical, heating and plumbing subcontractors responsible for construction or installation of common areas;

(2) Proxies and ballots must be retained for one year from the date of determination of the vote.

#### **9.2 Records of Receipts and Expenditures**

The Management Committee or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Community, itemizing the maintenance and repair expenses of the Common Area or Association property and any other expenses incurred.

**9.3 Assessment Roll.**

The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. The account shall designate the Unit number, the name and address of the Owner or Owners, the amount of each Assessment against the Owners, the dates and amounts in which the Assessment comes due, the amounts paid upon the account, and the balance due on the Assessments.

**9.4 Payment of Vouchers.**

The treasurer shall pay all vouchers up to One Thousand Dollars (\$1,000) signed by the president, managing agent, manager, or other person authorized by resolution of the Management Committee. Any voucher in excess of \$1,000 shall require the signature of the president.

**9.5 Financial Reports and Audits.**

(a) An annual report of the receipts and expenditures of the Association and a balance sheet showing assets and liabilities shall be rendered by the Management Committee to all Owners and to all mortgagees of Units who have requested the same in writing within ninety (90) days after the end of each fiscal year.

(b) From time to time the Management Committee, at the expense of the Association, may obtain an audit by a certified public accountant or other financial review of the books and records pertaining to the Association and furnish copies thereof to the Owners and Mortgagees of Units. At any time any Owner or Mortgagee may, at such Owner's or

Mortgagee's own expense, cause an audit or inspection to be made of the books and records of the Association.

**9.6 Inspection of Records by Owners.**

(a) Except as otherwise provided in Section 9.7 below, all records of the Association shall be reasonably available for examination by an Owner and any Mortgagee of a Unit pursuant to rules adopted by resolution of the Management Committee.

(b) The Management Committee shall maintain a copy, suitable for the purposes of duplication, of the following:

(1) The Declaration, Bylaws and any amendments in effect or supplements thereto, and rules and regulations of the Association.

(2) The most recent financial statement prepared pursuant to Section 9.5 above.

(3) The current operating budget of the Association.

(c) The Association, within five (5) business days after receipt of a written request by an owner, shall furnish the requested information required to be maintained under Subsection (b) of this section.

(d) The Management Committee, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of Association records and the imposition of a reasonable fee for furnishing copies of any

documents, information or records described in this section. The fee may include reasonable personnel costs incurred to furnish the information.

9.7 **Records Not Subject to Inspection.**

Records kept by or on behalf of the Association may be withheld from examination and duplication to the extent the records concern:

- (a) Personnel matters relating to a specific identified person or a person's medical records.
- (b) Contracts, leases and other business transactions that are currently under negotiation to purchase or provide goods or services.
- (c) Communications with legal counsel that relate to matters specified in Subsections (a) and (b) of this section.
- (d) Disclosure of information in violation of law.
- (e) Documents, correspondence or management or Management Committee reports compiled for or on behalf of the association or the Management Committee by its agents or committees for consideration by the Management Committee in executive session held in accordance with Section 5.5(b) above.
- (f) Documents, correspondence or other matters considered by the Management Committee in executive session held in accordance with Section 5.5(b) above.

(g) Files of individual Owners, other than those of a requesting Owner or requesting mortgagee of an individual Owner, including any individual Owner's file kept by or on behalf of the association.

9.8 **Notice of Sale or Mortgage.**

Immediately upon the sale or Mortgage of any Unit, the Owner shall promptly inform the secretary or manager of the name and address of the purchaser, vendee or Mortgagee.

**NOTES**

## ARTICLE X

### ASSESSMENTS

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#### **10.1 Member Obligation**

#### NOTES

Each member is obligated to pay to the Association Assessments specified in the Declaration which are secured by a continuing lien upon the Unit against which the assessment is made.

#### **10.2 Delinquent Assessments**

Any Assessments or portions thereof which are not paid when due shall be delinquent and subject to the remedies specified in the Declaration. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Unit, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment.

#### **10.3 No Waiver**

No Owner may waive or otherwise escape liability for the Assessment provided for in the Declaration by non-use of the Common Area or abandonment of the Owner's Unit.

## ARTICLE XI

### AMENDMENTS

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#### **11.1 How Proposed.**

Amendments to the Bylaws shall be proposed by either a majority of the Management Committee or by Owners holding at least thirty percent (30%) of the voting rights. The proposed amendment must be reduced to writing and must be included in the notice of any meeting at which action is to be taken thereon.

#### **11.2 Adoption.**

Amendments may be approved by the Association at a duly constituted meeting or meeting by written ballot in lieu of a meeting conducted pursuant to Section 2.14 above for such purpose. Subject to Section 11.3 below, a vote of at least a two-thirds (2/3) of the Owners participating in a properly convened meeting, held for such purpose, is required for approval of any amendment.

#### **11.3 Declarant Consent.**

Any amendment must be approved by the Declarant, in writing, until the Turnover Meeting and as long as Declarant owns at least one Unit in the Community.

#### **11.4 Execution and Recording.**

An amendment shall not be effective until certified by the president and secretary of the Association as being adopted in accordance with these Bylaws, acknowledged and recorded with the Recorder's Office of Salt Lake County, Utah.

#### **11.5 Challenge to Validity.**

No action to challenge the validity of an adopted amendment may be brought more than one (1) year after the amendment is recorded.

### NOTES



## ARTICLE XII

### MISCELLANEOUS

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#### **12.1 Notices.**

(a) Association. All notices to the Association or the Management Committee shall be sent care of the managing agent or, if there is no managing agent, to the principal office of the Association or to such other address as the Management Committee may hereafter designate from time to time.

#### **(b) Owners.**

(1) Except as otherwise provided in the Declaration, these Bylaws or law, all notices to any Owner shall be sent to such address as may have been designated by him or her, from time to time, in writing to the Management Committee, or if no address has been designated, then to the Owner's Unit.

(2) If a Unit is jointly owned or the Unit has been sold under a land sale contract, notice shall be sent to a single address, of which the secretary has been notified in writing by such parties. If no address has been given to the secretary in writing, then mailing to the Unit shall be sufficient.

#### **12.2 Waiver, Precedent and Estoppel.**

No restriction, condition, obligation, or provision contained in these Bylaws or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Association by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute precedent or

estoppel impairing the right of the Association as to any similar matter.

#### **12.3 Invalidity; Number; Captions.**

The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

#### **12.4 Fiscal Year.**

The fiscal year of the Association shall be determined by the Management Committee in its discretion.

#### **12.5 Conflicts.**

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

### NOTES

IN WITNESS WHEREOF, we, representing the Management Committee of The Chateau Re've Cottages Owners Association, have hereunto set our hands this 17 day of May, 2007.

E. BAILLAMPON

, Management Committee Member

Maheshk Alkarsane

, Management Committee Member

CERTIFICATION

I, THE UNDERSIGNED, do hereby certify that I am the duly elected and acting secretary of The Chateau Reve Cottages Owners Association, Inc., a Utah corporation, and that the foregoing By-Laws constitute the original Bylaws of said Corporation, as duly adopted by unanimous written consent of the Management Committee thereof on this 17 day of May, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Corporation this 17 day of May, 2007.

  
**Chateau Reve Cottages  
Owners Association, Inc.**