

## Fairmeadows

### An Open Space Community Condominium Complex

Fourteenth Supplemental Declaration of and Amendment to the Enabling Declaration of the Fairmeadows Condominium Complex, consisting of a Restated Declaration including Definitions; Covenants, Conditions and Restrictions; and Bylaws

This Fourteenth Supplemental Declaration is made and executed by the Fairmeadows Homeowners Association, 6880 South 775 East, Midvale, UT 84047

### I. RECITALS

- A. On December 6, 1978, the original enabling Declaration of Fairmeadows was filed of record in the office of the Salt Lake County Recorder in Book 4782, Pages 785 et seq., as Entry No. 3207544.
- B. On June 14, 1979, the [First] Supplementary Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 4881, Pages 455 et seq., as Entry No. 3294150 and set forth expansion of the property included in the project.
- C. On March 1, 1983, the Second Supplementary Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5440, Pages 2881 et seq., as Entry No. 3764053 and set forth and clarified requirements and provisions regarding the expansion of the project.
- D. On December 1, 1983, the Third Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5511 Pages 1249 et seq., as Entry No. 3875601 and expanded the property included in the project to be known as Phase III, Coventry at Fairmeadows.
- E. On April 30, 1984, the Fourth Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5551, Pages 1249 et seq., as Entry No. 3935083 and amended and revised the percentage interest in the common areas of the project.
- F. On June 15, 1984, the Fifth Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5565, Pages 166 et seq., as Entry No. 3955298, expanded the property included in the project, and included a restated Declaration.
- G. On June 18, 1984, the Sixth Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5565, Pages 1761 et seq., as Entry No. 3956003, expanded the property included in the project, and revised the percentage interest in the common area of the project.
- H. On August 15, 1984, the Seventh Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5582, Pages 525 et seq., as Entry No. 3980809, expanded the property included in the project, and revised the percentage interest in the common area of the project.
- I. On September 26, 1984, the Eighth Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5593, Pages 2711455 et seq., as Entry No. 3997737, expanded the property included in the project, and revised the percentage interest in the common area of the project.

- J. On October 25, 1984, the Ninth Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5601, Pages 941 et seq., as Entry No. 4008665, expanded the property included in the project, and revised the percentage interest in the common area of the project.
- K. On January 9, 1985, the Tenth Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5620, Pages 2685 et seq., as Entry No. 4036776, expanded the property included in the project, and revised the percentage interest in the common area of the project.
- L. On October 24, 1991, the Eleventh [Supplemental of and] Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 6368, Pages 2880 et seq., as Entry No. 5144467 and revised the percentage interest in the common area of the project.
- M. On January 5, 1999, the Twelfth [Supplemental of and] Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 8219, Pages 928 et seq., as Entry No. 7210660 and revised the descriptions of Personal Obligation of the Owner and Covenants to Run with the Land: Compliance in the Covenants, Conditions and Restrictions of the Declaration.
- N. On December 13, 2000, the [Thirteenth Supplemental of and] Amendment to the Declaration and By-Laws was filed of record in the Office of the Salt Lake County Recorder in Book 8407, Pages 8434 et seq., as Entry No. 7779765, revised the description of a Quorum for meetings of the Association, and revised the description of Unit Numbers and Buildings Numbers.
- O. This Supplemental to the Declaration consists of a restated Declaration (Definitions; Covenants, Conditions and Restrictions; and Bylaws) and very minor mathematical corrections to the Percentages of Ownership Interest Table for the Fairmeadows Condominium Complex (a.k.a. Fairmeadows of Countrywoods and Coventry at Fairmeadows). Under the provisions of the Utah Condominium Ownership Act, the Fairmeadows Association has elected to set forth a revised declaration, including revised bylaws, to be known collectively as a restated declaration. Specifically, the portions of the Declaration revised are Sections II and III of Exhibit C and Exhibit D in its entirety of the Fifth Supplemental. The Association has also elected to correct minor mathematical and typographical errors in the Percentages of Ownership Interest Table submitted as part of the Eleventh Amendment [Supplemental].
- P. NOW, THEREFORE, for the reasons stated above, the Declaration (Definitions; Covenants, Conditions and Restrictions; and Bylaws) are amended as follows:
1. Section II of Exhibit C to the Fifth Supplemental titled "DEFINITIONS" is deleted in its entirety and the following Section II incorporated herein is substituted in lieu thereof.
  2. Section III of Exhibit C to the Fifth Supplemental titled "COVENANTS, CONDITIONS AND RESTRICTIONS" is deleted in its entirety and the following Section III incorporated herein is substituted in lieu thereof.
  3. Exhibit D to the Fifth Supplemental titled "BY-LAWS" is deleted in its entirety and the following Section IV incorporated herein is substituted in lieu thereof.
  4. The "AMENDED NINTH REVISED EXHIBIT B – PHASE IX" contained in the Eleventh Amendment [Supplemental] is deleted in its entirety and Exhibit A incorporated herein is substituted in lieu thereof.
  5. Unit Owners holding sixty-seven (67) percent or more by Percent Interest have executed a written consent approving the revised Covenants, Conditions and Restrictions.

6. Unit Owners holding fifty-one (51) percent or more by Percent Interest executed a written consent approving the revised bylaws in their entirety.
7. All mortgagees on record at the Association's office were provided a copy of the proposed restated Declaration and an opportunity to submit comments on the document. All comments received were favorable.

## II. DEFINITIONS

Act shall mean and refer to the Utah Condominium Ownership Act (Sections 57-8-1 through 57-8-38, Utah Code Annotated (1953)), as the same may be amended from time to time.

Association shall mean and refer to all of the Unit Owners acting as a group in accordance with the Declaration, which includes the Covenants, Conditions & Restrictions and the Bylaws.

Common Areas and Facilities and Common Areas shall mean, refer to, and include:

- a. The real property and interest in real property which the Declaration has submitted or which any Declaration may submit to the terms of the Act;
- b. All Common Areas and Facilities designated as such on the Map;
- c. All Limited Common Areas and Facilities;
- d. All foundations, columns, girders, beams, supports, perimeter walls, roofs, entrances and exits which are designed for the use of more than one Unit, parking spaces, access roads, driveways, walkways, pedestrian sidewalks, landscape and planting areas, fences, street lights, and other common facilities;
- e. All apparatuses, installations, and facilities included within the Complex and existing for common use;
- f. All portions of the Complex not specifically included within the individual Units;
- g. All Common Areas as defined in the Act, whether or not enumerated herein.

Common Expenses shall mean and refer to all sums which are expended on behalf of all the Unit Owners and all sums which are required by the Management Committee to perform or exercise its functions, duties, or rights under the Act, the Declaration, any Management Agreement for operation of the Complex, and such Rules and Regulations as the Management Committee may from time to time make and adopt. By way of illustration but not limitation, Common Expenses shall include:

- a. Expenses of administration, maintenance, operation, repair, replacement of those elements of the Common Areas that must be replaced on a periodic basis, and any reserve fund as may be from time to time established pursuant to the Declaration;
- b. Expenses agreed upon as Common Expenses by the Association and lawfully assessed against the Owners in accordance with the Declaration;
- c. Expenses declared Common Expenses by the provision of the Act or by the Declaration;
- d. Any valid charge against the Complex as a whole.

Common Profits shall mean and refer to the balance of income, rents, profits, and revenues from the Common Areas remaining after deduction of the Common Expenses.

Condominium Complex and Complex shall mean and refer to the Fairmeadows Condominium Development or Project.

Condominium, Condominium Unit and Unit shall mean and refer to a separate physical part of the Property intended for independent use, consisting of rooms or spaces located in a building. Units are shown on the Map and any supplemental Map by single cross-hatching. Each Unit consists of:

- a. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only the Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like;
- b. All decorated interiors, all surfaces of interior structural walls, floors, ceilings, doors and door frames, and trim consisting of, among others things as appropriate, wallpaper, paint, flooring, carpeting and tile;
- c. All windows, window frames, doors, door frames and garage doors located within the exterior walls of the unit;
- d. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit;
- e. Any structural members (not including load bearing walls) or any other property of any kind, including fixtures and appliances within the Unit, which are removable without jeopardizing the soundness, safety, or usefulness of the remainder of the building within which the Unit is situated.

Declaration shall mean and refer to the original Declaration, including all Supplementary Declarations, Supplemental Declarations and Amendments or any Restated Declaration, which may be filed from time to time. For the purpose of the Fairmeadows Declaration, the Declaration shall include but is not limited to the Definitions, the Covenants, Conditions and Restrictions (CC&R's), and Bylaws.

Limited Common Areas and Facilities and Limited Common Areas shall mean and refer to those Common Areas designated on the Map, as reserved for the use of a certain Unit or Units to the exclusion of the other Units.

Majority of the Owners shall mean and refer to the Owners of the Units to which more than fifty percent (50%) of the votes by percent interest in the Association appertain, unless expressly stated otherwise in the Declaration.

Management Committee and Committee shall mean and refer to the elected Management Committee of the Fairmeadows Condominium Complex.

Map and Record of Survey Map shall mean and refer to the Record of Survey Map filed simultaneously with the original Declaration, consisting of three sheets, and prepared and certified to by Robert B. Jones, a duly registered Utah Land Surveyor having Certificate No. 1525, and where the context requires each additional Record of Survey Map filed with respect to the expansion thereof.

Mortgage shall mean any mortgage, deed of trust, or other security instrument by which a Unit or any part thereof is encumbered. First Mortgage shall refer to a mortgage which has a lien position prior to any other mortgage.

Mortgagee shall mean any person named as a Mortgagee (Creditor) or beneficiary under or holder of a deed of trust.

Percent Interest shall mean and refer to the percentage of undivided interest of each Unit in the Common Areas as set forth in the latest revised Percent Interest Table contained in the Supplemental Declarations.

Property shall mean and refer to the land as previously submitted to the Act and other land that may be annexed to the Complex as provided herein, the buildings, all improvements and the structures thereon, all easements, rights and appurtenances belonging thereto, and all articles therewith.

Rules and Regulations shall mean those rules and regulations adopted from time to time by the Management Committee that are deemed necessary for the proper management of the Complex, provided they are not in conflict with the Act or the Declaration.

Unit Number shall mean and refer to the number designating a Unit in the Declaration and on the Map.

Unit Owner and Owner shall mean and refer to the owner of the fee in a Unit and the Percent Interest in the Common Areas which is appurtenant thereto. In the event a Unit is the subject of an executory contract of sale, the contract purchaser upon notice to the Committee by the Purchaser shall, unless the seller and the purchaser have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for purposes of voting and Committee membership.

### III. COVENANTS, CONDITIONS AND RESTRICTIONS

#### A. Declaration and Establishment of the Fairmeadows Condominium Complex

1. Effective Date – The original Declaration became effective upon recording in the office of the County Recorder of Salt Lake County, Utah, on December 6, 1978. Each supplement or amendment to the original Declaration or any Restated Declaration shall become effective upon recording.
2. Conflicts with the Act – This Declaration is set forth to comply with the requirements of the Act. In the event of any conflict between this Declaration and the provisions of the Act, the provisions of the latter shall control.
3. Covenants to Run with Land – This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the current Owners, all parties who hereafter acquire any interest in a Unit or in the Complex, and their respective grantees, transferees, heirs, devisees, personal representatives, successors and assigns. Each Owner or occupant of a Unit shall strictly comply with, and all interests in all Units shall be subject to, the terms and provisions of the Act, of this Declaration, including the Bylaws, and any rules, regulations, agreements, instruments, determinations and decisions contemplated by this Declaration, as the same may be lawfully amended from time to time. By acquiring any interest in a Unit or in the Complex, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.
4. Computation of a Unit's Percent Interest – The Unit Owner's proportionate share in the Common Areas of the Complex is based on the size that his Unit bears to the total size of all Units. To determine proportionate shares in a manner which most equitably takes into consideration the burden of each Unit on the Common Areas, size as used herein shall mean a factor determined for each Unit equal to one-half of the sum of:
  - a. The total square footage of ground space (real property) allocable to a Unit, exclusive of any space utilized solely by garages;
  - b. The total square footage of floor space contained in a Unit, excluding the square footage contained in any basement, and/or garage;
  - c. Twenty (20) percent of the square footage of basement space of such Unit.

With the exception of votes on motions related to routine business made at the annual or special meetings, the proportionate ownership in the Common Areas shall be used for all purposes including, but not limited to: voting, election of Committee Members, participation in Common Profits, and assessments for Common Expenses.

5. Percent Interest Table – Exhibit A furnishes the following information with respect to each Unit: the Building and Unit Designation for each Unit; each Unit's size based on the above formula; and each Unit's Percent Interest. With respect to Percent Interest, to avoid a perpetual series of digits and to obtain a total of one hundred (100) percent, the Management Committee, on behalf of the Association, shall have the right to make minor adjustments to the values of some or all of the Units as shall be necessary to obtain one hundred (100) percent.
6. Invalidity of Provisions of the Declaration – The invalidity of any provisions of this Declaration, or any portion thereof, shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.
7. Waiver of Provisions of the Declaration – No provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
8. Amendment to the Declaration – A vote of at least sixty-seven (67) percent of the Percent Interest of the Unit Owners in person or represented by proxy at a meeting of the Association or by proxy only without a meeting shall be required to amend the Declaration or the Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument the Committee shall certify that the vote required by this Paragraph for amendment has occurred.

Notwithstanding anything to the contrary contained in the Declaration, neither the Insurance provisions of Section D.7., nor the Mortgagee protection provisions of Section A.9., nor the Percent Interest in the Common Areas provision of Section A.4., shall be amended without the written approval of all institutional first Mortgagees.

9. Mortgagee Protection – Notwithstanding anything to the contrary contained in the Declaration:
  - a. An adequate reserve fund for repair, maintenance and replacement of those elements of the Common Areas that must be replaced on a periodic basis must be established and shall be funded by the annual assessment (regular monthly payments) rather than by special assessments.
  - b. Any mortgagee who comes into possession of the Unit pursuant to the remedies provided in the Mortgage of Foreclosure of the Mortgage or Deed (or Assignment in Lieu of Foreclosure) shall be exempt from any provisions which may exist related to the sale or lease of the Unit(s) in the Complex.
  - c. Any agreement for professional management which may be entered into by the Committee or the Association shall provide for a term renewable or otherwise, not exceeding one (1) year and shall also provide that either party, with or without cause and without payment or any termination fee, may terminate such agreement upon thirty (30) days or less written notice.
  - d. In the event of damage to or destruction of any Unit, which loss exceeds one thousand (1,000) dollars, or any part of the Common Areas, which loss exceeds ten thousand (10,000) dollars, the institutional holder of any first mortgage on a Unit shall be entitled to timely written notice to any such damage or destruction. No Unit Owner or other party shall be entitled to priority over such institutional holder with respect to the distribution to such Unit Owner of any insurance proceeds regardless of the amount of loss. Upon request of any first mortgagee, the Association must provide a letter to said first Mortgagee wherein the Association agrees to notify the first Mortgagee or any organization it designates at the address indicated by the Mortgagee whenever damage to a Unit covered by the first

Mortgagee's Mortgage exceeds one thousand (1,000) dollars, or damage to the Common Areas and related facilities exceeds ten thousand (10,000) dollars.

- e. If any Unit or portion thereof or the Common areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the institutional holder of any first mortgage of a Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition. No Unit Owner or other party shall have priority over such institutional holder regardless of the amount of the condemnation award with respect to the distribution to such Unit Owner of the proceeds of any award or settlement.
- f. No Unit Owner shall be permitted to lease his Unit for transient or hotel purposes, which means the initial term of any lease shall be at least six (6) months and no Unit Owner may lease less than the entire Unit. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and that any failure by the lessee to comply with the terms of such document shall be in default under the lease. All leases shall be in writing.
- g. Each holder of a first mortgage lien on a Unit who obtains title to a Unit by virtue of remedies provided in the Mortgage, including but not limited to, foreclosure of the mortgage, or by deed of assignment in lieu of foreclosure, shall take the Unit free of unpaid charges and shall not be liable for any unpaid claims or assessments and charges against the Unit which accrue prior to the acquisition of title of such Unit by Mortgagee.
- h. Any holder of a Mortgage is entitled to written notification from the Management Committee of any default by the Mortgagor of such Unit in the performance of such Mortgagor's obligation under the Declaration which is not cured within sixty (60) days.
- i. Any lien which the Management Committee may have on any Unit in the Complex for the payment of Common Expenses assessments attributable to such Unit will be subordinated to the lien or equivalent security interest of any first mortgage on the Unit.
- j. Unless at least seventy-five (75) percent of the first Mortgagees (based on one vote for each Mortgage owned) of Units have given their prior written approval, neither the Management Committee nor the Association shall:
  - 1) Change the pro-rata interest or obligations of any Unit for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards.
  - 2) Partition or subdivide any Unit.
  - 3) By act or omission, seek to amend, partition, subdivide, encumber, sell, abandon or transfer the Common Areas. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas of the Complex shall not be deemed a transfer within the meaning of this subparagraph).
  - 4) Use hazard insurance proceeds for losses to any condominium property (whether to Units or to the Common Areas) for other than the repair, replacement or reconstruction of such damaged property, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Complex.
  - 5) Terminate professional management and assume self-management of the Complex.
- k. The holders of first mortgages (or trust deeds) shall have the right to examine the books and records of the Complex.

1. Not more than twenty (20) percent of the Units may be leased by Owners to other individuals at any given time.
10. Gender – The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.
11. Topical Headings – The headings appearing at the beginning of the paragraphs of this Declaration are only for convenience of reference and are not intended to describe, interpret, define, limit, extend, or otherwise affect the content, meaning or intent of this Declaration or any paragraph or provision hereof.
12. Merger – This Condominium Complex shall not merge with another or successor Condominium Project without the prior consent of the Administrator of the Veterans Administration. In addition, the Administrator's final approval of any proposed merger shall not be granted until the other or successor Condominium Project has been legally established and construction completed.
13. Eminent Domain – Whenever all or part of the Common Areas shall be taken, injured or destroyed as the result of the exercise of the power of eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, but in any proceeding for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein. After such determination each Unit Owner shall be entitled to a share in the damages in the same portion as his Percent Interest in the Common Areas.

## **B. Property and Buildings Constituting the Complex**

1. Description of Condominium Complex – The Complex buildings as constructed and submitted to the provisions of the Declaration are located on the property and all such buildings are as described on the Map. The Map indicates the number of stories, the number of Units which are contained in the Buildings, the dimensions of the Units, the recreational areas and facilities such as the clubhouse, pool, tennis courts, and all other Common Areas thereof. There are two hundred and thirty two (232) Units contained in forty four (44) buildings as follows:
  - a. Coventry Buildings – Buildings 1, 3, and 4 each contain three (3) Units; Buildings 5, 6, 7, 16, 18, 20 and 22 each contain four (4) Units; Buildings 19, 21 and 23 each contain five (5) Units; and Buildings 2 and 17 each contain six (6) Units. All Buildings contain a combination of one (1) level and two (2) level Units, and all Units have attached garages and basements.
  - b. 4-Plex Buildings – Buildings 8, 9, 10, 11, 12, 13, 14, 15, 24, 25, 26, 27, 28, 29, 30 and 31 each contain four (4) individual Units with the two (2) outer Units consisting of one (1) level and the two (2) inner Units consisting of two (2) levels. These Units have carports designated to them, each having two spaces per Unit, which are Limited Common Areas.
  - c. 8-Plex Buildings – Buildings 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, and 44 are comprised of three levels including basements for parking. Each such Building containing eight (8) individual Units. These Units have parking spaces designated to them, each having two spaces per Unit, which are Limited Common Areas.

All buildings are structurally of wood frame construction with stucco and/or rough sawn cedar exterior.

2. Common and Limited Common Areas
  - a. The Common Areas contained within the Complex are described and identified in Section II of this Declaration. Neither the Percent Interest nor the right of exclusive use of a Limited



Common Area shall be separated from the Unit to which it appertains; and, even though not specifically mentioned in the original instrument of transfer, the Percent Interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which it relates. Balconies, patios and carports shown adjacent to certain Units are Limited Common Areas appurtenant to such Unit. Storage closets for all 4-Plex Units are Limited Common Areas. Automobile parking spaces and storage closets for all Units in the 8-Plex Buildings are located in the basement thereof and such spaces are Limited Common Areas. Such Limited Common Areas are depicted on the Map by double cross-hatching.

- b. The use of the Common Areas shall be limited to all Owners in residence, their tenants in residence, their guests, invitees, and licensees. The use of each of the Limited Common Areas shall be restricted to the Owner of the Unit to which it is appurtenant, to his tenants in residence, his guests, invitees, and licensees. The use of the Common Areas and Limited Common Areas shall be governed by the Declaration and the Rules and Regulations as adopted and amended from time to time by the Management Committee.
3. Description and Legal Status of Units – The Map shows all Unit and Building designations, locations, dimensions from which areas may be determined, those Limited Common Areas which are reserved for Unit use, and the Common Areas to which Units have immediate access. All Units are residential Units. All Units are capable of being independently owned, encumbered, and conveyed.
4. Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines, and Other Common Facilities Located Inside of Units and Structural Supports – Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Facilities located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Facilities serving such other Units and located in such Unit. The Management Committee shall have a right of access to each Unit to inspect the same, to remove violations there from and to maintain, repair or replace the common areas contained therein or elsewhere in the buildings. Every portion of a Unit which contributes to the structural support of the building shall be burdened with an easement of structural support for the benefit of all other Units and the Common Areas.
5. Encroachment – If any part of the Common Areas encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance for the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance shall and does exist. Such encroachment shall not be considered to be encumbrances either to the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the building(s) on the tract, by error in the Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Complex or any part thereof.

### **C. Units and Unit Owners' Rights and Responsibilities**

1. Association Membership – Membership in the Association shall be mandatory, shall be appurtenant to the Unit in which the Owner has the necessary interest and shall not be separated from the Unit to which it appertains. All Covenants, Conditions and Restrictions shall be applicable to each and every member of the Association. The property, business and affairs of the Association shall be governed by the Management Committee as agent of the Association.
2. Compliance with Covenants – A failure by any Owner or occupant of a Unit to comply with the terms and provisions of the Act, this Declaration, or any rules, regulations, agreements,

instruments, determinations, and decisions contemplated by this Declaration, as the same shall be amended, shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Committee on behalf of Unit Owners, or, in a proper case, by an aggrieved Unit Owner. In any such action to enforce this Declaration or the rules and regulations adopted pursuant hereto, the breaching party or parties shall reimburse the Committee, Manager and/or aggrieved Unit Owner, as the case may be, for all costs, including reasonable attorneys' fees, incurred in connection therewith and in enforcing or collecting any judgment rendered therein.

In addition, the Committee may suspend any Owner's voting rights at any meeting of the Unit Owners during any period or periods during which such Owner fails to comply with such rules and regulations duly adopted by the Committee, or with any other obligations of such Owner under this Declaration.

3. Agreement to Pay Assessments – Each Unit Owner, by the acceptance of a deed or by entering into a sale and purchase contract for his Unit, whether or not it is so expressed in the deed or contract, shall be deemed to agree to pay annual and special assessments levied by the Committee as provided for in the Declaration. Such assessments shall be fixed, established and collected from time to time in the manner hereinafter provided.
  - a. Annual Assessment
    - 1) The total annual assessment against all Units shall be based upon advance estimates of cash requirements by the Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of Common Areas. Such estimates may include:
      - a) Expenses of management, taxes, and special governmental assessments and fees;
      - b) Premiums for all insurance which the Committee is required or permitted to maintain;
      - c) Common utility expenses such as lighting, heating, water charges, trash collection, sewer service charges;
      - d) Repairs and maintenance of the Common Areas and replacement of those elements of the Common Areas that must be replaced on a periodic basis;
      - e) Wages for Committee employees;
      - f) Legal and accounting fees;
      - g) Any deficit remaining from a previous period;
      - h) The maintenance of a reasonable contingency reserve, surplus and/or sinking fund;
      - i) Any other expenses and liabilities which may be expected to be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.
    - 2) Apportionment – Expenses attributable to the Common Areas and to the Complex as a whole shall be apportioned among all Owners in proportion to their respective Percent Interest in the Common Areas.
    - 3) Notice – The Annual Assessment shall be made on a calendar year basis. The Committee shall give written notice to each Owner as to the amount of the annual assessment with respect to his Unit, along with a copy of the budget upon which it was based, not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the calendar year. Such assessment shall be due and payable in monthly installments on the first day

of each and every month of the year. The Committee shall establish and implement through Rules and Regulations a reasonable fee to be assessed for the late payment of a monthly installment.

- 4) Supplemental – If the estimated sums prove to be inadequate for any reason, including nonpayment of any Owner's annual assessment, the Management Committee may levy a supplemental annual assessment which shall be assessed equally against each Unit Owner in accordance with the established Percent Interest.
- b. Special Assessment – In addition to the Annual Assessment authorized above, the Committee may levy during any calendar year a Special Assessment, payable over such a period as the Committee may determine, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected major repair, and unintentionally deferred routine maintenance. A Special Assessment shall not be used as an alternative means of covering the cost of those routine maintenance items that should be covered under the Annual Assessment, or as a means to raise funds to replenish the reserve fund, or as an independent source of authority for the Committee to incur expenses. It is for the purpose of assessing for unexpected or unintentionally deferred expenses. Any amounts assessed pursuant thereto shall be assessed to each Owner in proportion to his respective Percent Interest in the Common Areas. Notice in writing of the amount of such Special Assessment and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. The Committee shall establish and implement through Rules and Regulations a reasonable fee to be assessed for the late payment of a Special Assessment installment.

A Special Assessment, the total cost of which does not exceed five (5) percent of the current operating budget, may be authorized by the Management Committee. A Special Assessment, the cost of which exceeds such amount, must be authorized by a Majority of the Owners by Percent Interest prior to being implemented.

Work undertaken through a Special Assessment which would materially alter the nature of the Complex must, regardless of its cost and prior to being implemented, be authorized by a vote of Unit Owners in person or by proxy of not less than sixty-seven (67) percent by Percent Interest of all Owners. If a sufficient number of Owners is not present at a special or annual meeting of the Association to either approve or defeat the proposed Special Assessment, then a subsequent vote by proxy only may be taken to authorize the Special Assessment by not less than sixty-seven (67) percent by Percent Interest.

- c. Collection of Unpaid Assessments – The following procedures may be implemented by the Management Committee, on behalf of the Association, to enforce the payment of unpaid assessments:
  - 1) Personal Obligation of Owner – The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner thereof to the Association. Suit to recover any such assessment shall be maintainable by the Committee without foreclosing or waiving a lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit. In any action to collect an annual or special assessment, the Association reserves the right to seek reimbursement from the Owner for all costs, including reasonable attorneys' fees, incurred in connection therewith and in enforcing or collecting any judgment rendered therein.
  - 2) Assessment Fine – Any installment of an assessment referred to herein, annual or special, not paid within ten (10) days after the due date shall be in default and shall be subject to

late charges as set forth in the Rules and Regulations. After that period of time, the Association may bring an action at law against the Owner personally obligated to pay the same, establish an assessment lien against his Unit, or foreclose a lien against his Unit.

- 3) **Assessment Lien** – All unpaid sums assessed to any Unit pursuant to this Declaration, together with accumulated late fees, may be secured by a lien on such Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Unit, except for either valid tax and special assessment liens on the Unit in favor of any governmental assessing authority and/or a lien for all sums unpaid on a first Mortgage duly recorded in the Official Records of Salt Lake County, Utah, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument. All other lienors acquiring liens on the Unit shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens. The lien shall continue until unpaid assessments are fully paid or otherwise satisfied.

Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created hereunder, and upon such payment such encumbrancer shall be subrogated to all rights of the Committee with respect to such lien, including priority. The Committee shall report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for thirty days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Committee written notice of such encumbrance.

- 4) **Notice of Assessment Lien** – A Notice of Assessment shall be deposited in the United States mail, postage prepaid, to the Unit Owner, and a copy thereof shall be recorded by the Association in the Office of the Salt Lake County Recorder. Said Notice of Assessment must recite a good and sufficient legal description of the Unit, the Owner of Record or reputed Owner thereof, the amount claimed (which may at the Association's option include interest on the unpaid assessment at eighteen (18) percent per annum, plus reasonable attorney's fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the claimant. Such Notice of Assessment shall be signed and acknowledged by an officer or authorized agent of the Association.
- 5) **Foreclosure** – A lien may be enforced by judicial foreclosure by the Committee in the same manner in which mortgages on real property may be foreclosed in Utah. Any such sale may be initiated by the Management Committee, its attorney or other persons authorized by the Management Committee in accordance with the provisions of the Utah Code Annotated, 1953, as amended, applicable to the exercise of powers of the sale in mortgages and deed of trust, or in any other manner permitted by law. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of lien and all reasonable attorneys' fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Committee any assessments against the Unit which shall become due during the period of foreclosure. In the event of foreclosure and after the institution of the action, the Unit Owner shall pay a reasonable rental for his use of the Unit and the Committee shall, without regard to the value of the Unit, be entitled to the appointment of a receiver to collect any rentals due from the owner or any other person. The Association shall have the right and power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale and

acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

- 6) Release of Lien – Upon the timely curing of any default for which a Notice of Assessment was filed by the Association, the Management Committee thereof shall record an appropriate Release of Lien, upon payment by the defaulting Owner of all reasonable fees, to be determined by the Association, to cover the cost of preparing and recording such release. A Notice of Release executed and acknowledged by any two (2) members of the Management Committee stating the indebtedness secured by the lien(s) upon the Unit created hereunder shall be conclusive upon the Association and the Owner as to the amount of such indebtedness as of the date of the Notice of Release, in favor of all persons who rely thereon in good faith. The Release of Lien shall be recorded in the office of the County Recorder of Salt Lake County, Utah. A copy of the recorded Notice of Release shall be furnished to any Owner upon request at a reasonable fee, not to exceed ten (10) dollars.
  - d. Statement of Account – Upon payment of a reasonable fee not to exceed ten (10) dollars, or such other amount as may in the future be allowed by the Act, and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Unit, the Committee shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; the amount of the current annual assessment and the date that such assessment becomes or became due; credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums; and such statement shall be conclusive upon the Committee in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days (or such other period of time as required by law), all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within the twenty (20) day period provided herein (or such other period of time as required by law) and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Unit.
  - e. Personal Liability of Purchaser for Assessments – Subject to the provisions of subparagraph d, a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.
4. Duty of Owner to Pay Taxes on Unit Owned – It is understood that under the Act each Unit (and its Percent Interest in the Common Areas) in the Complex is subject to separate assessment and taxation of each taxing authority and the special district(s) for all types of taxes and assessments authorized by law, and that as a result thereof, no taxes will be assessed or levied against the Complex as such, except for certain personal properties thereof. Accordingly, each Unit Owner will pay and discharge any and all taxes and assessments which may be assessed against him on his Unit.
  5. Unit Maintenance – Each Owner shall at his own cost and expense:
    - a. Maintain, repair, paint, re-paint, tile, wax, paper, refinish, decorate and keep in good repair and sanitary condition, the interior surface of walls, ceilings, and floors forming the boundaries of his Unit and all walls, ceilings, floors and doors within such boundaries.

- b. Maintain, repair, or replace all windows, window frames, doors, door frames, optional screen doors, and garage doors contained in the exterior walls of his Unit. The standards, design/style and exterior color shall be as established by the Management Committee and may be amended from time to time by the Committee.
- c. Be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air conditioner, lighting fixtures, refrigerator, dishwasher, disposal equipment, range or other appliances or fixtures that may be in or connected with his Unit, and over which he has control.

Each Unit shall be maintained in good condition so as not to detract from the appearance of the Complex and so as not to affect the value or use of any other Unit.

6. Insurance – Insurance coverage that the Association must carry on the Complex is described in Section D.7. The Association’s policy covers fire and other damage to the Common Areas and all buildings. All of the structural portions of each Unit are covered, including sheetrock. The policy also includes comprehensive liability coverage for accidents due to negligence that occur within the Common Areas.

All Unit Owners and/or tenants are responsible for damages sustained within his Unit, to items that are appurtenant to his Unit and for which he is responsible, and for any damage he may cause to other Units or the Common Areas. All Unit Owners and/or tenants have the responsibility to maintain a homeowner’s insurance policy, which shall be in addition to the coverage provided by the Association. Therefore, all Unit Owners shall be responsible for insuring against any damages or losses that occur within his Unit or to other Units or the Common Areas which are the result of an accident or due to his negligence. Also, all items that are his responsibility to maintain, repair or replace, are his responsibility to insure. This applies to rented or unoccupied units as well. Coverage should include, but is not limited to, the following:

- a. Dwelling – This coverage should include all real property within the Unit including those items attached to the dwelling itself, e.g. custom cabinetry, molding, expensive wallpaper; personal property including appliances; perils such as fire, rain, lightning, wind, hail, explosion, smoke, vandalism, and theft; and loss of the use of his Unit due to fire, etc.
- b. Liability – This coverage should include personal liability for bodily injury, related medical costs, etc. It should cover liability for accidents that happen on assigned Limited Common Areas which are the result of the Unit Owner’s/tenant’s negligence.

Should the Association elect to incorporate a deductible as part of its policy (see Rules & Regulations), it shall be the Unit Owner’s responsibility to pay the deductible in the event a claim is filed against the Association’s policy for damage to the interior of the Unit or for an accident that is caused by the Unit Owner’s/tenant’s negligence. Therefore, each Unit Owner/tenant should consider including the cost of such a possible deductible as part of his individual homeowner’s policy.

7. Right of Ingress and Egress – Each Owner shall have the right to ingress and egress over, upon and across the Common Areas necessary for access to his Unit and to the Limited Common Areas designated for use in connection with his Unit. Such rights shall be appurtenant to and pass with the title to each Unit.
8. Use of Recreational Areas and Facilities
- a. Each Unit Owner is hereby granted a non-exclusive right and easement of enjoyment, in common with others, of the amenities and recreational facilities constituting a portion of the Common Areas of the Complex.

- b. The right and easements of enjoyment created hereby shall be subject to the following:
    - 1) The right of the Management Committee to charge Owners and/or guests reasonable and equitable admission and other fees for the use of the recreational areas and facilities;
    - 2) The right of the Management Committee to adopt Rules and Regulations governing the use by the Owners and their guests, invitees, and licensees of the recreational areas and facilities.
  - c. Any Owner having the right to use and enjoy the recreational areas and facilities may delegate such rights to the members of his family and/or tenants who reside in his Unit and to such other persons as may be permitted by the Management Committee.
  - d. Each person having the right to use the recreational areas and facilities and each person to whom such right has been delegated shall comply with the Rules and Regulations regarding such use. Such Rules and Regulations shall be established and amended from time to time by the Management Committee. Such rights to use may be suspended upon failure of a Unit Owner to pay his assessment(s).
9. Owner's Use of Units and Common Areas
- a. Each of the Units in the Complex is intended to be used for single family residential housing and is restricted to such use.
  - b. The following pertains to the leasing of Units to other individuals.
    - 1) No Unit may be leased/rented to another individual(s) unless the Unit Owner has personally occupied (lived in) the Unit for a period of not less than six (6) months.
    - 2) No Unit may be used or leased for transient or hotel-type purposes.
    - 3) No less than the entire Unit may be leased. No subdivision of the Unit is permitted.
    - 4) Whenever a Unit Owner does not reside in the Unit and the Unit is made available to others, a formal lease in writing is required. A lease is required regardless of whether there is remuneration for the use of the Unit or what the relationship may be between the lessor and the lessee. A copy of the current lease shall be provided to the office within ten (10) days of execution. Information of a sensitive nature (e.g. SSN's, lease amount, etc.) may be blocked out.
    - 5) The lease shall cover a period of time of not less than six (6) months.
    - 6) The lease shall clearly state that the tenants are subject to and must abide by all of the provisions of the Declaration and Rules and Regulations of the Complex and that the failure to comply with the requirements of any of those documents shall mean that the lessee is in default of the lease.
    - 7) The lease shall clearly state that the Management Committee, acting on behalf of the Association, has the authority to act as Attorney-in-Fact for the Unit Owner to ensure proper enforcement of the Act, Declaration, and Rules and Regulations of the Complex. The procedures by which the Unit Owner and Tenant shall be informed of significant and repetitive violations and/or failure to pay fines and what actions may be taken by the Committee as the Unit Owner's Attorney-in-Fact shall be spelled out in the Rules and Regulations.
    - 8) A Unit may be leased only to a single family. A family is defined as any group of individuals related by blood, marriage or legal adoption.

- 9) Should the family (lessee) be a single person, it shall be permitted that no more than one other person may share the lease or occupy the Unit along with the lessee.
  - 10) A maximum of twenty (20) percent or forty-six (46) of the two hundred and thirty-two (232) Units in the Complex may be leased by Owners to other individuals at any given time. Once the twenty (20) percent limit is reached, the Management Committee shall maintain, or cause to be maintained, a waiting list of those Owners wishing to lease and each Owner shall be notified on a first-come-first-served basis as to when he may lease his unit.
  - 11) Any exception to the above-stated requirements concerning leasing of Units shall require a prior written approval of the Committee.
  - 12) The Committee has the authority to demand future lease payments directly from the tenant if the Owner of a Unit who is leasing the Unit fails to pay any assessment for sixty (60) days or more.
- c. There shall be no obstructions of the Common Areas by the Owners, their tenants, guests or invitees without the prior written consent of the Committee.
  - d. The Committee may, by Rules and Regulations, prohibit or limit the use of the Common Areas, as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Areas.
  - e. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Committee, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Areas, except upon the prior written consent of the Committee.
  - f. Nothing shall be done to or kept in any Unit, or the Common Areas, or any part thereof which would result in the cancellation of or increase the rate of the insurance on the Complex or any part thereof without the prior written consent of the Committee.
  - g. Nothing shall be done or kept in any Unit or in the Common Areas, or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.
  - h. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner. Each Owner shall indemnify and hold the Committee and all other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees.
  - i. No activities shall be carried on or permitted in any Unit or in the Common Areas or any part thereof which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Complex. Included in this restriction, but not limited to, is any activity which would be considered illegal, dangerous to life or limb, noxious, destructive to property, obscene or offensive to a reasonable person.
  - j. No Owner shall violate the Rules and Regulations for the use of the Units and of the Common Areas as adopted from time to time by the Management Committee.
  - k. No structural alterations to any Unit or its appurtenant Limited Common Areas shall be made by any Owner without the prior written consent of the Committee.
  - l. No recreational vehicles (boats, campers, trailers, motor homes, or similar items) shall be parked on any portion of the Common Areas except for temporary parking.



- m. No signs whatsoever shall be erected or maintained in the Common Areas without the prior written consent of the Committee, except such signs as may be required to provide directions or as required by law.
10. Transferee (New Owner) of Unit – Any Unit Owner who sells or otherwise disposes of his Unit shall submit to the Committee pertinent information concerning the transferee or new occupant *within thirty (30) days of any transfer of title or possession on a form furnished by the Committee.*

**D. Management Committee and Administration of the Complex**

1. Status and General Authority of the Management Committee – Notwithstanding anything herein contained to the contrary, the Complex shall be managed, operated and maintained by a Management Committee exclusively as agent of the Association. Any act performed by the Management Committee pursuant to the Declaration, particularly the Bylaws, as the same may be amended from time to time, shall be deemed to be performed by the Committee for and on behalf of the Association as its agent. The Management Committee shall have, and is hereby granted, the authority and power to:
- a. Grant or create on behalf of all Unit Owners, on such terms as it deems advisable, utility and similar easements over, under, across and through the Common Areas, Limited Common Areas, and Facilities;
  - b. Execute and record, on behalf of all the Unit Owners, any amendment to the Declaration or Map which has been approved by the vote or consent necessary to authorize such amendment;
  - c. Promulgate such reasonable Rules and Regulations as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the Complex is maintained and used in a manner consistent with the interests of the Unit Owners;
  - d. Establish through the use of rules and regulations reasonable requirements/restrictions *considered necessary for the proper management of the Complex, including but not limited to: the leasing/rental of Units, modifications to the exterior of Units, use of Common Areas, types of and parking of vehicles, and limitations/controls on the keeping of pets.*
  - e. Levy annual and special assessments and to enforce the collection of the same.
  - f. Establish procedures for the enforcement of the Declaration and the Rules and Regulations through the use of fines and the securing of liens against Units, subject to the following conditions:
    - 1) A Unit Owner and/or Tenant shall be given a written notice of any violation and informed that the fine will be imposed if the violation is not corrected within the timeframe provided in the Rules and Regulations, which must be at least 48 hours.
    - 2) A fine system shall be as established in the Rules and Regulations and shall not exceed five hundred (500) dollars per violation.
    - 3) Cumulative fines for a continuing violation shall not exceed \$500 per month.
    - 4) The Unit Owner/Tenant shall have the right to request an informal hearing with the Committee within thirty (30) days of the date of the fine.
    - 5) The Unit Owner/Tenant may appeal the fine through civil action within one hundred and eighty (180) days after the hearing or two hundred and ten (210) days if no informal hearing was requested.

- 6) Any fine not paid after the time for an appeal has expired may become a lien against the Unit;
  - g. Terminate a Unit Owner's/tenant's right to use the recreational facilities or the Common Areas in general when fines are not paid in a timely manner or when a lien has been placed against a Unit;
  - h. Act as the Attorney-in-Fact representing the Association and on behalf of the Unit Owner for the purpose of taking corrective action in the event a Tenant has materially violated the Act, Bylaws or the Rules and Regulations and the Unit Owner/Tenant has not taken corrective action after the Unit Owner has been notified of the Tenant's violations;
  - i. Establish bank accounts, invest accumulated Association funds in safe certificates of deposits, and to create reserve funds for the management of the Association's Property maintenance program;
  - j. Sue and be sued;
  - k. Enter into contracts which in any way concern the Complex, provided any vote or consent of the Unit Owners has been obtained, if required due to the subject matter of the contract;
  - l. Convey or transfer any interest in real property authorized by the Owners having an interest therein;
  - m. Purchase, or to otherwise acquire, and accept title to any interest in real property, as long as such action has been authorized by any vote or consent which is necessary under the circumstances;
  - n. License persons not otherwise entitled to use any of the recreational areas and facilities to use the same from time to time as the Committee deems appropriate upon payment of fees prescribed by it to help defray the cost of maintenance thereof;
  - o. Borrow money, provided that no indebtedness for borrowed funds shall exceed, at any given time, not more than five (5) percent of the current operating budget without the prior approval of the Majority of the Owners by Percent Interest;
  - p. Perform other acts and to enter into other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent of the Association.
2. Composition of Management Committee – The Management Committee shall be composed of five elected Unit Owners, with no more than one Committee member coming from a single Unit. In case of a vacancy, the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected.
  3. Indemnification of Management Committee – Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all costs, expenses, and fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Committee.
  4. Receipt of Service of Process – The Management Committee shall have the right to appoint an agent to receive service of process and his address shall be specified by an appropriate instrument filed in the office of the County Recorder of Salt Lake County, State of Utah.
  5. Professional Manager – The Committee shall carry out any and all of its functions which are capable of delegation through a professional Manager. Each professional Manager retained for such services shall be an individual, entity or organization experienced and qualified in the field of property management. The Manager so engaged shall be responsible for managing the Complex for the benefit of the Unit Owners and shall, to the extent permitted by law and the

terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

6. Consent of Owner Equivalent to Vote – In those cases in which the Act or this Declaration requires the vote of a stated percentage of the Complex's undivided ownership interest for the authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the *necessary percentage of undivided ownership interest*.
7. Insurance – The Management Committee shall secure and at all times maintain the following insurance coverage:
  - a. A multi-peril policy or policies of fire and casualty insurance, with extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for complexes similar in construction, location and use on a replacement cost basis in an amount not less than one hundred (100) percent of the insurable value (based upon replacement cost) on all Common Areas, buildings and Units; except for those portions of Units that are the responsibility of the Unit Owners to cover, as spelled out in Section C.6. Each such policy shall contain the standard mortgage clause which must be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of Mortgagees as their interests may appear. The assured shall be the Association.
  - b. A comprehensive policy of public liability insurance insuring the Association, the Committee, the Manager, and the Unit Owners against any liability incident to the ownership, use, or operation of the Common Areas and public ways of the Complex or of any Unit which may arise among themselves, to the public, or to any invitees, or tenants of the Complex, or of the Unit Owners; except for incidents that may occur within an Owner's Unit and for which he has the responsibility for coverage, as spelled out in Section C.6. Limits of liability under such insurance shall be not less than three million (3,000,000) dollars per occurrence, for personal bodily injury and/or property damage. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for similar developments in location, construction and use.
  - c. The Association shall maintain fidelity coverage to protect against dishonest acts on the part of Committee Members, Manager (including, but not limited to, the employees of the Manager), or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the obligee and shall be written in an amount equal to at least the estimated maximum of funds, including reserve funds, in the custody of the Association or the Committee Members or Manager at any given time during the term of the fidelity bond; provided, however, that the bond shall not be less than a sum equal to three (3) months' aggregate assessments on all Units plus reserve funds unless a greater amount is required by a majority of the Mortgagees or their designees. In connection with such coverage an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. All fidelity bond coverage shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to the servicer on behalf of Mortgagees.
  - d. Each hazard insurance policy shall be written by a company holding a financial rating of Class VI or better from Best's Insurance Reports. Each insurer must be specifically licensed

to transact business within the State of Utah. Policies are unacceptable under one or more of the following conditions: under the terms of the carrier's charter, bylaws or policy, contributions or assessments may be made against the Borrower of FHLMC or its designee; or by the terms of the carrier's charter, bylaws or policy, loss, payments are contingent upon action by the carrier's board of directors, policyholders, or members; or the policy includes any limiting clauses (other than insurance conditions) which could prevent FHLMC or the borrower from collecting insurance proceeds.

- e. The Committee shall have the authority to adjust losses.
  - f. Insurance secured and maintained by the Committee shall not be brought into contribution with insurance held by the individual Unit Owners or their mortgagees.
  - g. Each policy of insurance obtained by the Committee shall provide: a standard mortgage clause commonly accepted by private institutional mortgage investors in the Area in which the Complex is located; a waiver (if available) of the insurer's subrogation rights with respect to the Committee, the Manager, the Unit Owners, and their respective servants, agents, and guests; that it cannot be cancelled, suspended or invalidated due to the conduct of any particular Unit Owner or Owners; that it cannot be cancelled, suspended, or invalidated due to the conduct of any member, officer, or employee of the Committee or of the Manager without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Unit Owners; and that a mortgagee clause endorsement which must provide that the insurance carrier shall notify the first Mortgagee (or trustee) named at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy.
  - h. In addition to the required insurance coverage spelled out in subparagraph c, above, any Unit Owner may obtain additional insurance at his own expense, as long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Committee. Any Unit Owner who individually obtains insurance covering any portion of the Complex, other than his own Unit, shall supply the Committee with a copy of his policy within thirty (30) days after he acquires such insurance.
  - i. The Complex is not located in any areas identified by the Secretary of Housing and Urban Development as an area having special flood hazards. In the event that at some future time the Complex should be declared to be in such flood area, a blanket policy of flood insurance on the Complex shall be maintained in the amount of the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended. The name of the insured under each required policy must be in the form and substance as that required by the Federal Home Loan Mortgage Corporation at any given time.
8. Funds Accounts – The Management Committee shall establish no fewer than two (2) separate accounts in which shall be deposited all funds paid to the Association, and from which disbursement shall be made by the Management Committee in the performance of functions by the Association under the provisions of the Declaration. The two accounts shall be: an Operating Fund for routine expenses of the Association; and, a Common Area Reserve Fund for improvements (replacement, painting, and repair) which would not reasonably be expected to recur on an annual or less frequent basis.

The Reserve Fund amount shall be no less than twenty (20) percent of the approved annual operating budget for the current year. In the event the Reserve Fund falls below this minimum amount, the Management Committee shall take the proper steps to replenish the Reserve Fund. A Reserve Fund study may be conducted at the discretion of the Management Committee.

9. Maintenance of Common and Limited Common Areas – Maintenance of the Common and Limited Common Areas shall be the responsibility of the Management Committee on behalf of the Association, except as may be stated otherwise in this Declaration or as follows:
- a. Each Unit Owner shall at his own cost keep the Limited Common Area(s) designed for exclusive use in connection with his Unit in a clean and safe condition at all times, meaning free of debris, snow, litter, and stored and unsightly non-patio/balcony-type items.
  - b. Each Unit Owner may plant flowers, shrubs and trees within the boundaries of his patio. Such plantings must be properly maintained by the Unit Owner. Any damage done to the patio area or the outside of the Unit as a result of such plantings shall be the responsibility of the Unit Owner, even if the current Unit Owner is not the Owner who made the plantings.
  - c. Items such as patio tables, chairs and umbrellas, barbecues, hoses, and potted plants may be stored on the patios and balconies; however, such items must be properly stored and maintained. Any damage done to the Limited Common Area or the building itself as a result of the storage or use of such items shall be the responsibility of the Unit Owner.
  - d. Any plantings of flowers, shrubs, or trees outside of a Limited Common Area by a Unit Owner or the placement of any decorations, patio-type equipment, bird feeders, signs supporting a cause, etc. are prohibited except as approved by the Committee in the Rules and Regulations or on a case by case basis.
  - e. Any attachment of an item to the building or the fence within the boundaries of a Limited Common Area shall be permitted only as set forth in the Rules and Regulations or as separately approved by the Committee upon written request from a Unit Owner.

10. Alteration of a Limited Common Area

- a. **Major Alteration** – Any major alteration of a Limited Common Area by a Unit Owner, especially one which would be considered a material change to the Complex, must be approved by a sixty-seven (67) percent vote of Unit Owners by Percent Interest and shall be in the form of an amendment to the Declaration (Supplement). The conditions, design, standards, color, type of hardware, etc. shall be established prior to the vote and made part of the amendment. The alteration shall become part of the Limited Common Area; however, the Unit Owner shall have the responsibility of maintaining the alteration. The cost to return the altered Limited Common Area to its original state shall be the responsibility of the current Unit Owner, even if different than the Unit Owner who made the alteration.

The following major alterations are hereby approved in accordance with Committee standards:

- 1) Enclosure of balconies by 8-plex Unit Owners;
- 2) Enclosure of parking areas by 8-plex Unit Owners.

The Committee shall include the conditions, design, standards, color, type of hardware, etc. for the above approved alterations in the Rules and Regulations. Any Unit Owner wishing to make one of the major alterations to his Unit must make a written request to the Management Committee.

- b. **Minor Alteration** – Any minor alteration to a Limited Common Area by a Unit Owner must be requested in writing by the Unit Owner in advance and approved by the Management Committee. The Committee's approval shall include any conditions placed upon the approval. The alteration shall become part of the Limited Common Area; however, the Unit Owner shall have the responsibility of maintaining the alteration. The cost to return the

altered Limited Common Area to its original state shall be the responsibility of the current Unit Owner, even if different than the Unit Owner who made the alteration.

11. Damage to Complex – In the event of damage to or destruction of part or all of the Complex, the following procedures shall apply:
  - a. If proceeds of the insurance maintained by the Management Committee are alone sufficient to repair or reconstruct the damage or destroyed Property, such repair or reconstruction shall be carried out.
  - b. If less than seventy-five (75) percent of the Complex is destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and each Unit Owners shall be assessed for any deficiency on the basis of his respective Percent Interest.
  - c. If seventy-five (75) percent or more of the Complex is destroyed or substantially damaged, and if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within one hundred (100) days after the destruction or damage by a vote of at least seventy-five (75) percent by Percent Interest elect to repair or reconstruct the affected portions of the Complex, restoration shall be accomplished in the manner directed under subparagraph b, above.
  - d. If seventy-five (75) percent or more of the Complex is destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within one hundred (100) days after the destruction or damage and by a vote of at least seventy-five (75) percent, by percent interest, elect to repair or reconstruct the affected portions of the Complex, the Management Committee shall promptly record with the Salt Lake County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated (1953), shall apply and shall govern the rights of all parties having an interest in the Complex or any of the Units.

Any reconstruction or repair which is required to be carried out by this Section regarding the extent of damage to or destruction of the Complex shall be made by three MAI appraisers selected by the Management Committee. The decision of any two such appraisers shall be conclusive.

12. Access for Repair of Common Areas – Some of the Common Areas are or may be located between or adjacent to the Units or may be conveniently accessible only through the Units. Examples include attics, crawl spaces and window wells. The Association shall have the irrevocable right, to be exercised by the Committee as its agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas located therein, or accessible there from, or for making emergency repairs therein necessary to prevent damage to the Common Areas or to another Unit or Units. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit, at the instance of the Committee or of other Unit Owners, shall be the responsibility of the Association. However, if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to the damage. The Committee has the authority to collect through assessment any amount owed by Owners pursuant hereto.
13. Management Committee's Use of Common Areas – The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate

to perform the duties and functions which it is obligated or permitted to perform pursuant to the Declaration.

14. Utility Services – There is hereby created a blanket easement upon, across, over and under the property submitted to the Act for ingress and egress, and for installing, replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephones, electricity, and other utility services.

#### **IV. BYLAWS**

##### **A. Unit Owners**

1. Condominium Complex Submission – The Property located in Salt Lake County, Utah, has been submitted to the provisions of the Act by the Declaration recorded in the Office of the County Recorder of Salt Lake County, Utah, prior hereto, and shall hereafter be referred to as the "Condominium Complex" or "Complex".
2. Title to Unit – Title to a Unit may be taken in the name of a natural person or in the names of two or more natural persons, or in the name of a corporation, partnership, association, trust, or other entity capable of holding title to real property, or any combination thereof.
3. Applicability – The provisions of these Bylaws are applicable to the Complex and the use, occupancy, sale, lease or other transfer thereof. All Owners of any fee or leasehold interest, all occupants or users of the Condominium Complex, and the agents and servants of any of them are subject to the provisions of the Declaration, including these Bylaws, and the Rules and Regulations.
4. Application – All present and future Owners, tenants, future tenants, their guests, licensees, servants, agents, employees and any other person or persons who shall be permitted to use the facilities of the Condominium Complex shall be subject to these Bylaws and to the Rules and Regulations of the Condominium Complex. Acquisition, rental or occupancy of any of the Condominium Units in the Condominium Complex shall constitute an acknowledgement that such Owner, tenant or occupant has accepted the provisions of the Declaration, including these Bylaws, and the Rules and Regulations and will comply with them.

##### **B. Association**

1. Composition – All of the Unit Owners, acting as a group in accordance with the Act and the Declaration, including these Bylaws, shall constitute the Association. Except as to those matters which the Act specifically requires to be performed by the vote of the Unit Owners, the administration of the Condominium Complex shall be performed by a Management Committee.
2. Officers – See Section C3.
3. Meetings – The following procedures shall be followed concerning the conduct of Association meetings:
  - a. Place – Meetings of the Association shall be held at the principal office of the Condominium Complex or at such other suitable place as may be designated by the Management Committee and stated in the notice of the meeting.
  - b. Types – Only the following types of Association meetings may be held for the conduct of Association business:
    - 1) Annual – An annual meeting of the Association shall be held during the first fifteen (15) days of February of each year.

- 2) Special – It shall be the duty of the Committee Chairperson to call a special meeting of the Association if so directed by a vote of the Management Committee or upon a petition signed and presented to the Committee Secretary by Owners having not less than thirty-five (35) Units represented. No Business shall be transacted at a special meeting except as stated in the notice.
- c. Notice – It shall be the duty of the Committee Secretary to provide written notice of all annual and special meetings to all Owners. Notice of each annual meeting of the Owners shall be at least twenty (20) days and no sooner than forty (40) days in advance of such meeting. Notice of a special meeting of the Owners shall be at least ten (10) days in advance of such meeting. A notice shall state the purpose thereof, as well as the time and place where it is to be held, to each Owner of record, at the address of their respective Units or to such other address as each Owner may have designated by notice in writing to the Committee Secretary. The delivery of a notice of meeting in the manner provided in this Section shall be considered service of notice.
  - d. Conduct – The Committee Chairperson, or in his absence the Committee Vice Chairperson, shall preside over all meetings of the Association. The Committee Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings as well as a record of all transactions occurring thereat.
  - e. Order of Business – The order of business at all meetings of the Association shall be as follows:
    - 1) *Annual Meeting – Determination that a quorum is present; proof of notice of meeting; approval of minutes of preceding meeting; reports by officers and Manager; report(s) by a special committee, if applicable; selection of inspectors of election, if applicable; election of Management Committee Members, if applicable; unfinished business; and new business.*
    - 2) *Special Meeting – Determination that a quorum is present; proof of notice of meeting; report(s) by a special committee, if applicable; and/or purpose for which the meeting is called.*
  - f. Quorum – The following shall apply:
    - 1) *Annual Meetings – Except as may otherwise be provided herein, by statute, or the Declaration, the number of Units that must be represented in person or by proxy that shall constitute a quorum for any and all purposes shall not be less than thirty-five (35). If the minimum of thirty-five (35) Units is not reached, a second meeting shall be called, at which time the number of Units represented shall be the quorum. The majority of the quorum shall be entitled to transact business for and on behalf of the Association unless the matter being addressed requires a vote by a specific percentage of all Owners.*
    - 2) *Special Meetings – Except as may otherwise be provided herein, by statute or the Declaration, the number of Units represented shall be the quorum. The majority of the quorum shall be entitled to transact business for and on behalf of the Association unless the matter being addressed requires a vote by a specific percentage of all Owners.*
  - g. Voting – The following shall apply with regard to voting and the use of absentee ballots:
    - 1) *Unit Representation – Since a Unit Owner may be more than one person and if only one of such persons is present at a meeting of the Association, that person shall be entitled to cast the vote appertaining to that Unit. But if more than one of such persons is present, the vote appertaining to that Unit shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them*



purports to cast the vote appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting.

- 2) **Percent Interest** – The following applies to all matters requiring a specific vote by Percent Interest as spelled out in the Declaration including these Bylaws: The total number of votes in the Association shall be one hundred (100), and each Unit shall be entitled to the number of votes (or portion of one vote) proportionate to the Percent Interest assigned to such Unit in the Declaration. The Percent Interest needed to approve a proposed action shall be as spelled out in the Declaration including these Bylaws.
- 3) **Simple Majority** – Only a simple majority vote of Unit Owners present at the meeting is required for matters addressed at annual or special meetings not requiring a vote by Percent Interest as spelled out in 2) above.
- 4) **Proxy** – An Owner of a Unit may designate an individual to represent him at an annual or special meeting with full authority to act (vote) on his behalf. The designation of a proxy must be in writing and provided to the Committee before the start of the meeting. The proxy for a Unit Owner shall be void if not signed and dated by the Owner or a person having the authority, at the time of the execution thereof, to execute deeds on behalf of that Owner. A revocation of a designation of a proxy must also be in writing by the Owner and provided to the Committee before the start of the meeting. A designated proxy must be at least eighteen (18) years old and may not represent more than one Owner, besides himself, at any given time. A designation of a proxy is good for only one meeting, except when a second annual meeting is mandated due to a lack of a quorum at the first meeting and the Owner has not revoked the proxy.
- 5) **Absentee Ballots**
  - a) **At Meetings** – An Owner of a Unit may vote by absentee ballot on issues listed on an annual or special meeting agenda requiring a vote by percent interest, e.g. election of officers and special assessments. Absentee ballots must be submitted to the Condominium Office no less than three (3) business days prior to the meeting in a manner to be established by the Committee.
  - b) **In the Absence of a Meeting** – The Committee may solicit a vote on an issue without holding a meeting, unless a meeting on the issue to be voted on is mandated by the Declaration including these Bylaws. The procedures for voting and the submittal of the absentee ballots shall be as spelled out by the Committee in writing to all Owners.
- 6) **Eligibility** – An Owner or his proxy shall be deemed to be in "good standing" and "entitled to vote" at any annual or special meeting of the Association if the Owner shall have fully paid all due installments of assessments or fines made or levied against him and his Unit by the Committee, together with all interest, costs, attorney's fees, penalties and other expenses properly chargeable to him and against his Unit, at least three (3) business days prior to the date fixed for such annual or special meeting.

### **C. Management Committee**

1. **Powers and Duties** – The affairs and business of the Association shall be managed by a Committee which shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Declaration and may do all such acts and things as are not by the Act or by these Bylaws directed to be exercised and done by the Association. The Committee shall have the power to adopt any Rules and Regulations deemed necessary for the proper management of the Complex provided such Rules and Regulations are not in conflict with the Act and the Declaration including these Bylaws. The

Committee shall delegate to one of its members the authority to act on behalf of the Committee on all matters relating to the duties of the Manager which might arise between meetings of the Committee. Subject to any limitations or provisions contained in the Declaration, the Committee shall be responsible for the following:

- a. Preparing of an annual budget;
- b. Establishing the contribution of each Owner to Common Expenses (Annual Assessment);
- c. Making assessments against Owners to defray the costs and expenses of the Complex, establishing the means and methods of collecting such assessments from the Owners, and establishing the period of the installment payments of the annual assessment for Common Expenses. Unless otherwise determined by the Committee, the annual assessments against each Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable on the first day of each month for said month;
- d. Opening of bank accounts on behalf of the Association and designating the signatories required therefore;
- e. Collecting the assessments against the Owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Complex;
- f. Making, amending, and enforcing Rules and Regulations to ensure the proper operation and function of the Complex;
- g. Establishing and implementing a notification procedure and a system for the assessment of fines for violations of the requirements set forth in the Declaration and Rules and Regulations;
- h. Enforcing by legal means the provisions of the Declaration, including these Bylaws, and the Rules and Regulations adopted by the Committee and implementing any proceedings which may be instituted on behalf of the Owners;
- i. Providing for the operation, care, upkeep, replacement, maintenance and surveillance of all of the Common Areas and services of the Complex;
- j. Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas, and providing services for the Complex, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and material, which shall be deemed the common property of the Owners, to be used by such personnel in the performance of their duties;
- k. Making, or contracting for the making of, repairs, restorations, additions, and improvements to or alterations of the Complex, in accordance with the Declaration and other provisions of these Bylaws, which includes damage or destruction by fire or other casualty;
- l. Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- m. Paying the cost of all services rendered to the Complex and not billed to Owners of individual Units;
- n. Keeping books with detailed accounts of the receipts and expenditures affecting the Complex and the administration of the Complex specifying the maintenance and repair expenses of the Common Areas and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners or their duly

authorized agents or attorneys during general business hours at the time and in the manner that shall be set forth in the Rules and Regulations. All books and records shall be kept in accordance with generally accepted accounting practices, and the same, upon resolution of the Association, shall be audited at least once a year by an outside auditor employed by the Committee who shall not be a resident of the Complex, or an Owner therein. The detail of the audit shall be set forth in the Rules and Regulations. The cost of such audit shall be a Common Expense. A copy of the annual audit report shall be supplied to any Owner or first mortgagee of any Unit in the Complex who requests the same in writing from the office secretary;

- o. Perform other acts that are not inconsistent with the Act or the Declaration.

## 2. Committee Members

- a. Number – The Committee shall be composed of five (5) persons, all of whom shall be Owners of Units.
- b. Election – New members of the Committee shall be elected to replace members whose terms are expiring. Provided a quorum is present, the election shall take place at the Association's annual meeting and shall be by simple majority vote of the attendees plus proxies. Current Committee Members shall hold office until their respective successors have been elected and hold their first meeting.
- c. Term – The term of office of each member shall be three (3) years, except that the Committee may take steps to ensure that no more than three new members are elected in any given year.
- d. Removal – A Committee Member may be removed, with or without cause, and his successor elected at any duly called annual or special meeting of the Association at which a quorum is present. Removal shall be by an affirmative vote of a simple majority of the Owners present and voting. Any Committee Member whose removal has been proposed by the Owners shall be given at least ten (10) days' notice of the calling and purpose of the meeting and an opportunity to be heard at the meeting.
- e. Vacancies – Vacancies on the Committee, other than removal of a Committee Member by a vote of the Association, shall be filled by a vote of the majority of the remaining Committee Members, at the next regular meeting of the Committee. A quorum need not be present for such a vote. Each person so elected shall be a Committee Member for the remainder of the term of the Committee Member so replaced.
- f. Compensation – No Committee Member may receive any compensation from the Association for serving as such.

## 3. Officers

- a. Designation – The principal officers of the Management Committee shall be a Chairperson, a Vice Chairperson, a Secretary, and a Treasurer; all of whom shall be members of the Committee. Each person so elected shall also hold the same title as an officer of the Association with the authority to conduct the routine business of the Association. Two or more offices may be held by one person, except that the Chairperson shall not hold any other office. The Committee Chairperson may appoint assistant secretaries and such other officers as in his judgment may be necessary.
- b. Election – Officers shall be elected annually by the Committee itself at its first meeting.
- c. Removal – Officers shall hold office until their respective successors are chosen. Any principal officer may be removed from office at any time by an affirmative vote of a majority

of the whole Committee. His successor may be elected at any regular meeting of the Committee or at any special meeting of the Committee called for such purpose.

d. Vacancies – Any vacancy in an office shall be filled by the Committee at a regular meeting or special meeting called for such purpose.

e. Duties

1) Chairperson – The Chairperson shall be the chief executive officer. He shall preside at all meetings of the Association and the Committee and shall be an ex-officio member of all appointed subcommittees. He shall have authority to manage the business of the Complex and shall see that all orders and resolutions of the Committee are carried out. He shall have all of the general powers and duties which are usually vested in or incident to the office of president/chairperson of a stock corporation organized under the laws of the State of Utah.

2) Vice Chairperson – The Vice Chairperson shall, in the absence or disability of the Chairperson, perform the duties and exercise the powers of the Chairperson, and shall perform such other duties as the Committee or the Chairperson shall prescribe. If neither the Chairperson nor the Vice Chairperson is able to act, the Committee shall appoint a member of the Committee to do so on an interim basis.

3) Secretary – The Secretary shall attend all sessions of the Committee and all meetings of the Association and record all votes and the minutes of all proceedings. The Secretary shall perform like duties for special committees when required. He shall give, or cause to be given, notice of all meetings of the Association, the Committee and special committees and shall perform such other duties as may be prescribed by the Committee. The Secretary shall also keep current and retain custody of the minutes of all annual and special meetings of the Association and all meetings of the Committee.

The Secretary shall compile and keep, or cause to be compiled and kept, at the principal office of the Complex, a complete list of the Owners and their last known post office addresses. This list, with the exception of those names and addresses of Owners who have formally requested in writing that such be withheld, shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same during regular office hours.

4) Treasurer – The Treasurer shall have the custody of all funds and securities that are not under the control of the Manager. With the assistance of the Manager, he shall keep full and accurate records of receipts and disbursements. He shall maintain all required financial data and shall deposit, or cause to be deposited, all funds and other valuable effects in such depositories as may be designated by the Committee. He shall disburse funds as ordered by the Committee, preparing proper vouchers for such disbursements. He shall render to the Committee, at the regular meetings, an account of all of his transactions and the financial condition of the Complex.

The Treasurer shall be bonded in such sum and with such surety or sureties as shall be satisfactory to the Committee for the faithful performance of the duties of his office and for the restoration of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control in case of his death, resignation, retirement or removal from office.

f. Compensation – No officer shall receive any compensation from the Association for acting as such.

4. Manager

The Committee shall employ for the Complex a professional Manager at a compensation established by the Committee, to perform such duties and services as the Committee shall authorize, including, but not limited to, the duties listed in Section C1. The Committee may delegate to the Manager all of the powers granted to the Committee by these Bylaws; provided that any actions by the Manager with respect to the powers set forth in paragraphs c, d, f and h of Section C1 shall require the written consent of the Committee. The term of any contract for a Manager may not exceed one (1) year and any such contract shall provide, inter alia, that such agreement may be terminated by either party without cause or a termination fee upon thirty (30) days written notice. The Manager's contract for the following year should be executed prior to the annual meeting.

5. Meetings

- a. Regular – Regular meetings of the Committee may be held at such time and place as shall be determined by a majority of the Committee, but at least six (6) meetings shall be held during each fiscal year.
- b. Special – Special meetings of the Committee may be called by the Chairperson or at the request of at least two (2) Committee Members.
- c. Quorum – At all meetings of the Committee, a majority of the five Committee Members shall constitute a quorum for the transaction of business, and the acts of the majority of the Committee Members present at a meeting at which a quorum is present shall be the acts of the Committee. If, at any meeting of the Committee, there is less than a quorum present, there shall be no business undertaken that requires a vote or concurrence of the Committee.
- d. Conduct – The Chairperson shall preside over all meetings of the Committee and the Secretary shall keep minutes of the Committee meetings, to include a record of all transactions and proceedings occurring at such meetings. All minutes shall be stored in the office of the Complex for a minimum period of seven (7) years.
- e. Dispensing with a Vote – Any action by the Committee that is required or permitted to be taken at any meeting may also be taken without a meeting, if all of the Committee Members individually and collectively consent in writing to such an action. Such written consents, along with a complete description of the action taken, shall be filed by the Secretary in the same manner as regular minutes of proceedings of the Committee.
- f. Report – The Committee shall present a full and clear statement of the business and condition of the Complex at each annual meeting and at any special meeting when called for by a simple majority vote of the Owners present at such a meeting.

6. Liability

The members of the Committee shall not be liable to the Owners for any mistake of judgment, negligence, or other reason, except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Committee Members from and against all contractual liability to others arising out of contracts made by the Committee on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration including these Bylaws.

It is intended that the Committee Members shall have no personal liability with respect to any contract made by them on behalf of the Owners. It is also intended that the liability of any Owner arising out of any contract made by the Committee or out of the aforesaid indemnity in favor of the Committee Members shall be limited to such proportion of the total liability thereunder as his

Percent Interest bears to the Percent Interest of all the Owners. Every agreement made by the Committee or by the Manager on behalf of the Owners shall, if obtainable, provide that the Committee Members or the Manager, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his Percent Interest bears to the Percent Interest of all Owners.

The Owners shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he is or was a Committee Member or officer, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Owners. Notwithstanding anything contained herein to the contrary, the provisions of this paragraph shall be deemed void to the extent that it is absolutely necessary in order to obtain fidelity insurance coverage as provided in the Declaration.

7. Fidelity Bonds – The Committee shall require that all officers, agents (including the Manager and his employees) and employees of the Association handling or responsible for funds be adequately covered by fidelity bonds providing fidelity insurance coverage as required by the CC&R's. The expense of such fidelity bonds shall be a common expense.
8. Agreements, Contracts, Deeds, Checks, etc. – All agreements, contracts, deeds, leases, checks and other instruments of the Condominium Complex for expenditures or obligations of over five hundred (500) dollars shall be executed by any two officers of the Committee or by such other person or persons as may be designated by the Committee. All such instruments for expenditures or obligations of less than five hundred (500) dollars may be executed by any one officer of the Committee or by such other person as may be designated by the Committee.

#### **D. Administration**

1. Fiscal Year – The fiscal year of the Association shall consist of the twelve-month period commencing on January 1 of each year and terminating on December 31 of the same year. The fiscal year herein established may be changed by the Committee should it be deemed advisable or in the best interests of the Association.
2. Office – The office of the Condominium Complex and of the Management Committee shall be located at the Condominium Complex or at such other place as may be designated by the Management Committee.
3. Administering the Bylaws
  - a. Compliance with the Utah Code – These Bylaws are set forth in compliance with the requirements of the Act.
  - b. Conflict with the Code and CC&Rs – The Bylaws are subordinate and subject to all provisions of the Covenants, Conditions and Restrictions (CC&Rs) and to the provisions of the Act. All of the terms herein shall have the same meaning as they are defined in the Definitions and CC&Rs of this Declaration or in the Act. In the event of any conflict between these Bylaws and the Definitions or CC&Rs, the provisions of the Definitions or CC&Rs shall control; and in the event of any conflict between the Definitions or CC&Rs and the Act, the provisions of the Act shall control.
  - c. Severability – If any provision of these Bylaws or any section, sentence, clause, phrase or word or the application thereof in any circumstance is held invalid, the validity of the

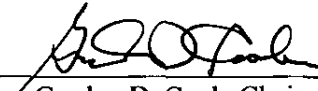
remainder of these Bylaws shall not be affected thereby and to this end the provisions hereof are declared to be severable.

- d. Waiver – No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.
  - e. Captions – The captions contained in these Bylaws are for convenience only and are not part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.
  - f. Gender and Verb Tense – Whenever in these Bylaws the context so requires, the use of any gender shall be deemed to include all genders. The singular number shall include the plural and converse.
  - g. Amendments
    - 1) Approval – Except as otherwise provided in this Section, these Bylaws may be modified or amended by either a vote of at least sixty-seven (67) percent by Percent Interest of all Owners at any regular or special meeting, provided that Notice of the proposed amendment shall have been given to each Owner simultaneously with the Notice of such meeting, or pursuant to a written instrument duly executed by at least sixty-seven (67) percent of all Owners by Percent Interest.
    - 2) Recording – A modification or amendment of these Bylaws shall become effective only if such modification or amendment is recorded in the office of the County Recorder of Salt Lake County, Utah.
    - 3) Conflicts – No modification or amendment of these Bylaws may be adopted which is inconsistent with the provisions of the Act or with the provisions of the Covenants, Conditions and Restrictions. A modification or amendment, once adopted and recorded as provided for herein, shall then constitute part of the official Bylaws of the Condominium Complex. All Owners shall be bound to abide by such modification or amendment.
4. Notices
- a. Manner – All notices, demands, bills, statements or other communications provided for or required under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered or if sent by U.S. Mail as follows:
    - 1) To an Owner at the address of his Unit or at such other address as the Owner may have designated by notice in writing to the office secretary;
    - 2) To the Committee or the Manager at the principal office of the Condominium Complex or at such other address as shall be designated by notice in writing to the Owners.
  - b. Waiver – Whenever any notice is required to be given under the provisions of the statutes or the Declaration, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provisions of the Act.

#### **V. EFFECTIVE DATE**

The effective date of this Fourteenth Supplemental to the Declaration shall be the date said instrument is filed for record with the office of the County Recorder of Salt Lake County, State of Utah.

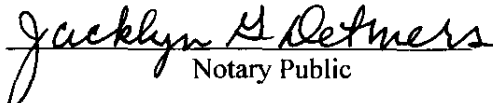
IN WITNESS WHEREOF, the undersigned, being the Chairperson and Secretary of the Management Committee of Fairmeadows, have executed this Supplemental the 19<sup>th</sup> day of JUNE, 2007.

  
\_\_\_\_\_  
Gordon D. Cook, Chairperson

  
\_\_\_\_\_  
Brad M. Hutchings, Secretary

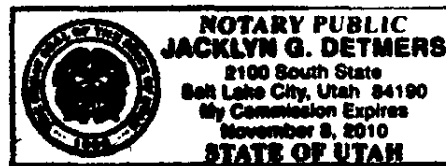
STATE OF UTAH            )  
  :  
County of Salt Lake        )

On the 19 day of June, 2007, personally appeared before me Gordon D. Cook and Brad M. Hutchings, the Chairperson and Secretary respectively of the Fairmeadows Association and the signers of the above instrument, who duly acknowledge to me that they executed the same on behalf of the Association.

  
\_\_\_\_\_  
Notary Public

Exhibit

A. Percent Interest Table





Percent of Ownership Interest

Exhibit A

Notes: The size of the Unit in square feet is based on a formula in the Declaration - See the CC&Rs (Supplement V, Exhibit C, Article III, Item 5).

There are no Units numbered 38 to 56 or 89 to 93.

Unit No.	Building No.	Unit Size	Percent Interest
1	1	1321.0	0.4851
2		1344.0	0.4936
3		1196.0	0.4392
4	2	1196.0	0.4392
5		1321.0	0.4851
6		1344.0	0.4936
7		1344.0	0.4936
8		1344.0	0.4936
9		1321.0	0.4851
10	3	1321.0	0.4851
11		1344.0	0.4936
12		1196.0	0.4392
13	4	1196.0	0.4392
14		1344.0	0.4936
15		1321.0	0.4851
16	5	1196.0	0.4392
17		1321.0	0.4851
18		1344.0	0.4936
19		1196.0	0.4392
20	6	1196.0	0.4392
21		1321.0	0.4851
22		1344.0	0.4936
23		1196.0	0.4392
24	7	1196.0	0.4392
25		1321.0	0.4851
26		1344.0	0.4936
27		1196.0	0.4392
28	16	1196.0	0.4392
29		1344.0	0.4936
30		1321.0	0.4851
31		1196.0	0.4392
32	17	1321.0	0.4851
33		1344.0	0.4936
34		1344.0	0.4936
35		1344.0	0.4936
36		1321.0	0.4851
37		1196.0	0.4392
57	8	1250.0	0.4590
58		1267.5	0.4655
59		1267.5	0.4655
60		1250.0	0.4590
61	9	1250.0	0.4590
62		1267.5	0.4655
63		1267.5	0.4655
64		1250.0	0.4590
65	10	1250.0	0.4590
66		1267.5	0.4655
67		1267.5	0.4655
68		1250.0	0.4590
69	11	1250.0	0.4590
70		1267.5	0.4655
71		1267.5	0.4655
72		1250.0	0.4590
73	12	1250.0	0.4590
74		1267.5	0.4655
75		1267.5	0.4655
76		1250.0	0.4590
77	13	1250.0	0.4590
78		1267.5	0.4655
79		1267.5	0.4655
80		1250.0	0.4590

Unit No.	Building No.	Unit Size	Percent Interest
81	14	1250.0	0.4590
82		1267.5	0.4655
83		1267.5	0.4655
84		1250.0	0.4590
85	15	1250.0	0.4590
86		1267.5	0.4655
87		1267.5	0.4655
88		1250.0	0.4590
94	18	1196.0	0.4392
95		1344.0	0.4936
96		1321.0	0.4851
97		1196.0	0.4392
98	19	1196.0	0.4392
99		1321.0	0.4851
100		1344.0	0.4936
101		1344.0	0.4936
102		1321.0	0.4851
103	20	1321.0	0.4851
104		1344.0	0.4936
105		1344.0	0.4936
106		1196.0	0.4392
107	21	1321.0	0.4851
108		1344.0	0.4936
109		1344.0	0.4936
110		1321.0	0.4851
111		1196.0	0.4392
112	22	1196.0	0.4392
113		1344.0	0.4936
114		1321.0	0.4851
115		1196.0	0.4392
116	23	1321.0	0.4851
117		1344.0	0.4936
118		1344.0	0.4936
119		1321.0	0.4851
120		1196.0	0.4392
121	24	1250.0	0.4590
122		1267.5	0.4655
123		1267.5	0.4655
124		1250.0	0.4590
125	25	1250.0	0.4590
126		1267.5	0.4655
127		1267.5	0.4655
128		1250.0	0.4590
129	26	1250.0	0.4590
130		1267.5	0.4655
131		1267.5	0.4655
132		1250.0	0.4590
133	27	1250.0	0.4590
134		1267.5	0.4655
135		1267.5	0.4655
136		1250.0	0.4590
137	28	1250.0	0.4590
138		1267.5	0.4655
139		1267.5	0.4655
140		1250.0	0.4590
141	29	1250.0	0.4590
142		1267.5	0.4655
143		1267.5	0.4655
144		1250.0	0.4590

22-20-354  
353  
380  
381

22-20-359  
360  
361  
362

Unit No.	Building No.	Unit Size	Recomputed Percent
145	30	1250.0	0.4590
146		1267.5	0.4655
147		1267.5	0.4655
148		1250.0	0.4590
149	31	1250.0	0.4590
150		1267.5	0.4655
151		1267.5	0.4655
152		1250.0	0.4590
153	32	1051.0	0.3860
154		1051.0	0.3860
155		1051.0	0.3860
156		1051.0	0.3860
157		1051.0	0.3860
158		1051.0	0.3860
159		1051.0	0.3860
160		1051.0	0.3860
161	33	1051.0	0.3860
162		1051.0	0.3860
163		1051.0	0.3860
164		1051.0	0.3860
165		1051.0	0.3860
166		1051.0	0.3860
167		1051.0	0.3860
168		1051.0	0.3860
169	34	1051.0	0.3860
170		1051.0	0.3860
171		1051.0	0.3860
172		1051.0	0.3860
173		1051.0	0.3860
174		1051.0	0.3860
175		1051.0	0.3860
176		1051.0	0.3860
177	35	1051.0	0.3860
178		1051.0	0.3860
179		1051.0	0.3860
180		1051.0	0.3860
181		1051.0	0.3860
182		1051.0	0.3860
183		1051.0	0.3860
184		1051.0	0.3860
185	36	1051.0	0.3860
186		1051.0	0.3860
187		1051.0	0.3860
188		1051.0	0.3860
189		1051.0	0.3860
190		1051.0	0.3860
191		1051.0	0.3860
192		1051.0	0.3860
193	37	1051.0	0.3860
194		1051.0	0.3860
195		1051.0	0.3860
196		1051.0	0.3860
197		1051.0	0.3860
198		1051.0	0.3860
199		1051.0	0.3860
200		1051.0	0.3860

Unit No.	Building No.	Unit Size	Recomputed Percent
201	38	1051.0	0.3860
202		1051.0	0.3860
203		1051.0	0.3860
204		1051.0	0.3860
205		1051.0	0.3860
206		1051.0	0.3860
207		1051.0	0.3860
208		1051.0	0.3860
209	39	1051.0	0.3860
210		1051.0	0.3860
211		1051.0	0.3860
212		1051.0	0.3860
213		1051.0	0.3860
214		1051.0	0.3860
215		1051.0	0.3860
216		1051.0	0.3860
217	40	1051.0	0.3860
218		1051.0	0.3860
219		1051.0	0.3860
220		1051.0	0.3860
221		1051.0	0.3860
222		1051.0	0.3860
223		1051.0	0.3860
224		1051.0	0.3860
225	41	1051.0	0.3860
226		1051.0	0.3860
227		1051.0	0.3860
228		1051.0	0.3860
229		1051.0	0.3860
230		1051.0	0.3860
231		1051.0	0.3860
232		1051.0	0.3860
233	42	1051.0	0.3860
234		1051.0	0.3860
235		1051.0	0.3860
236		1051.0	0.3860
237		1051.0	0.3860
238		1051.0	0.3860
239		1051.0	0.3860
240		1051.0	0.3860
241	43	1051.0	0.3860
242		1051.0	0.3860
243		1051.0	0.3860
244		1051.0	0.3860
245		1051.0	0.3860
246		1051.0	0.3860
247		1051.0	0.3860
248		1051.0	0.3860
249	44	1051.0	0.3860
250		1051.0	0.3860
251		1051.0	0.3860
252		1051.0	0.3860
253		1051.0	0.3860
254		1051.0	0.3860
255		1051.0	0.3860
256		1051.0	0.3860

Totals 272312.0 100.0000

SUMMARY BY TYPE

Type of Unit	Unit Area - Sq. Ft.	Number	Tot.Area - Sq. Ft.	Percent by Type	Total % by Type
Eight-plex	1051.0	104	109304.0	0.3860%	40.1393%
Coventry - Clermont	1196.0	21	25116.0	0.4392%	9.2232%
Four-plex - one story	1250.0	32	40000.0	0.4590%	14.6890%
Four-plex - two story	1267.5	32	40560.0	0.4655%	14.8947%
Coventry - Concorde	1321.0	20	26420.0	0.4851%	9.7021%
Coventry - Brittany	1344.0	23	30912.0	0.4936%	11.3517%
<b>Totals</b>		<b>232</b>	<b>272312.0</b>		<b>100.0000%</b>