

**AMENDED DECLARATION OF RESTRICTIVE COVENANTS AND BYLAWS
of
HIGHLAND ESTATES**

THIS AMENDED DECLARATION OF RESTRICTIVE COVENANTS AND BYLAWS OF HIGHLAND ESTATES (hereafter “Declaration”) is made on the date evidence below by Highland Estates Property Owners Association (hereafter “Association”).

RECITALS

A. This Declaration and Bylaws attached hereto supersede and replace all prior declarations, bylaws, and amendments or supplements thereto, recorded against the subdivision or unrecorded, including the **CONDITIONS AND RESTRICTIONS** covering **HIGHLAND ESTATES** (“**CCRs**”) situated in Summit County, State of Utah, recorded July 6, 1964, and amended articles filed on March 10, 1972 as Entry No. 99080 in Book 6-A Miscellaneous, Official Records of Summit County, Utah, and the unrecorded By-Law of Highland Estates Property Owners Association, Inc. previously ratified by the Association’s Board of Trustees.

B. The property subject to this Declaration is the Highland Estates subdivision in Summit County, Utah and more particularly described in Article I below and Exhibit A attached hereto.

C. The Association meets the statutory definition of an “Association” under Utah law and, accordingly, shall have all of the rights, powers and obligations as set forth in Utah’s Community Association Act, 16-6a-101 et seq., as may be amended from time to time.

D. **This Amended Declaration and Bylaws amends the prior Declaration and Bylaws described in paragraph A above only to the extent the provisions now contained in the Community Association Act are applicable.** Otherwise, this Declaration and Bylaws contains the same provisions as the original Declaration and/or Bylaws of the Association.

**ARTICLE I
PROPERTY DESCRIPTION**

GENERAL. That all lots except Lots 1 through 4, 20 through 25, 80 through 93, 225 through 236, shall be improved, used and occupied under the conditions set forth in the zoning ordinance of Salt Lake County Utah.

The Lots identified in the next preceding paragraph as being excepted from the application of that paragraph shall be designated as Commercial use lots and may be improved, used and occupied under the conditions set forth for use of lands within “Commercial Zone C _____” as stated in the zoning ordinance of Salt Lake County, Utah as the same now reads or as it may hereafter, from time to time, be amended; provided, however, that nothing in this paragraph shall be construed to prohibit the use of any commercial use lots for residential

purposes so long as said use is approved by the Committee on Architecture, as herein provided for, and is in full compliance with the conditions restrictions and regulations for residential use as provided for in the next preceding paragraph.

In the event that any of the provisions of this Declaration conflict with any of the sections of any Ordinance, County of Summit, the more restrictive of the two shall govern.

ARTICLE II COMMITTEE OF ARCHITECTURE.

Section 2.1 No building, fence, patio, or other structure shall be erected, altered, added to, placed, or permitted to remain on said lots or any of them or any part of any such lot until and unless the plan showing floor areas, external design and the ground location of the intended structure along with a plot plan has been first delivered to and approved in writing by any two (2) members of a "Committee on Architecture" which shall initially be composed of Horace W. Kimball, Lynn Cary, Gary Bates, and Harry Lang, provided that any vacancy on such committee caused by death, resignation, or disability to serve shall be filled on the nomination of Highland Estates & Associates. Any two (2) members will constitute a Quorum. It shall be the purpose of this committee to provide for the maintenance of a high standard of architecture and construction in such manner as to enhance the aesthetic properties of the developed subdivision. Notwithstanding other requirements imposed, this Committee shall require not less than eight hundred (800) square feet of floor area for any single-family residence EXCLUDING carport, garage, covered porches, covered contiguous patios, etc., with a minimum floor area of eight hundred (800) square feet for living area in the dwelling portion of the structure. All structures shall basically be of ONE LEVEL construction and/or a split-level structure on any hillside area, if in the opinion of the Committee of Architecture such a structure conforms to the over-all design and pattern of development. On commercial structures submitted for approval, the Committee may require changes, deletions, or revisions in order that the architectural and general appearance of all such commercial buildings and grounds be in keeping with the architecture of the neighborhood and such as not to be detrimental to the public health, safety, general welfare and architectural appearance affecting the property values of the community in which such use or uses are to be located. All structures shall conform to the requirements of the Uniform Building Code, published by the International Conference of Building Officials.

Section 2.2 The Association may charge a fee for the actual cost of reviewing and approving plans for the construction or improvement of a lot, including any costs charged to the Association by any other party, but the Association shall not charge a fee for reviewing and approving plans that exceeds such costs.

ARTICLE III RESIDENTIAL ZONE

Section 3.1 **Residential Zones.** All of the lots within this unit (Residential Zone) shall be designated as single family residential lots. A single family residence is a dwelling for one family alone, within which no persons may be lodged for hire at any time, provided that reasonable quarters may be build and maintained as a part of the detached accessory buildings or

buildings on the same lot, provided said accessory buildings be not at any time rented or let to persons outside the said family and that they may be occupied and used only by persons who are employed by the members of, or are guests of said family, except all lots immediately abutting highway frontage.

Section 3.2 Use of Premises. A person shall not use any premises in any residential zone, which is designed, arranged or intended to be occupied or used for any purpose, other than expressly permitted in this declaration.

Section 3.3 Storage of Materials. In any building project, during construction and sixty (60) days thereafter, property in a residential zone may be used for the storage of materials used in the construction of the individual building in project and for the contractor's temporary office. Aid construction period shall not exceed one hundred eighty (180) days unless specifically approved by the Committee of architecture.

Section 3.4 Livestock. Keeping of livestock, poultry or pets upon the property for commercial gain is prohibited. Livestock, with the exception of hogs and goats, there odor being offensive, poultry or pets may be kept for domestic use only under the following conditions: no barn, stall, coop or pen in which livestock, poultry, or pets are kept or housed shall be constructed or maintained within an area of seventy-five (75) feet from any street property line of fifteen (15) feet from any other boundary line.

Section 3.5 Advertising. No person shall cause to be erected a sign, advertisement billboard or advertising structure of any kind on any lots, except that a temporary permit, limited to a ninety-day period, for signs for houses to be sold or exhibited be first obtained by application to the architectural committee. The architectural committee may approve the location of these signs within the front setback of the lot.

Section 3.6 Temporary Buildings. No temporary building, basement, cellar, tent, shack, garage, barn or other outbuilding or structure shall at any time, be used for human habitation, temporarily or permanently.

Section 3.7 Use. A mobile home may be used as a resident of the owner only in those areas designated as mobile home lots. No trailers of 10 feet wide or less will be allowed on any lots at any time for family living. All mobile homes must be buried (off wheels) fully skirted and porched. The Architectural Committee will pass on those requirements being fulfilled in a satisfactory manner.

Section 3.8 Building Exterior. The exterior portions of all buildings, which are constructed of wood, stucco, or cement shall be painted or stained immediately upon completion or shall have color mixed in the final structural application.

Section 3.9 Temporary Offices. A temporary sales office, for the purpose of conducting the sale of property in the subdivision, upon which such office is located, for a period of not to exceed four years, provided such sales office is not used for conduction of a general real

estate business. Any structure or trailer used for such purpose, shall, at the end of the four-year period be either removed or used for a purpose permitted in the Zone in which it is located.

Section 3.10 Storage of Tools and Trash. The storage of tools, landscaping instruments, household effects, machinery, or machinery parts, empty or filled containers, boxes, or bags, trash, materials or other miscellaneous items that shall in appertence detract from the aesthetic values of the property, shall be so placed and stored to be concealed from view from the public right of way.

Section 3.11 Individual Sewage Disposal Systems. individual sewage disposal systems shall be provided for each lot in this tract and shall conform to the requirements of the county of Summit or State of Utah Health Department.

Section 3.12 Association Rules and Regulations. The Association, through its Board of Directors, may adopt Rules and Regulations consistent with Utah Code Ann. 57-8a-217.

ARTICLE IV RESIDENTIAL ZONE REGULATIONS

Section 4.1. Residential Zone Uses. Property in residential zone may be used for:

4.1.1 Residence and Out-buildings. A single-family residence, together with out-buildings to such use, located in the same lot or parcel of land including;

- a. A private garage with a capacity not to exceed three (3) automobiles.
- b. A boat repair or storage building for the personal use of the occupant.
- c. A children's playhouse.
- d. Lath or green house
- e. Tool houses
- f. Hobby shops not used commercially.
- g. Facilities to house and care for livestock or poultry.

4.1.2 Religious Buildings. Churches, temples, or other places used exclusively for religious worship shall be permitted within this zone upon approval of location and development plans by the Committee on Architecture, and also upon the granting of a conditional use permit by the County Planning Commission.

4.1.3 Auxiliary Uses. The following auxiliary uses, if they do not alter the character of the premises as a single-family residence:

- a. One detached guest house on the same premises as and not less than twenty (20) feet from the main building for the use of temporary guests of the occupants of the premises, if such quarters are not rented or otherwise used as a separate dwelling.
- b. Fences, walls, or hedges may be erected, started or maintained to a height of 72" above the adjacent grade when used as a property line or boundary separation, except that no fence, wall, or hedge may be used for this purpose in the front setback area of a lot in excess of 42" above the adjacent grade.

Section 4.2 Building Setbacks.

4.2.1 Front yard setback shall conform to a minimum depth of fifty (50) feet from the front property line to the furthest structural projection, including caves, overhangs, porches or any building or structure. Excepted from the setback would be any hillside lots where it would not be possible to set back fifty (50) feet. In those cases, the requirements under residential Zone S-1A would apply.

4.2.2 A side yard shall be maintained at least fifteen (15) feet in depth from all side property lines of the building line of any structure.

Section 4.3 Vehicle Storage. Every dwelling or other structure in Residential Zone designed for or intended to be used as a dwelling, shall have on the same lot or parcel of land, automobile space conveniently accessible from the street. This space shall be of sufficient capacity so as to not exceed maximum vehicle storage requirements as outlined above.

Section 4.4 Subdivision of Lots. No Lot or parcel or land shall be divided into smaller lots or parcels less than two-thirds (2/3) acre under any conditions or circumstances whether or lease, sale or rental purposes.

**ARTICLE V
MISCELLANEOUS**

These conditions shall run with the land and shall be binding upon all parties and all persons claiming under them until March 10, 1982, at which time said Conditions and Covenants shall be automatically extended for successive periods of ten (10) years, unless by vote of the owners of a majority of the lots in said Subdivision, it is agreed to change said Conditions in whole or in part.

PROVIDED FURTHER, that if any paragraph, section, clause or phrase of the restrictions, conditions, and covenants herein contained shall be or become illegal, null, or void, for any reasons or shall be held by any court competent jurisdiction to be illegal, null, or void, the remaining paragraphs, sections, sentences, clauses or phrases herein contained would have been and are imposed and each paragraph, sections, sentence, clause or paragraph thereof, irrespective of the fact that any one or more other paragraphs, sections, sentences, clauses or phrases are or shall become or be illegal, null or void.

PROVIDED FURTHER, that if any owner of any lot in said property or his heirs, or assigns, shall violate or attempt to violate any of the conditions, covenants, and/or restrictions herein, it shall be lawful for any other person or persons owning any other lots in said property to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such conditions, covenants, and/or restrictions and either to prevent him or them from so doing or to recover damages or other dues for each violation.

PROVIDED FURTHER, that the breach of any of the foregoing conditions, covenants, and/or restrictions shall not defeat or render invalid the lien of any mortgage, or deed of trust in good faith, and for value, as to said property or any part thereof; but such conditions, covenants, and/or restrictions shall be finding upon and effective against any other or any lot or lots in said property whose title is acquired by foreclosure, trustee's sale or otherwise.

**BYLAWS OF HIGHLAND ESTATES PROPERTY
OWNERS ASSOCIATION, INC.**
A Utah Nonprofit Corporation

**ARTICLE I
OFFICE**

The principal office of the Association shall be in Highland Estates. Said office shall be at the home of the acting President of Highland Estates Property Owners Association, Inc., or at the location so designated by the President, which location shall be within the bounds of Highland Estates proper.

**ARTICLE II
MEETINGS OF MEMBERS**

Section 2.1 Annual Meeting. The annual meeting of the members shall be held at 7:00 pm on the second Tuesday in June of each year at the principal office of the Association, or at such other place as shall be stated in the notice of meeting or in a duly executed waiver of notice; provided, however, that whenever such date falls upon a legal holiday, the meeting shall be held on the next succeeding business day; and further provided that the Board of Trustees may by resolution fix the date of the annual meeting at such other date as the Board may deem appropriate. At such meeting, the members shall elect trustees for a one (1) year term to serve until their successors shall be elected and shall qualify. Only members of the Association shall be elected trustees; provided, however, that officers and/or duly authorized agents of corporate members may also be elected trustees of the Association.

Section 2.2 Special Meetings. Special meetings of the members may be called by the President, by a majority of the Board of trustees or by any number of members whose holdings shall not be less than one-third (1/3) of the memberships of the Association. When a special meeting is demanded by the Owners, the Board shall set the time and date for the meeting consistent with Utah Law. If notice of the meeting is not given by the Board within 30 days after the date the written demand is delivered to an Association officer, a person signing the demand may set the time and place of the meeting and give notice pursuant to the requirements herein. Business transacted at a special meeting shall be confined to the purposes stated in the notice of the meeting.

Section 2.3 Notice of Meetings. The Board of Trustees shall cause written or printed notice of the time, place, and purposes of all meetings of the members (whether annual or special) to be delivered not more than fifty (50) nor less than ten (10) days prior to the meeting,

to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the member at his registered address, with first class postage thereon prepaid. Each member shall register with the Association such member's current mailing address for purpose of notice hereunder. Such registered address may be changed from time to time by notice in writing to the Association, if no address is registered with the Association, a member's address shall be deemed to be his numbered lot in Plats A or B of the Association.

Section 2.3.1 Electronic Transmission. Any communication, notice, action or vote under these Bylaws or the Declaration (for Member communication and voting and Board member communication and voting) may be delivered or cast, including the establishment of a quorum, by an electronic transmission by an Owner. An electronic transmission communicating a vote, abstention, demand, or revocation is considered to be written, signed, and dated for purposes of this Article if the electronic transmission is delivered with information from which the Association can determine that the electronic transmission is transmitted by the person (e.g., from a sender's known email account), and the date on which the electronic transmission is transmitted. The date on which an electronic transmission is transmitted is considered the date on which the vote, abstention, demand, or revocation is signed. For purposes of this Section 2.3.1, communications to the Association are not effective until received.

Section 2.4 Presiding Officer. The President, and in his absence a Vice President, shall preside at all such meetings.

Section 2.5 Voting Requirements. When a quorum is present in person or represented by proxy at any meeting, the vote of a majority of the membership present in person or by proxy shall decide any question brought before such meeting, including the election of trustees, unless the question is one upon which by express provision of the statutes of the State of Utah or of the Articles of Incorporation or of their By-laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast by the members either in person or by proxy. All proxies shall be in writing and in the case of proxies for the annual meeting, they shall be delivered to a credentials committee consisting of the President, a Vice President and Secretary of the Association at least ten (10) days prior to said annual meeting. Proxies for special member's meetings must be of record with the credentials committee at least five (5) days prior to the holding of such special member's meeting. If instructed, the Secretary shall enter a record of such proxies in the minutes of the meeting. On all matters presented to a vote of the members the holder of each membership shall have one (1) vote per lot. In the case of a membership owned as joint tenants, each such joint tenants shall have that number of votes determined by dividing the number of votes attributable to the membership by the number of joint tenants who own the membership.

Section 2.6 Registered Members. At annual meetings of the members, only such persons shall be entitled to vote in person or by proxy as appear as members upon the transfer books of the Association on the 30th day before such annual members' meeting. The Board of trustees may, by resolution, fix a date in advance of the date of special members' meetings upon which a member must appear as a member of record on the Association's transfer books in order to be entitled to vote at such special members' meetings; provided, however, that said date shall

in no event be fixed at less than ten (10) nor more than thirty (30) days prior to the date set for such meeting.

Section 2.7 Quorum. At any meeting of the members, the presence of members holding or holders of proxies entitled to cast, more than fifty percent (50%) of the total votes of the Association shall constitute a quorum for the transaction of business. In the event a quorum is not present at a meeting, the members present (whether represented in person or by proxy), though less than a quorum, may adjourn the meeting to a later date. Notice thereof shall be delivered to the members as provided above. At the reconvened meeting, the members and proxy holders present shall constitute a quorum for the transaction of business.

Section 2.8 Waiver of Irregularities. All inaccuracies and/or irregularities in calls, notices of meetings and in the manner of voting, form of proxies, credentials and method of ascertaining those present, shall be deemed waived if no objection is made at the meeting.

Section 2.9. Action by Written Ballot in Lieu of a Meeting. Any action that may be taken at any annual, regular, or special meeting of Owners may be taken without a meeting if the Association causes to be delivered a written ballot to every Owner entitled to vote on the matter not less than fifteen (15) days prior to the date on which the ballots must be received by the Association in order to be counted. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of Trustees; specify the time by which a ballot must be received by the Association in order to be counted; and be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter. In the event the action is for election of Board members, there shall be space on the ballot to write in nominations. Action taken under this section has the same effect as action taken at a meeting of Owners and may be described as such in any document. The Board may elect to conduct a vote pursuant to this section by a secrecy procedure whereby a written ballot is accompanied by: (1) a secrecy envelope; (2) a return identification envelope to be signed by the owner; and (3) instructions for marking and returning the ballot. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

ARTICLE III BOARD OF TRUSTEES

Section 3.1 Responsibilities. The business and property of the Association shall be managed by its Board of Trustees (herein designated and referred to as the "Board"). The Board may, however, enter into such management agreement or agreements with third persons as it may deem advisable.

3.1.1 **Enforcement.** Each Owner, tenant or occupant of a Lot shall comply with the provisions of this Declaration, Bylaws, and the rules and regulations adopted pursuant thereto and any applicable statute. The Board shall have the authority to levy fines, and a violation of any specific and express rule, regulation, covenant, restriction, or term of any Governing Document of the Association (a "violation"), and any subsequent occurrence of such violation, shall be subject to a fine in the amount determined by the Board from time to time pursuant to a schedule of fines. Repeat and continuous violations shall be set forth in a Resolution or be enforced consistent with Utah law

Section 3.2 **Vacancies.** In case of any vacancy in the Board of Trustees the remaining members of the Board may elect a successor trustee or trustees to hold office until the next meeting of the members.

Section 3.3 **Regular Meetings.** A regular annual meeting of the trustees shall be held immediately after the adjournment of each annual members' meeting at the place at which such members' meeting was held. Regular meetings, other than the annual meeting, shall be held at regular intervals as such places and at such time as the Board of Trustees may from time to time, by resolution, provide.

Section 3.4 **Special Meetings.** Special meetings of the Board of Trustees shall be held whenever called by the President, the Vice President, or by a majority of the Board. By unanimous consent of the Trustees, special meetings of the Board may be held without call or notice at any time or place. Notice of all calls and meetings of the Board of Trustees shall be as provided in these By-laws.

Section 3.5 **Quorum.** A quorum for the transaction of business at any meeting of the Trustees shall consist of a majority of the Trustees then in office.

Section 3.6 **Committees.** The Board of Trustees may, by resolution passed by a majority of the whole Board, designate one or more committees; each committee to consist of two (2) or more of the members of the Association, which, to the extent provided in said resolution shall have and may exercise the powers in said resolution set forth. Such committees shall have such name or names as may be determined from time to time by resolution adopted by the board of Trustees. Such committees shall keep regular minutes of their proceedings and report the same to the Board of Trustees when required. The President may appoint persons to fill vacancies on each of said committees occasioned by death, resignation, revocal or inability to act for any extended period of time.

Section 3.7 **Compensation.** No Trustee shall receive compensation for any services that he may render to the Association as a Trustees provided, however, that Trustees may be reimbursed for expenses incurred for performance in their duties as Trustees and except as otherwise provided in these By-Laws, may be compensated for services rendered to the Association other than in their capacity as Trustees.

Section 3.8 **Additional Facilities.** The Board of Trustees shall have the authority to provide such facilities, in addition to those for which provision has already been made, as it may deem to be in the interest of the members.

Section 3.9 **Membership of the Board of Trustees.** The Board of Trustees shall be made up of the following members – the duly elected President, First Vice President, Second Vice President, Third Vice President, Secretary, and Treasurer – together with three additional Board members to be elected at the annual meeting of the members.

Section 3.10 **Open Meetings; Executive Sessions.**

3.10.1 Open Meetings. Except as provided in subsection 3.10.2, all meetings of the Board shall be open to Owners. At each meeting, the Board shall provide each Owner a reasonable opportunity to offer comments. The Board may limit the comments to one specific time period during the meeting. Beyond such comment period, no Owner shall have a right to participate in the Board meeting unless the Owner is also a member of the Board. The president or Board shall have the authority to exclude an Owner who disrupts the proceedings at a Board meeting. The Board may adopt policies governing meetings of the Board from time to time, including policies to reflect current Utah law (which Utah law may change more frequently than these Bylaws). If such Utah law supersedes any provision of these Bylaws, the policy adopted by the Board shall also supersede these Bylaws to the extent the policy restates then current Utah law. “Meeting” means a gathering of a Board, whether in person or by means of electronic communication in real time under Section 3.11, at which the Board can take binding action.

3.10.2 Executive Sessions. In the discretion of the Board, the following matters may be considered in executive session, a portion of the Board meeting closed to Owners except by invitation of the Board:

- (a) Consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation or criminal matters;
- (b) Personnel matters, including salary negotiations and employee discipline;
- (c) The negotiation of contracts with third parties;
- (d) Collection of unpaid assessments; and
- (e) Other matters of a sensitive, private, or privileged nature at the discretion of the Board and consistent with the law.

3.10.3 Executive Session Procedure. Except in the case of an emergency, the Board shall vote in an open meeting whether to meet in executive session. If the Board votes to meet in executive session, the president or other presiding officer shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

3.11 Action Taken by Board without a Meeting.

3.11.1 Notice, Response. The Board shall have the right to take any action in the absence of a meeting which they could take at a meeting if notice is transmitted in writing to each member of the Board and each member of the Board, by the time stated in the notice:

- (a) (1) signs a writing for such action; or (2) signs a writing against such action, abstains in writing from voting, or fails to respond or vote; and
- (b) fails to demand in writing that action not be taken without a meeting.

3.11.2 Content of Notice. The notice required by Subsection 3.11.1 (the "Notice") shall state:

- (a) the action to be taken;
- (b) the time by which a Board member must respond to the Notice;
- (c) that failure to respond by the time stated in the Notice will have the same effect as: (1) abstaining in writing by the time stated in the Notice; and (2) failing to demand in writing by the time stated in the Notice that action not be taken without a meeting; and
- (d) any other matters the Association determines to include.

3.11.3 Approval of Action/Decision. Action is taken under this Section 3.11 only if, at the end of the time stated in the Notice:

- (a) the affirmative votes in writing for the action received by the Association equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the Board members then in office were present and voted; and
- (b) the Association has not received a written demand by a Board member that the action not be taken without a meeting (other than a demand that has been revoked pursuant to Subsection 3.11.5).

3.11.4 Waiver of Meeting. A Board member's right to demand that action not be taken without a meeting shall be considered to have been waived unless the Association receives such demand from the Board member in writing by the time stated in the Notice.

3.11.5 Revocation. A Board member who in writing has voted, abstained, or demanded action not be taken without a meeting may, in writing, revoke the vote, abstention, or demand at any time before the time stated in the Notice.

3.11.6 Electronic Transmission. A communication under this Section may be delivered by an electronic transmission. An electronic transmission communicating a vote, abstention, demand, or revocation is considered to be written, signed, and dated for purposes of this Article if the electronic transmission is delivered with information from which the Association can determine that the electronic transmission is transmitted by the person (e.g., from a sender's known email account), and the date on which the electronic transmission is

transmitted. The date on which an electronic transmission is transmitted is considered the date on which the vote, abstention, demand, or revocation is signed. For purposes of this Section 3.11, communications to the Association are not effective until received.

ARTICLE IV OFFICERS

Section 4.1 President. The President shall be Chief Executive Officer of the Association and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Association all membership certificates, conveyances, mortgages and contracts and shall do and perform all acts and things which the Officers may require of him.

Section 4.2 First Vice President. In the event of the President's absence or inability to act, the First Vice President shall have the powers of the President. He shall perform such other duties as the Officers may impose upon him.

Section 4.3 Second Vice President. In the event of the President's and the First Vice President's absence or inability to act, the Second Vice President shall have the powers of the President. He shall perform such other duties as the Officers may impose upon him.

Section 4.4 Third Vice President. In the event of the President's, the First Vice President's and the Second Vice President's absence or inability to act the Third Vice President shall have the powers of the President. He shall perform such other duties as the Officers may impose upon him.

Section 4.5 Secretary. The Secretary shall keep the minutes of the Association, its membership books, and such books and records as these By-Laws or any resolution of the trustees may require him or her to keep. He shall be the custodian of the seal of the Association and shall affix the seal to all papers and instruments requiring it. He shall perform such other services as the Officers may impose upon him, One or more Assistant Secretaries may be elected by the majority of the Officers and the unanimous vote of the board of trustees, in the event of the Secretary's absence or inability to act or perform the duties and functions of the Secretary.

Section 4.6 Treasurer. The Treasurer shall have the custody and control of the funds of the Association; subject to the action of the Officers; and shall, when requested by the President so to do, report the state of the finances of the Association at such annual meeting of the members and at any meeting of the Trustees. He shall perform such other services as the Officers may require of him. The Treasurer shall disburse funds only with a counter-signature by either the President or the First Vice President.

Section 4.7 Director. The Director shall assist the President in the management of the business and property of the association and shall perform such duties as the Board of Trustees, from time to time, shall direct.

**ARTICLE V
SEAL**

There shall be no formal seal of the Association other than authorized signature of the Board members or Officers.

**ARTICLE VI
MEMBERSHIP CERTIFICATES**

Section 6.1 Form of Certificates. The Association shall issue certificates evidencing each membership.

Section 6.2 Issuance. All membership certificates shall be signed by the President or Vice President and by the Secretary or an Assistant Secretary and the seal of the Association shall be impressed thereon. The name of the initial owner of each certificate shall be entered on its stub. Each owner of a lot (hereinafter designated a "lot") in the Project shall be issued a membership certificated for each lot owned by him. The conveyance or other disposition by a member of all such member's entire ownership interest in a lot shall be deemed to constitute, and may be treated by the Association as a transfer and conveyance by such member to his successor in interest in ownership of said lot of the membership in the Association which is appurtenant to the lot sold or disposed of; and the Association shall be entitled to cancel the certificate evidencing such membership, whether or not said certificate as surrendered, and reissue the same to the new owner or owners of such lot upon such terms and conditions as the Board of Trustees may, in each case, direct.

Section 6.3 Transfer. Except as provided in Section 6.1, membership certificates shall be transferred on the books of the Association by assignment made by the owner, his attorney-in-fact or legal representative, and by delivery of the certificate to the Secretary of the Association for transfer, together with such further supporting documents as the Association may reasonably require. Each certificate surrendered for transfer shall be marked "cancelled" by the Secretary and the cancelled certificate shall be affixed to its stub.

Section 6.4 Lost Certificates. Should the owner of any membership certificate make application to the Association for the issuance of a duplicate certificate by reason of the loss or destruction of his certificate, he shall accompany his application by an affidavit setting forth the time, place and circumstances of such loss or destruction together with a bond in such amount and with such surety or sureties as are acceptable to the Secretary of the Association, agreeing to indemnify the Association against such loss as the Association may suffer by reason of the issuance of a duplicate certificate or the refusal to recognize the certificate that was allegedly lost or destroyed. Upon satisfaction of the foregoing, a duplicate certificate may be issued. The duplicate certificate shall be marked "duplicate" and the stub of the certificate lost or destroyed shall indicate the issuance of the duplicate. The Board of Trustees may, in its discretions, waive the requirement of a surety or sureties on the bond.

**ARTICLE VII
DIVIDENDS**

There shall be no dividends paid or payable by the Association. It is hereby acknowledged that the Association is organized as a non-profit corporation under the Utah Nonprofit Corporation Cooperative Association Act solely and strictly as an association of property owners to act as an agent for said owners in the management of the Project. It is not intended that the Association realize any profit on any transactions.

**ARTICLE VIII
ANNUAL STATEMENT**

The Board of Trustees shall present at each annual meeting, and when called for by a vote of the members at any special meeting of the members, a full and complete statement of the business and condition of the Association. Said statement shall be approved by majority of the members present, in person, or by proxy.

**ARTICLE IX
FISCAL YEAR**

The fiscal year of the Association shall be fixed by a resolution of the Board of Trustees.

**ARTICLE X
BUILDING RULES**

The Board of Trustees shall have the power to adopt and establish by resolution, such building, management and operational rules as the Board of trustees may deem necessary for the maintenance, operation management and control of the Project; and the Board may from time to time by resolution, alter, amend and repeal such rules. Members who shall also be the owners of lots in the Project shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision it being understood that such rules shall apply and be binding upon all members of the Association and upon all owners and occupants of the Project.

**ARTICLE XI
AMENDMENTS**

These Bylaws may be altered or repealed by the affirmative vote of a majority of the members at any regular meeting of the members or at any special meeting of the members if notice of the proposed alteration or repeal be contained in the notice of such special meeting.

**ARTICLE XII
PROJECT MANAGER**

The Board of Trustees may employ a Project Manager for the Project which may be either an individual, partnership or corporation under a Management agreement containing such

terms and conditions as the Board shall deem to be the interest of the members. Said Project Manager shall be responsible for managing the Project for and on behalf of the Association in accordance with these Bylaws and said Management Agreement.

ARTICLE XIII INDEMNIFICATION

Section 13.1 Indemnification Third Party Actions. The Association shall have the power to 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, whether civil, criminal, administrative or investigative (other than action by or in the right of the Association) by reason of the fact that he is or was a Trustee, officer, employee, or agent to the Association or is or was serving at the request of the Association as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) judgements, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgement, order, or settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, or with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 13.2 Indemnification Association Actions. The Association shall have the power to 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 or in the right of the Association to procure a judgement in its favor by reason of the fact that he is or was a Trustee, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, Trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust of other enterprise against expenses (including attorney's fees), judgements, fines, and amounts paid in settlement actually and reasonable incurred by him in connection with the defense or settlement of such action of suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liability for gross negligence or willful misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability by in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses, judgements, fines and amounts paid in settlement which such court shall deem proper.

Section 13.3 Determination. To the extent that a Trustee, officer, employee, or agent of the Association has been successful on the merits in defense of any action, suit, or proceedings referred to in Section 13.1 and 13.2 here of, he shall be indemnified against expenses (including

attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection therewith. Any other indemnification under Section 3.1 and 13.2 hereof shall be made by the Association only upon a determination that indemnification of the Trustee, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 13.1 hereof. Such determination shall be made either by the Board of Trustees, by a majority vote of a quorum consisting of Trustees who were not parties to such action, suit, or proceeding, by independent legal counsel in a written opinion or by owners by a vote of at least fifty percent (50%) of the total votes of the Association at any meeting duly called for such purpose.

Section 13.4 Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding as contemplated in the Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board of Trustees and upon receipt of an undertaking by or on behalf of the trustee, officer, employee, or agent to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article.

Section 13.5 Scope of Indemnification. The indemnification authorized by this Article shall apply to all present and future trustees, officers, employees, and agents of the Association and shall continue as to such persons who cease to be trustees, officers, employees, or agents of the Association and shall inure to the benefit of the heirs, executors, and administrators of all such persons and shall be in addition of all other rights to which such person may be entitled as a matter of law.

Section 13.6 Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a trustee, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, trustee, officer, employee or agent or another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the laws of the State of Utah, as the same may hereafter be amended or modified.

Section 13.7 Payments Out of Common Expense Fund. All payments made pursuant to this Article shall constitute expenses of the Association and shall be paid with funds from the Common Expense Fund.

ARTICLE XIV ASSESSMENTS

Section 14.1 Creation of Lien and Personal Obligation of Assessments. By virtue of Paragraph 2 of the Agreements for Deed covering the original transfer of all property located in the Highland Estates Subdivision all such property was made subject to certain covenants and restrictions; including the creation of an Association for the purpose of maintaining and administering community properties, facilities, and affairs. The rights of said Association, including the right to assess and levy upon the subject property, is set forth in a Declaration recorded in the public records of Summit County, Utah, and more particularly described in its

Articles of Incorporation and these Bylaws. Therefore, the Board of Trustees shall have the right and duty to make monthly, annual, or special improvements, which, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge of the land and shall be continuing lien upon the property again which each assessment is made. Each assessment, together with interests, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due.

Section 14.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the property owners, and in particular, for the improvement and maintenance of the properties, services and facilities devoted to this purpose and related to the use and enjoyment of the properties located in the Highland Estates Subdivision.

Section 14.3 Basis of Assessments. Except as hereinafter set forth, each lot shall be subject to assessments made by the Board of Trustees for the purpose of securing funds for the operation of this Association as well as maintenance of the properties, services and facilities which are presently in existence.

Section 14.4 Special Assessment for Capital Improvements. In addition to the assessments authorized above, the Association may levy in any calendar year, a special assessment applicable to that year only for the purpose of defraying in whole or in part of the costs of any construction, reconstruction, unexpected repair or replacement of a described capital improvement on the subject improvement, including the necessary fixtures and personal property related thereto; provided that the assessment shall have the assent of fifty-one percent (51%) of the votes of each member who is voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than ten (10) days nor more than fifty (50) days in advance of the meetings setting forth the purpose of the meeting.

Section 14.5 Uniform Rate. All assessments must be fixed at a uniform rate for all lots unless special provision to the contrary be made in the case of assessments made for capital improvements. In that event, any contrary provision shall be made with the assent of fifty-one percent (51%) of the votes of each member who is voting in person or by proxy at the meeting duly called for this purpose. Notice of said meeting shall be as set forth in Section 14.4 above.

Section 14.6 Date of Payment of Assessment. Written notice of an assessment shall be sent to every owner and the due date of said payment shall be established by the Board of Trustees.

Section 14.7 Effect of Nonpayment of Assessment, Remedies of Association. If the assessments are not paid on the date when due, then the assessment shall become delinquent and shall, together with interest of eighteen percent (18%) thereon and costs of collection thereof as hereinafter provided, become a continuing lien on the property, which shall bind the property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay the assessment, however, shall remain his personal

obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquent date of the assessment shall bear interest from the date of delinquency as aforesaid; and the Association may bring an action at law against the owner; personally obligated to pay the same, or to foreclose the lien against the property, judicially or non-judicially, and there shall be added to the amount of the assessment the costs of preparing and filing the complaint in the action and in the event a judgment is obtained the Judgment shall include interest on the assessment as above provided and a reasonable attorney's fee, to be fixed by the court, together with the costs of the action.

The Association and each Owner hereby appoints the attorney of the Association who has been retained by the Association at the time a foreclosure is initiated as trustee for the purpose of exercising the power of sale in connection with non-judicial foreclosures as provided in Title 57, Chapter 1, Utah Code and made applicable hereto by Title 57, Chapter 8a, Utah Code Ann., as may be amended from time to time.

14.7.1 Rent Payments by Tenant to Association. If the Owner of a Lot who is leasing the Lot fails to pay an assessment for more than 60 days after the assessment is due, the Board may demand that the tenant pay to the Association all future lease payments due to the Owner consistent with the requirements of the Community Association Act.

14.7.2 Termination of Common Services and Facility Use. Pursuant to the requirements of the Community Association Act, if an Owner fails or refuses to pay an assessment when due, the Board may, after giving notice and an opportunity to be heard in accordance with the law and the written procedures of the Association, terminate an Owner's right: (1) to receive any service paid as a common expense, including but not limited to utility services; and (2) of access and use of recreational facilities.

Section 14.8 Statement of Unpaid Assessment & Payoff Information. The Association shall, upon demand at any time, furnish to any Owner liable for assessments a certificate in writing signed by an officer of the Association setting forth whether assessments have been paid. The certificate shall be conclusive evidence of payment of any assessment therein stated as having been paid. A reasonable charge up to the maximum amount allowed by law may be levied in advance by the Association for each certificate so delivered. The Association may charge a fee for providing Association payoff information needed in connection with the financing, refinancing, or closing of a Lot Owner's sale of the Owner's Lot up to the maximum amount allowed by law.

EXECUTED this 11th day of September 2019.

[END OF DOCUMENT – SIGNATURE PAGE FOLLOWS]

HIGHLAND ESTATES PROPERTY OWNERS ASSOCIATION

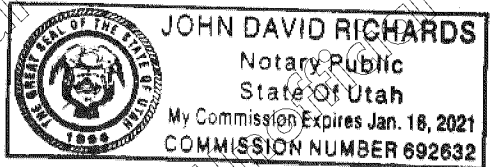
By: Cathy Silver

Its: Financial officer

STATE OF UTAH

COUNTY OF Summit ss.

On this 10 day of September, 2019, personally appeared before me CATHY SILVER (name) who, being by me duly sworn, did say and acknowledge that he signed the within instrument in the capacity indicated.



[Signature]
NOTARY PUBLIC

EXHIBIT A
(Legal Description)

HIGHLD EST A - HIGHLAND ESTATES PLAT A SUBD AMENDED

Parcel Numbers: HE-A-302 through HE-A-399-A

HIGHLD EST B - HIGHLAND ESTATES PLAT B SUBD & AMENDED

Parcel Numbers: HE-B-225 through HE-B-301-A