

WHEN RECORDED, RETURN TO:

RICHARDS, KIMBLE & WINN, PC  
c/o Curtis G. Kimble  
2040 Murray Holladay Rd., Suite 106  
Salt Lake City, UT 84117  
(801) 274-6800

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Gary W. Ott  
Recorder, Salt Lake County, UT  
RICHARDS LAW OFFICE  
BY: eCASH, DEPUTY - EF 47 P.

AMENDED AND RESTATED DECLARATION  
OF  
CONDOMINIUM  
FOR  
MOUNT OLYMPUS CONDOMINIUMS  
(Phases 1-4)  
Including Bylaws

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AMENDED AND RESTATED DECLARATION  
OF CONDOMINIUM FOR  
MOUNT OLYMPUS CONDOMINIUMS

A. THIS AMENDED AND RESTATED DECLARATION OF CONDOMINIUM for the Mount Olympus Condominiums is made on the date evidenced below by the Mount Olympus Condominiums, HOA, a Utah nonprofit corporation (the "Association"), established to govern the common affairs of the Association's members and enforce the covenants, conditions, restrictions and rules of the Association.

B. A Declaration of Covenants, Conditions and Restrictions of Mt. Olympus Condominium – Phase No. One was recorded July 22, 1975 as Entry No. 2727498 in the records of the Salt Lake County Recorder and subsequent declarations, as well as amendments, have also been recorded.

B. This Amended and Restated Declaration of Condominium including Bylaws supersedes and replaces all prior declarations, including amendments and supplements to any declaration, and including the Mount Olympus Condominium Revision of Condominium Declaration of Covenants, Conditions and Restrictions Revision #5 recorded September 20, 2006, as Entry No. 9850187, records of the Salt Lake County Recorder, in its entirety and including any subsequent amendments or supplements thereto (the "2006 Declaration"), and including the Bylaws of the Association.

C. Pursuant to Page 3 of the 2006 Declaration, the vote of at least two-thirds of the Unit Owners has been obtained to adopt this amended Declaration.

D. This Amended and Restated Declaration of Condominium including Bylaws shall be binding upon all real property described in Exhibit A attached hereto and it is agreed by acceptance of a conveyance, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of use or enjoyment, respecting the property or any unit in the property regime created by this Declaration, that this Declaration, together with the Survey Map, states covenants, conditions, restrictions, and reservations effecting a common plan for the condominium development mutually beneficial in all of the described units, and that the covenants, conditions, restrictions, reservations and plan are binding upon the entire property and upon each such unit as a parcel of realty, and upon its owners or possessors, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the property or any security interests therein without requirement of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosures, or sales of units under security instruments.

E. The Mount Olympus Condominiums, a Utah condominium project, has been and continues to be submitted to Utah Condominium Ownership Act, Utah Code Ann. §57-8-1 et seq., as amended from time to time (the "Act"), with the rights, privileges and obligations as set forth herein and in the Act.

## ARTICLE I - DEFINITIONS

The following words when capitalized in this Declaration shall have the following meanings:

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

1.2 **“Assessment”** means any charge imposed or levied by the Association on or against an Owner or Unit pursuant to the terms of this Declaration, the Bylaws or applicable law.

1.3 **“Association”** means and refers to the Mount Olympus Condominiums, HOA, a Utah nonprofit corporation.

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

1.5 **“Common Area”** means, refers to, and includes: (a) The real property, excluding all Units as defined herein, and interests in the real property which this Declaration submits to the terms of the Act; (b) The real property, excluding all Units as defined herein, and interests which comprise the Project; (c) All common areas and facilities designated as such on the Plat Map; (d) All Limited Common Areas and facilities, except when the context otherwise requires for maintenance or use purposes; (e) All foundations, roofs, columns, girders, beams, supports and perimeter walls constituting a portion of or included in the improvements which comprise a part of the Project; (f) All installations for and all equipment connected with the furnishing of the project's utility services, such as electricity, gas, water and sewer; (g) In general, all apparatus, installations and facilities included within the Project and existing for common use; (h) The Project's outdoor lighting, fences, landscape, sidewalks, parking spaces, driveways and roads (unless the parking spaces and/or roads have been dedicated to the public); (i) All portions of the Project not specifically included within the individual Units; (j) All other parts of the project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management; (k) All common areas as defined in the Act, whether or not enumerated herein.

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

1.7 **“Community”** means all of the land described in attached Exhibit A, including any property annexed into the Project.

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

1.9 **“Eligible Holder”** shall mean any holder, insurer, or guarantor of a first Mortgage who makes a written request to the Association to receive any of the notices provided to Eligible Holders under this Declaration. The written request shall state the name and address of the Eligible Holder and the Unit number to which the Eligible Holder's mortgage interest applies.

1.10 **“Governing Documents”** shall mean and refer to a written instrument by which the Association may exercise powers or manage, maintain, or otherwise affect the property under the jurisdiction of the Association, including Articles of Incorporation, Bylaws, Plat, this Declaration, and Rules and Regulations.

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

1.12 **“Limited Common Areas”** includes all of the real property identified as limited common area on the plat map for the Project and maintained pursuant to the terms of this Declaration and shall include the following, if designated to serve a single Unit but located outside the Unit's boundaries: patios, patio fences, entrance ways, doorsteps, stoops, porches, balconies, fences, storage areas, atriums, an exterior door, an exterior window, and any other fixture. Limited Common Areas are Common Areas limited to the use of certain Units to the exclusion of other Unit Owners.

1.13 **“Management Committee” or “Committee”** shall mean and refer to the Management Committee of the Association vested with the authority to manage the Community and to enforce this Declaration, Bylaws and Rules and Regulations. The term Management Committee is synonymous and interchangeable with the term “Board of Directors” as that term may be used in the governing documents of the Association or the Utah Nonprofit Corporation Act.

1.14 **“Manager” or “Managing Agent”** shall mean and refer to the person or entity that may be retained from time to time by the Association to manage the Property at the option and according to the direction of the Management Committee.

1.15 **“Mortgage”** means any mortgage or deed of trust encumbering any Unit and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Recorder's Office.

1.16 **“Mortgagee”** means the person or entity secured by a Mortgage.

1.17 **“Notice”** including any requirements for notice hereunder shall be defined and carried out as set forth in the Bylaws.

1.18 **“Owner”** means the person, persons or other entity owning any Unit, as such ownership is reflected in the records of the County Recorder, but does not include a tenant or holder of a leasehold interest or person holding only a security interest in a Unit.

1.19 **“Percentage Interest”** means and refers to the percentage of undivided ownership interest of each Unit Owner in the Common Areas as set forth in Section 2.4 below.

1.20 **“Plat” or “Plat Map” or “Record of Survey Map”** (these terms may be used interchangeably herein) means the record of survey map recorded at the County Recorder's Office and any plats recorded among the Recorder's Office in substitution therefor or amendment

thereof.

1.21 **“Property” or “Project”** means the Mount Olympus Condominiums, Phases 1 through 4, including all of the real property described in attached Exhibit A and all Units and Common Area.

1.22 **“Quorum”** means the number of directors or Members that when duly assembled at a meeting or when represented by casting a written ballot in an action without a meeting is legally competent to transact business.

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

1.24 **“Unit”** means and refers to a separate physical part of the Property intended for independent use and ownership, consisting of rooms and spaces located within a building structure. Units are shown on the appropriate Plat Map. Mechanical equipment and appurtenances located within any one Unit or located outside of said Unit but designated and designed to serve only that specific Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning or air cooling apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior walls, floors and ceilings; all interior windows and window frames, doors and door frames, and trim; all lath, furring, wallboard or drywall, plasterboard, plaster, paneling, tiles, wallpaper, paint, flooring, carpeting and tile. All interior partitions, all pipes, shut-off valves, breaker boxes, wires, conduits, public utility lines or installations serving only that specific Unit; and any structural features or any other property of any kind, including fixtures and appliances within any Unit which are removable without jeopardizing the soundness, safety, or usefulness of the remainder of the structure or building within which the Unit is situated shall be considered part of the Unit.

## ARTICLE II - PROPERTY DESCRIPTION

2.1. Property Subject the Declaration and Bylaws.

Mount Olympus Condominiums, a Utah Condominium Project, is hereby submitted to the Act, and any amendments thereto as codified from time to time, with the rights, privileges and obligations of condominium ownership as set forth herein and in the Act.

2.2. Description of Improvements.

The significant improvements within the Project consist of 23 buildings of frame construction containing 46 residential Units, and other improvements as shown by the Plat.

2.3 Description and Legal Status of Units.

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

2.4 Ownership Interest in Common Areas.

The percentages of undivided ownership interest of the Unit Owners in the Common Areas are equal and shall be 2.1739% each (46 Units). The common profits of the Property shall be distributed among, the common expenses shall be charged to, and the voting rights shall be available to, the Unit Owners according to their respective percentage of undivided interests in the common areas and facilities. Neither the percentage interest in the Common Areas nor the right of exclusive use of the Limited Common Areas shall be separated from the Unit to which it appertains, and even though not specifically mentioned in the instrument of transfer, the percentage interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

2.5 Covenants Run with the Land.

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

2.6 Form of Unit Conveyance - Legal Description of Unit.

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

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

2.7 No Right of First Refusal

The right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit shall not be subject to any right of first refusal or similar restriction.

ARTICLE III - PROPERTY RIGHTS AND EASEMENTS

3.1 Use and Occupancy.

A Unit Owner shall not permit his or her Unit to be occupied or used other than as a private residence. Except as otherwise provided in Governing Documents, the Owner(s) of a Unit shall be entitled to the exclusive use and benefits of ownership of such Unit. Each Unit, however, shall be bound by, and the Owner, occupants and guests, shall comply with, the restrictions contained in Article V below and all other provisions of the Governing Documents for the

mutual benefit of the Owners.

### 3.2 Restriction on Unit Division.

All Owners are prohibited from dividing any and all Units subject to this Declaration except through an amendment to this Declaration properly adopted as provided herein. However, Owners' allocated ownership interests in the Common Areas may not be altered without the consent of sixty-seven percent (67%) of all Owners.

### 3.3 Modifications to Unit or Common Area.

No interior changes to a Unit shall be performed unless a building permit is first obtained, if one is required, and a copy of which is provided to the Management Committee. No exterior changes whatsoever shall be commenced, erected, maintained, made or done without the prior written approval of the Management Committee. No interior structural changes whatsoever shall be commenced, erected, maintained, made or done without the prior written approval of the Management Committee. By way of illustration but not limitation the following are considered interior structural changes: moving, removing, adding, or altering walls, doorways, and the like. No Unit Owner shall do any work or make any alterations or changes which would jeopardize the soundness or safety of the property, reduce its value or impair any easement or hereditament, without in every such case obtaining the consent of the other Unit Owners as required by the Act.

### 3.4 Easements Reserved.

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

(a) Right of Entry. The Association and any person authorized by the Association may at any reasonable time, and from time to time at reasonable intervals, enter upon any Unit for the purpose of performing maintenance as set forth herein and determining whether or not the Unit is in compliance with this Declaration and Bylaws or whether the use of the Unit is causing damage or harm to the Common Areas or Limited Common Areas. Requests for entry shall be made in advance and at a time convenient to the Owner, except in the case of an emergency, when such right shall be immediate. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Unit.

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

(c) Common Areas. All Owners are hereby granted a non-exclusive right and easement of enjoyment to the Common Areas which right and easement shall be subject to compliance by the Owner with the provisions of the Governing Documents and the right of the



Association to limit the number of guests of residents. Except as to rights of ingress and egress to a Unit, any Owner not residing on the Property shall be deemed to have delegated his or her right of enjoyment and use of and to the Common Area facilities and amenities to any tenants, contract purchasers, or other occupants of the Unit who actually reside on the Property and no person other than residents and their guests (up to the number established by rule from time to time) may use any Common Area facility or amenity.

### 3.5 RV Parking Area.

An RV parking area is maintained on the common area of the Project for the benefit and use of resident Owners on a limited basis. Spaces in the RV Parking Area are very limited and are only available pursuant to the rules and procedures adopted by the Management Committee from time to time. A fee, separate from the assessments provided for herein, is payable by any Owner using the RV Parking Area in the amount established by the Committee from time to time and such fee is collectible in the same manner as an assessment. The administration, management and operation of the RV Parking Area shall be governed by rules and procedures adopted by the Management Committee from time to time. The use of the RV Parking Area as an RV parking area shall not be changed except with the unanimous consent of the members of the Management Committee.

### 3.6 No Encroachment.

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

## ARTICLE IV - ASSESSMENTS

### 4.1. Covenant for Assessments.

Each Owner, by acceptance of a deed conveying any Unit to such Owner, whether or not so expressed in the deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association the following types of assessments, as provided for and defined below: Annual Assessments, Special Assessments, and Individual Assessments. No member may exempt itself from liability for Assessments by abandonment of any Unit owned by such member. No offsets against Assessment amounts shall be permitted for any reason, including, without limitation, a claim that the Association or Committee is not properly exercising its duties and powers.

### 4.2. Annual Budget and Assessment.

4.2.1. Adoption of Budget. The Management Committee shall prepare, or cause the preparation of, an annual budget for the Association, which shall provide, without limitation, for the maintenance of the Common Areas and for the administration, management and operation of

the Association. If the Management Committee fails to adopt an annual budget, the last adopted budget shall continue in effect.

#### 4.2.2. Determination of Annual Assessment.

A. The Management Committee shall fix the amount of the annual assessment ("Annual Assessment") against each Unit for each assessment period at least thirty (30) days in advance of the beginning of the period. Written notice of the Annual Assessments shall be sent to all members of the Association at least thirty (30) days in advance of the beginning of any assessment period, or thirty (30) days in advance of any increase in the Annual Assessment that is to take effect during any assessment period.

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

C. If the Annual Assessments levied at any time are, or will become, inadequate to meet all expenses incurred by the Association for any reason, including nonpayment of any Owner's Assessments on a current basis, the Management Committee may determine the approximate amount of the inadequacy and adopt a resolution which establishes a supplemental budget and establishes the equitable change in the amount of the Annual Assessment.

#### 4.3 Apportionment of Assessments.

All Units shall pay a pro rata share of the Annual Assessment and Special Assessments commencing upon the date the Units are made subject to this Declaration. The pro rata share shall be based upon the percentage of undivided ownership interests of Units. Individual Assessments shall be apportioned exclusively against the Units benefitted or to which the expenses are attributable as provided for below.

#### 4.4 Lien.

The Annual Assessment and all other Assessments imposed, including late fees, interest, costs of collection and attorney fees, shall be a charge and continuing lien upon each of the Units against which the Assessment is made and shall be construed as a real covenant running with the land.

#### 4.5 Personal Obligation and Costs of Collection.

Assessments imposed under this Declaration, together with interest and costs and reasonable attorneys' fees incurred or expended by the Association in the collection thereof (whether or not a lawsuit is initiated), shall also be the personal obligation of the Owner holding title to any Unit and in a voluntary conveyance, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the latter up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee.

#### 4.6 Purpose of Assessments.

The Assessments levied by the Association shall be used for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Community and carrying out the purposes and obligations of the Association, including, but not limited to: (a) The improvement, maintenance, operation, care, and services related to the Common Areas; (b) The payment of insurance premiums; (c) The costs of utilities and other services which may be provided by the Association for the Community; (d) The cost of labor, equipment, insurance, materials, management, legal and administrative fees incurred or expended in performing the duties under this Declaration or the Bylaws; (e) The cost of funding all reserves established by the Association, including a general operating excess and a reserve for replacements; and (f) Any other items properly chargeable as a Common Expense of the Association.

#### 4.7 Special Assessments.

In addition to the Annual Assessments authorized in this article, the Association may levy in any assessment year, a special assessment ("Special Assessment") for the purpose of defraying, in whole or in part, the cost of accomplishing those purposes authorized or required by this Declaration. The Management Committee may authorize a Special Assessment for any lawful purpose in any given calendar year provided, however, that any Special Assessment greater than \$500 per Member may only be levied if it is first voted upon by the Members and: (1) the votes cast favoring the action exceed the votes cast opposing the action, and (2) if a quorum of 30% of the Members exists.

#### 4.8 Individual Assessments.

Any expenses benefitting or attributable to fewer than all of the Units may be assessed exclusively against the Units affected or benefitted. Individual Assessments shall include, but are not limited to: (1) Assessments levied against any Unit to reimburse the Association for costs or attorney fees incurred in bringing the Unit or its Owner into compliance with or to otherwise defend or uphold, or carry out the provisions of the Governing Documents and for fines or other charges, including attorney fees, imposed pursuant to this Declaration for violation of the Governing Documents; (2) Expenses relating to the cost of maintenance, repair, or replacement of the individual Units.

#### 4.9 Nonpayment of Assessments.

Unless otherwise provided by resolution of the Management Committee, the Annual Assessments shall be levied and due and payable on a monthly basis on the first calendar day of each month and shall be delinquent if not paid within ten (10) days after the due date.

4.9.1 Interest. Delinquent payments shall bear interest from the eleventh (11<sup>th</sup>) day of the month, or such other date established by the Committee (the "date of delinquency"), at the rate of 18% per annum, or such other rate established by resolution of the Management Committee from time to time, not to exceed the maximum permitted by law.

4.9.2 Late Charge. Each delinquent payment shall be subject to a late charge of Twenty-Five Dollars (\$25.00) or such other amount established by the Management Committee

from time to time.

4.9.3 Acceleration. If the delinquent installments of Annual Assessments and any charges thereon are not paid in full, the Committee, or its authorized agent, may declare all of the unpaid balance of the Annual Assessment to be immediately due and payable upon not less than ten (10) days' written notice to the Owner, and may enforce the collection of the full Annual Assessment and all charges thereon in any manner authorized by law and this Declaration. If, however, the Assessment is accelerated and an Owner subsequently files bankruptcy or the Committee otherwise decides acceleration is not in its best interest, the Committee, at its option and in its sole discretion, may elect to decelerate the obligation.

4.9.4 Rent Payments by Tenant to Association. If the Owner of a Unit who is leasing the Unit fails to pay an assessment for more than 60 days after the assessment is due, the Management Committee may demand that the tenant pay to the Association all future lease payments due to the Owner, beginning with the next monthly other periodic payment, until all amount dues to the Association are paid. Such demand to the tenant shall be made in accordance with the law and the written procedures of the Association. The Committee, or its agent, shall give the Owner written notice of its intent to demand full payment from the tenant and such notice shall be made in accordance with the law and the written procedures of the Association.

4.9.5 Termination of Common Service and Facility Use. If an Owner fails or refuses to pay an assessment when due, the Management Committee 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.

If a hearing is requested, utility services or right of access and use of the recreational facilities may not be terminated until after the hearing has been conducted and a final decision has been rendered by the Committee. In the event that the Association incurs costs to terminate any such utility service, the defaulting Owner shall be responsible for all such costs. Upon payment of the assessment due, including any interest, late charge, and costs of collection, the Committee shall immediately take action to reinstate the terminated utility services to the Unit.

4.9.6 Remedies under the Act. The Association shall have each and every remedy for collection of assessments provided in the Utah Condominium Ownership Act, Utah Code Title 57, Chapter 8, as amended from time to time, and such remedies and provisions shall be deemed to be fully set forth herein to the extent required by such Act.

#### 4.10 Subordination of Lien to Mortgages.

The lien of the Assessments provided for in this article shall be subordinate to the lien of any first mortgagees or deeds of trust now or hereafter placed upon the Unit subject to assessment, except as follows: the sale or transfer of any Unit pursuant to mortgage or deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Such sale or transfer shall not relieve the Unit from liability for any Assessments thereafter becoming due, nor from the lien of any future assessment.

#### 4.11 Enforcement of Lien.

The Association may enforce the lien for any Assessment, including Annual, Special, Individual or otherwise, pursuant to the provisions of this Declaration. The lien is imposed upon the Unit against which the Assessment is made. The lien may be established and enforced for damages, interest, costs of collection, late charges permitted by law, and attorneys' fees provided for in this Declaration (whether or not a legal proceeding is initiated) or by law or awarded by a court for breach of any provisions of this Declaration, the Bylaws or any rules and regulations of the Association. The lien may be foreclosed judicially or non-judicially consistent with the laws of the State of Utah for the non-judicial foreclosure of deeds of trusts. In such an event, the Owner hereby irrevocably appoints the Association, or its authorized agent, to act as Trustee for purposes of foreclosing any lien hereunder. The Association, through duly authorized agents, shall have the power to bid on the Unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Upon completion of the foreclosure sale, the defaulting Owner shall be required to pay the reasonable rental value of such Unit during any period of continued occupancy by the defaulting Owner or any persons claiming under the defaulting Owner, and an action may be brought by the Association or the purchaser at the sale in order to secure occupancy of the defaulting Owner's Unit. The Association shall be entitled to the appointment of a receiver to collect the rental income or the reasonable rental value without regard to the value of the security.

#### 4.12 Reserve Funds.

(a) The Association shall establish and maintain a reserve fund. The purpose of the reserve fund shall be for: (1) maintenance, repair and replacement of the Common Areas, (2) any emergency, unforeseen, unusual, or unanticipated expenditures, including attorney fees, and (3) any other purpose determined from time to time by the unanimous vote of the Management Committee. The reserve fund shall be established and maintained by the allocation and payment to such reserve fund of an amount to be designated from time to time by the Management Committee. The fund shall be conclusively deemed to be a Common Expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Management Committee, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

(b) The Association may establish such other reserves for such other purposes as the Management Committee may from time to time consider to be necessary or appropriate.

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

#### 4.13 Statement of Unpaid Assessment & Payoff Information.

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

(b) 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.

## ARTICLE V - RESTRICTIONS ON USE

### 5.1. Animals.

5.1.1 The Management Committee shall have the express and unrestricted authority and right to promulgate rules, beyond those stated herein, restricting, regulating or prohibiting animals.

5.1.2 Subject to Section 5.1.1, no more than two dogs and cats shall be kept within any Unit (i.e., two dogs or two cats or one dog and one cat). Additionally, no animals, livestock, or poultry of any kind may be raised, bred, kept or permitted within any Unit, except birds, fish or other household pets provided that they are not kept, bred, or maintained for any commercial purpose or in any unreasonable numbers.

5.1.3 Those animals which are permitted shall not cause any noise or disturbance that would be deemed a nuisance to other Owners or residents within the Community. Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective Owners thereof and Owners shall be responsible for removal of wastes of their animals from the Common Areas and Limited Common Areas. Dogs must be on a leash or in a pet carrier at all times when outside a Unit.

5.1.4 An Owner may be required to remove a pet upon receipt of a written notice from the Management Committee given pursuant to a resolution relating to rules and regulations governing pets within the Community and enforcement of such rules and regulations and provisions of this subsection. In addition to other remedies that may be available, the Management Committee may levy fines or apply for appropriate judicial relief in the event that an Owner violates this Article.

### 5.2. Owner-Occupancy of Units, Rentals.

5.2.1 Number of Non-Owner-Occupied Units Capped. 98% of the Units (45 of the 46 Units) shall be "Owner-Occupied," except as provided below. Owner-Occupied means non-exclusive occupancy of a Unit as a primary residence by:

A. The vested owner of the Unit as shown in the records of the Salt Lake County Recorder; any trustee or beneficiary of a trust owning a Unit; any member or shareholder owning a beneficial interest of at least 50% of an LLC or corporation owning a Unit; any signer on a mortgage or trust deed encumbering a Unit, or

B. Any child, grandchild, parent, stepchild, stepparent, child-in-law, parent-in-law, sibling, or spouse of any person described in 5.2.1A above.

As long as a Unit is occupied by one or more persons described in 5.2.1 above, the Unit shall be deemed Owner-Occupied for purposes of this Section 5.2, regardless of whoever else

concurrently occupies the Unit.

5.2.2 Application and Approval Required. No Unit shall be non-Owner-Occupied until the Unit Owner submits an application to the Management Committee and approval is granted. The Committee shall review the application and make a determination of whether the proposed non-Owner Occupancy will exceed the non-Owner-Occupancy cap and if it does, the Committee shall deny the application or place it on a waiting list, at the option of the Unit Owner.

5.2.3 Grandfather Status. Notwithstanding Sections 5.2.1 and 5.2.2, all Units which are non-Owner-Occupied at the time that this Amended Declaration is recorded may continue to be non-Owner-Occupied until the time legal title to the Unit is conveyed or until the occupants residing in the Unit at the time of recording of this Amended Declaration cease to reside in the Unit.

5.2.4 Hardship Exemption. Notwithstanding anything herein to the contrary, to avoid undue hardships or extreme practical difficulties such as might occur in certain circumstances of a resident Owner's job relocation, disability, military service, charitable service, or other similar situations, the Committee shall have the discretion to approve an Owner's application to temporarily rent the Owner's Unit or to otherwise approve non-Owner-Occupancy of a Unit.

5.2.5 Leases, Lease Agreements. Any lease agreement between an Owner and a lessee must be in writing and must provide, among other things, that the terms of the lease shall in all respects be subject to the provisions of the Declaration, the Articles of Incorporation of the Association, the Bylaws, and the Rules and Regulations. All lease agreements shall contain as an attachment to the lease agreement, a copy of the current Rules and Regulations of the Association. Within 10 days of a Unit being rented, the Owner must provide the Association with a copy of the signed lease agreement and the name(s) of all tenants, including the names of all individuals who will occupy the Unit, and the Owner must keep such information updated with the Association within 15 days of any change. No Unit Owner shall rent less than the entire Unit (room renting is prohibited), except in cases of hardship caused by disability of an occupant of an Owner-Occupied Unit, which exception shall be granted in the discretion of the Committee.

5.2.6 Proof of Owner-Occupancy. Each Owner shall provide proof of Owner-Occupancy in the form and intervals required by the Management Committee from time to time or upon request of the Management Committee.

5.2.7 Interpretation, Construction. All questions of interpretation or construction of any of the covenants, restrictions or terms herein shall be resolved by the Management Committee, and its decision shall be final, binding and conclusive on all parties affected for all purposes.

5.3. Swimming Pool and Amenities.

An Owner not residing on the Property shall be deemed to have delegated his or her right of enjoyment and use of and to the Common Area facilities and amenities (including the swimming pool) to any tenants, contract purchasers, or other occupants of the Unit who actually reside on the Property and no person other than residents and their guests (up to the number established by

rule from time to time) may use any Common Area facility or amenity. The rights of ingress and egress to a Unit shall not be affected or diminished by this subsection.

#### 5.4. Parking of Automobiles and Other Vehicles.

5.4.1. Parking on any street or on any driveway within the Project is prohibited between the hours of 12:00 a.m. and 6 a.m.

5.4.2. No vehicle may be parked in a guest parking space for longer than forty-eight hours.

5.4.3. The Management Committee may adopt and amend further rules and restrictions regarding parking and vehicles and to govern the enforcement of this Section, which rules may include assessing an Owner the expense of removing any vehicle or equipment parked in violation of this subsection and the cost of any storage thereof.

5.4.4. Vehicles in violation of the Governing Documents may be towed at the cost of the owner.

#### 5.5. Vehicles in Disrepair.

5.5.1. No Owner shall permit any vehicle which is in an extreme state of disrepair to be abandoned or to remain parked upon any part of the Property. A vehicle shall be deemed in an "extreme state of disrepair" when the Management Committee reasonably determines that its presence offends occupants of other Units or deters prospective purchasers of Units.

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

#### 5.6. Residential Use.

Units shall be used for residential purposes in accordance with, and subject to, the Governing Documents. No trade, craft, business, profession, commercial or similar activity that causes additional and burdensome pedestrian or vehicular traffic or creates a sight or noise nuisance (all as determined solely by the Management Committee) shall be conducted in any Unit or in any other portion of the Project.

#### 5.7. Offensive Activities.

No noxious, offensive or unsightly conditions, including, but not limited to, the placement or storage of inoperable vehicles, car parts and appliances, or activities shall be permitted in any Unit or other portion of the Common Areas, nor shall anything be done in or placed upon any Unit or Common Area which interferes with or jeopardizes the enjoyment of other Units or which is a source of annoyance to residents. No Unit Owner shall cause or permit anything including, without limitations, an awning, canopy, shutter, storm door or screen door to hang, be displayed, be visible or otherwise be placed on the exterior walls or roof of any building or any part thereof, or on the outside of windows or doors, without the prior written consent of the Management Committee.



5.8. Unlawful Activities.

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

5.9. Rubbish and Trash.

No garbage, trash, or other waste may be kept or maintained on any part of the Property except in a sanitary container as specified by the Association. Trash containers shall be kept inside the garages.

5.10. Clothes Lines and Materials.

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

5.11. Signs.

Unless written approval is first obtained from the Management Committee, no advertisement, sign, banner or poster of any kind may be posted in or upon the Properties except the following may be displayed to the public view within a Unit, unless and until prohibited or otherwise limited by the Management Committee by rule: (1) not more than one "for sale" sign, not exceeding 17" by 22," (2) political signs, (3) professional security system signs, and (4) other signs expressly allowed by the Management Committee by rule from time to time.

5.12. Antennas and Service Facilities.

Owners are encouraged to use cable service for television and internet. Satellite dishes and antennas not regulated by the FCC are prohibited. Satellite antennas, such as Direct Broadcast Satellite ("DBS") antennas (dishes) one meter in diameter or less, and designed to receive direct broadcast satellite service, including direct-to-home satellite service, or receive or transmit fixed wireless signals via satellite, may be installed only to the extent and in locations allowed by local, state or federal law.

(a) Satellite dishes may only be installed inside the Owner's Unit or on Limited Common Area over which the owner has exclusive use and control under the terms of this Declaration. No owner may install a satellite dish on the exterior, roof, or restricted areas of any building, or in the Common Area of the building or Project. No satellite dish may extend beyond balcony railings. Owners need to be aware that their Unit may not be in a proper location to receive satellite broadcast signals even if they install a satellite dish. Prior to installation, owners should check with a qualified and reputable company to determine if they are able to receive adequate signals at their unit. Owners shall notify the Committee in writing prior to any installation. Such notice shall include a description of the location for the satellite dish and the installation (attachment) method. No owner may drill holes in walls, doors or window frames in order to install the satellite dish or run cable from the dish to the television. All installations must be performed in such a manner as not to cause legitimate safety concerns. These would include, but not be limited to, danger of falling, danger of permanent

damage to the building or proximity to power lines.

(b) Owners are responsible for any injury or damage to persons or property caused by their satellite dish. All installations must be performed in complete compliance with all applicable statutes, rules and regulations. If permits are required, Owner will obtain all such permits prior to installation. These rules are meant to comply with 47 CFR § 1.4000, as may be amended from time to time. All requirements of such section are hereby incorporated herein. In the event any portion of this section is held to conflict with applicable law, those portions shall be deemed stricken and all other portions of this Installation Policy will remain in full force and effect.

(c) No portion of the Installation Policy may be waived or changed by the Committee verbally. Any such waiver or change will be effective only when in writing. If any owner receives the benefit of any waiver or change of the Installation Policy, it shall be that owner's responsibility and obligation to keep and safeguard the written waiver or change and to produce it upon any future request of the Committee.

(d) In the event of a violation of this Section, the Association may bring an action for declaratory and/or injunctive relief and the Owner is subject to a \$50.00 fine for each violation. If the violation is not corrected within a reasonable length of time as determined by the Committee, additional fines of \$10.00 per day will be imposed for each day that the violation continues. The foregoing fine amounts are subject to change by resolution of the Committee from time to time. The Association shall be entitled to recover its reasonable attorney's fees, costs and expenses incurred in the enforcement of this Section.

#### 5.13. Noise Disturbance.

Residents shall exercise extreme care about making noises or the use of musical instruments, radios, televisions, amplifiers and any other device that emits sound and may not disturb other residents. Residents may be fined for this and other offensive behavior. No noxious, offensive, or illegal activity shall be carried on in any Unit, Limited Common Area, or Common Area, nor shall anything be done therein which may be or become an annoyance or nuisance to the other owners, or which may cause damage to the Limited Common Area or Common Area.

#### 5.14. Increase in Insurance Cost.

Nothing shall be done or kept within any Unit or on the Common Areas which will increase the cost of insurance to the Association or to other Owners or which will result in cancellation of insurance on any Unit.

#### 5.15. Garage Sales.

Yard and garage sales with the Project are permitted only in accordance with the rules and procedures adopted by the Management Committee from time to time.

#### 5.16. Drainage and Other Systems.

There shall be no interference with the established drainage, ventilation, or other systems, if any, over or through any Unit so as to affect any other Unit unless adequate alternative provision is made for proper operation and is approved by the Management Committee.

5.17. Association Rules and Regulations.

In addition to the restrictions and requirements above, the Management Committee from time to time may, by resolution, adopt, modify, or revoke such rules and regulations governing the conduct of persons and the operation, aesthetics and use of the Units and Common Areas, including Limited Common Areas, as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Property and the accomplishment of the purposes of the Association and the Project. Reasonable fines may be levied and collected as an assessment for violations of the Governing Documents. A schedule of fines may be adopted by the Management Committee specifying the amounts of such fines, and any other provisions or procedures related to the levying of such fines.

## ARTICLE VI – THE ASSOCIATION

6.1 Organization; Management Committee.

(a) The Association has been or will be organized as a nonprofit corporation under the nonprofit corporation laws of the State of Utah (Utah Code Annotated, Title 16, Chapter 6a, as may be amended from time to time). In the event the Association is at any time dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. All of the property, powers and obligations of the incorporated Association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association.

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

6.2 Membership.

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

6.3 Voting Rights.

The method of voting shall be as provided in the Bylaws and each Owner shall have such vote in matters of the Association for each Unit owned equal to the percentage of undivided interest in the Common Areas and facilities appertaining to such Unit, as set forth in Article II.

6.4 Powers and Authority of the Association.

The Association shall have such powers and duties as may be granted to it or imposed by this Declaration, the Articles of Incorporation, the Bylaws and any applicable statute, as such statute may be amended to expand the scope of association powers, together with its general powers as a corporation, and the power to do any and all things which may be authorized, required or permitted to be done by the Association under and by virtue of this Declaration, including the power to levy and collect assessments and fines as provided in this Declaration. Without in any way limiting the generality of the foregoing, the Association shall have the following powers:

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

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

6.4.3 In fulfilling any of its duties under this Declaration, including its duties for the maintenance, repair, operation or administration of the Community or in exercising any of its rights to construct, maintain and repair the Common Areas, the Association shall have the power and authority (i) to pay and discharge any and all liens placed upon any Unit on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration and (ii) to obtain, contract and pay for, or to otherwise provide for (a) such utility services, including (without limitation) water, sewer, trash removal, snow removal, electrical, telephone and gas services, as the Officers may from time to time deem desirable, and (b) the services of architects, engineers, attorneys and certified public accountants and such other professional or nonprofessional services as the Officers may deem desirable.

6.4.4 Telecommunications/Fiber Optic/Related Contracts. The Management Committee shall have the power, in its own discretion, to enter into, accept an assignment of, or otherwise cause the Association to comply with contracts with Telecommunication Service providers and Telecommunication Facilities owners (both, a "Telecommunication Provider"), pursuant to which the Telecommunication Provider serves as the exclusive provider of Telecommunication Services and/or Telecommunication Facilities to each Unit. The Committee shall also have the power to enter into or contract on behalf of the Association for similar bulk rate service contracts of any nature deemed in the Association's best interests.

## ARTICLE VII - MAINTENANCE OBLIGATIONS

### 7.1 *Owner's* Responsibility.

(a) Units. Maintenance of the Units shall be the sole responsibility of the Owner(s) thereof, who shall maintain such Unit in good repair so as to not interfere with other Owner's Units or the Common Areas. Each Owner at his or her sole expense shall maintain, repair, paint, re-paint, tile, paper or otherwise re-finish or decorate: (1) the interior surfaces of the walls, ceilings, floors, windows, and doors/door frames forming the boundaries of his or her Unit; and (2) all walls, ceilings, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of his or her Unit in good repair and in a clean and sanitary condition, he or she shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, heating equipment, air conditioners and air cooling units of any

type, lighting fixtures, refrigerators, dishwasher, disposal equipment, ranges, toilets, or other appliances or fixtures that may be in, connected with, or servicing solely his or her Unit. Each Unit shall be maintained so as to not detract from the appearance of the Community and so as to not adversely affect the value or use of any other Unit. Units being left vacant for two or more consecutive weeks during the winter shall have water lines drained and turned off.

(b) Limited Common Area. Each Unit Owner shall, at his or her own cost, maintain, repair and replace the Limited Common Areas appurtenant to his or her Unit and keep the same in good repair and in a clean, sanitary and attractive condition at all times.

(1) Atriums. As stated above, atriums are Limited Common Areas. Atrium's are the sole responsibility of the individual Unit Owner. Any maintenance, repair and sealing of atriums is the responsibility of the individual Unit Owner. When re-roofing occurs, the Management Committee will arrange for the roofing contractor to be responsible to properly seal the atrium windows following the re-roofing and to warrant and contract that the atrium will be successfully sealed for a period of one year. After the one-year warranty is expired, the sealing of the atrium windows is the sole responsibility of the individual Unit Owner.

#### 7.2 Maintenance by Association.

The Association shall maintain the Common Areas of the Property. However, if the Common Areas are damaged by the willful misconduct of an Owner, their guests, tenants, or invitees, the Owner shall be responsible for all such damage.

Additionally, the Association, by and through the Management Committee, may, but shall not be obligated to, assume the Owner's general maintenance responsibility over a Unit and Limited Common Area if, in the opinion of the Management Committee, the Owner is unwilling or unable to adequately provide such maintenance. Before assuming such maintenance responsibility, the Management Committee shall provide notice to the Owner of its intention to do so, and if such Owner has not commenced and diligently pursued remedial action with ten (10) days after mailing of such written notice, then the Association may proceed to maintain the Unit. The expenses of such maintenance incurred by the Association shall be reimbursed to the Association by the Owner. Such expenses shall be levied and collected in the same manner as assessments pursuant to this Declaration.

## ARTICLE VIII - COMPLIANCE AND ENFORCEMENT

### 8.1 Compliance.

Each Owner, tenant or occupant of a Unit shall comply with the provisions of the Governing Documents and any applicable statute. Failure to comply therewith shall be grounds for an action or suit maintainable by the Association or an aggrieved Owner.

### 8.2 Remedies.

Violation of any provisions of the Governing Documents, or of any decision of the Association made pursuant to such documents, shall give the Management Committee acting on behalf of the Association, the right, but not the obligation, in addition to any other rights set forth in this

Declaration or the Bylaws, or under law, to do any or all of the following after giving notice:

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

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

(c) To levy fines, and any violation of any express rule, regulation, covenant, restriction, or term of any of the Governing Documents of the Association shall be subject to a fine in the amount of \$50 for a first offense and \$100 for subsequent offenses or \$10 a day for a continuing violation, or such other amount or amounts as may be determined by the Committee from time to time by resolution. A subsequent violation of the same specific type occurring within 12 months of a prior violation shall be deemed the same violation for the purpose of notice and shall be subject to an immediate fine without further warning or notice;

(d) To terminate the right to receive utility or other services paid for by the Association, and to terminate the right of access to and use of recreational and service facilities of the Association until the correction of the violation has occurred;

(e) To suspend the voting rights after notice and an opportunity to request a hearing for any period not to exceed sixty (60) days (except in the case of a continuous violation) for any violation of the Governing Documents, including failure to timely pay an assessment; or

(f) Bring suit or action against the Owner on behalf of the Association and other Owners to enforce the Governing Documents and the Association shall be entitled to recovery of its attorneys' fees and costs in such case.

### 8.3 Action by Owners.

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

### 8.4 Injunctive Relief.

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

### 8.5 Notification of First Mortgagee.

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

## ARTICLE IX - INSURANCE

### 9.1 Association Insurance.

9.1.1. Property and Liability Insurance. The Association shall maintain a master insurance policy which includes: (1) blanket property insurance with not less than 100% of the full replacement cost for the physical structures in the condominium project, including common areas and facilities, limited common areas and facilities, and units, and including fixtures, improvements and betterments to a unit made by a unit owner, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils, and including earthquake coverage; and (2) liability insurance having at least a One Million Dollar (\$1,000,000.00) limit per total claims that arise from the same occurrence, including medical payments insurance covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common areas and facilities.

A. The Association's property insurance shall include coverage for any fixture, improvement, or betterment installed by a Unit Owner to a Unit or to a Limited Common Area, including a floor covering, cabinet, light fixture, electrical fixture, heating or plumbing fixture, paint, wall covering, window, and any other item permanently part of or affixed to a Unit or to a Limited Common Area element associated with a Unit.

B. Each unit owner is an insured person under the Association's property insurance policy. Each unit owner is an insured person under a liability insurance policy that the Association obtains, but only for liability arising from: (i) the unit owner's ownership interest in the common areas and facilities, (ii) maintenance, repair, or replacement of common areas and facilities, and (iii) the unit owner's membership in the Association.

9.1.2. Fidelity Insurance or Bond. The Association shall obtain and maintain adequate fidelity coverage to protect against dishonest acts by its officers, members of the Board of Directors, employees, and all others who are responsible for handling funds of the Association, including any property manager. Such fidelity coverage shall: (i) name the Association as an obligee; (ii) not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or managing agent, as the case may be, at any given time, and shall in no event be in an amount less than three months assessments on all Units plus reserves; (iii) contain an appropriate endorsement(s) to the policy to cover any persons who serve without compensation if the policy would not otherwise cover volunteers, and to cover the Association's management agent, if the Association has delegated some or all of the responsibility for the handling of funds to a management agent; (iv) provide that coverage may not be canceled or substantially modified (including cancellation for nonpayment of premiums) without at least ten (10) days prior written notice to the Association or any insurance trustee.

9.1.3. Flood Insurance. If any portion of the Project is deemed to be located within an area which has been officially identified by the Secretary of Housing and Urban Development as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program, the Association shall be required to obtain and pay the

premiums upon a “master” or “blanket” policy of flood insurance on the buildings and any other property covered by the required form of policy in an amount deemed appropriate by the Association but not less than the lesser of: (a) the maximum coverage available under the NFIP for all buildings and other insurable property within the condominium to the extent that such buildings and other insurable property are within an area having special flood hazards; or (b) 100% of current replacement cost of all such buildings and other insurable property within such area.

9.1.4. Directors and Officers (D&O) Insurance. The Association shall purchase and maintain insurance on behalf of any person who was or is a Committee member or officer of the Association, and any other person the Association is required by law or contract to indemnify, against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the laws of the State of Utah, as the same may hereafter be amended or modified.

9.1.5. Other Insurance. The Association shall obtain such other insurance if and to the extent required by law or as the Committee deems necessary from time to time, such as workers' compensation insurance.

9.1.6. Loss Not Exceeding Deductible. If, in the exercise of the business judgment rule, the Management Committee determines that a covered loss is likely not to exceed the policy deductible of the Association and until the covered loss exceeds the deductible of the property insurance of the Association and a claim is submitted to the property insurance insurer of the Association: (i) for a unit to which a loss occurs, the unit owner's policy is considered the policy for primary coverage for the damage to that unit; (ii) the Association shall pay for any loss for any common areas and facilities for which a loss occurs; (iii) a unit owner who does not have a policy to cover the damage to that unit owner's unit is responsible for that unit damage and the Association may, as provided herein, recover any payments the Association makes to remediate that unit, and (iv) the Association need not tender the claim to the Association's insurer.

9.1.7. The Association shall set aside an amount equal to the amount of the association's property insurance policy deductible or \$10,000, whichever is less.

9.1.8. An insurer under a property insurance policy issued to the Association shall adjust with the Association a loss covered under the Association's policy.

9.1.9. Loss Due to Fault of Another. This Declaration does not prevent a person suffering a loss as a result of damage to property from asserting a claim, either directly or through subrogation, for the loss against a person at fault for the loss, except that, notwithstanding the foregoing, an insurer under a property insurance policy or liability insurance policy obtained by the Association waives the insurer's right to subrogation under the policy against: (a) any person residing with the unit owner, if the unit owner resides in the unit, and (b) the unit owner.

9.1.10. Power of Attorney, Insurance Trustee. The Association may enter into an insurance trust agreement with a trustee (the “Insurance Trustee”) who shall thereafter have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. By purchasing



a Unit, all Owners appoint the Association or any Insurance Trustee designated by the Association as attorney-in-fact for the purpose of purchasing and maintaining the insurance specified in this section, including: (1) the collection and appropriate disposition of the proceeds thereof; (2) the negotiation of losses and execution of releases of liability; (3) the execution of all documents; and (4) the performance of all other acts necessary to accomplish such purpose. By purchasing a Unit, all Owners appoint the Association or any trustee designated by the Association as attorney-in-fact for the purpose of representing the Owners in condemnation proceedings or negotiations, settlements, and agreements with the condemning authority for acquisition of the Common Areas, or part thereof, by the condemning authority.

9.1.11. The Association, or insurance trustee if any, shall to hold any proceeds of insurance in trust for unit owners and their first mortgage holders as their interests may appear. The policies required herein for the Association must provide that they may not be cancelled or substantially modified without at least ten (10) days prior written notice to the Association and to each holder of a first mortgage listed as a scheduled holder of a first mortgage in the policies. No policies shall require that contributions or assessments may be made against borrowers, FNMA, FHLMC, or the designee of FNMA or FHLMC. Loss payments shall not be contingent upon action by the carrier's board of directors, policyholders, or members. The policies shall include: (1) a waiver of the right of subrogation against unit owners individually, (2) that the insurance is not prejudiced by any act or neglect of individual unit owners which is not in the control of such owners collectively.

9.1.12. The Association shall use generally acceptable insurance carriers. Specific requirements for qualifications of insurance carriers may be found in the FNMA Conventional Home Mortgage Selling Contract Supplement and the FHLMC Sellers Guide.

9.2. Unit Owner Insurance Responsibility. For units, the Association's policy is primary but the unit owner is responsible for the deductible as follows:

9.2.1. If a loss occurs that is covered by the Association's policy and by a unit owner's policy, the Association's policy provides primary insurance coverage, but the unit owner is responsible for the deductible of the association of unit owners, and Coverage A of the unit owner's policy applies to that portion of the loss attributable to the policy deductible of the Association.

9.2.2. If a unit, or limited common area element appurtenant to a unit, suffers damage as part of a covered loss, the unit owner is responsible for an amount calculated by applying the percentage of total damage resulting in a covered loss that is attributable to unit damage for that unit to the amount of the deductible under the Association's policy. If a unit owner does not pay the amount required within 30 days after substantial completion of the repairs to, as applicable, the unit or the limited common area appurtenant to the unit, the Association may levy an assessment against a unit owner for that amount.

9.2.3. The deductible under the Association's policy is \$10,000. This Declaration constitutes notice to each unit owner of the owner's obligation for the Association's policy deductible. The deductible amount is subject to change from time to time by the Management Committee without amendment of this Declaration. The Association shall provide notice to the unit owners of any change in the amount of the deductible.

9.2.4. The Association's policy does not cover the contents of a unit or a unit owner's personal property. Each unit owner is strongly encouraged to obtain insurance coverage for contents of their unit, as well as for coverage in the event the owner has to pay the Association's deductible as provided above

## ARTICLE X - AMENDMENT AND DURATION

### 10.1 Amendments.

(a) How Proposed. Except as provided in Section 10.2 below, any and all of the conditions, restrictions, charges and terms contained in this Declaration may be annulled, waived, changed, modified or added to through a duly adopted amendment to this Declaration. Amendments to the Declaration shall be proposed to the membership only by the Management Committee, either on its own initiative or after it receives a written request to do so signed by Owners holding twenty percent (20%) or more of the voting rights of the Association. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for approval of, or consent to, the amendment.

(b) Approval Required. This Declaration may be amended if such amendment is approved by Owners holding sixty percent (60%) of the voting rights of the Association, subject to the approval of Eligible Holders as required herein. Notwithstanding anything herein to the contrary, the Governing Documents may be amended by the Management Committee without approval of the Members if necessary to comply with FHA or other regulatory or lending guidelines or restrictions in order to facilitate the ability to secure financing for the sale of Units.

(c) Execution and Recordation. An amendment shall not be effective until the amendment is certified by the president of the Association as being adopted in accordance with this Declaration and is acknowledged and recorded in the appropriate County Recorder's Office.

### 10.2 Duration and Termination.

This Declaration and the Project shall continue and remain in full force and effect until there is recorded an instrument directing the termination of this Declaration after the vote and approval of (i) seventy-five percent (75%) of all of the Owners of the Units, and (ii) sixty-seven percent (67%) of the votes of Eligible Holders. Any such termination shall become effective only if a certificate of the president and secretary of the Association, certifying that termination as of a specified termination date has been approved in the manner required herein, is duly acknowledged and recorded in the County Recorder's Office.

## ARTICLE XI – MORTGAGEE RIGHTS

### 11.1 Approval Required.

In addition to any other approvals required by this Declaration or the Bylaws, the prior approval of fifty-one percent (51%) of the Eligible Holders (based upon one vote for each Mortgage owned) must be obtained for the following:

(a) The abandonment, termination, or removal of the Property from the provisions of

this Declaration, except when provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(b) The addition of Common Property;

(c) Any material amendment to this Declaration or the Bylaws. Except for an amendment to the Declaration or Bylaw if its purpose is to correct technical errors or to clarify, a change to the following would be considered as material: (1) Voting rights; (2) The funding of reserves for maintenance, repair, and replacement of the Common Areas; (3) Changing general responsibility for maintenance and repairs (excluding minor changes); (4) Redefinition of any Unit boundaries; (5) Convertibility of Units into Common Property or vice versa; (6) Expansion or contraction of the project, or the addition, annexation, or withdrawal of property from the project; (7) Insurance or fidelity bond; (8) Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration or the Bylaws; (9) Any action to terminate the legal status of the project after substantial destruction or condemnation occurs; (10) Assessments, assessment liens, or subordination of such liens; (11) Rights to use of Common Areas; (12) The interest in the general or limited Common Area; (13) Leasing of Units; (14) Imposition of any right of first refusal of similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit; (15) Change by the Association from professional management to self-management and vice versa; (16) Any provisions that expressly benefit mortgage holders, insurers, or guarantors; or

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

#### 11.2 Additional Rights.

In addition to the approvals required above, each mortgagee (or beneficiary of a trust deed or vendor and including guarantors) shall have the following rights: (a) Right to Examine Books and Records. All mortgagees shall have the right to examine the books and records of the Association upon reasonable notice and at reasonable times; (b) Right to Annual Reports. All mortgagees shall, upon written request, be entitled to receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association; (c) Right to Receive Written Notice of Meetings. The Association shall give all mortgagees, upon written request, written notice of all meetings of the Association, and such mortgagees shall be permitted to designate a representative to attend all such meetings.

#### 11.3 Request for Approval of Mortgagees.

If an Eligible Holder's consent is a condition for amending the Declaration or Bylaws, then, subject to Subsection (4) of this Article, the Eligible Holder's consent is presumed if: (a) written notice of the proposed amendment or action is sent by certified or registered mail to the Eligible Holder's address provided to the Association by such Eligible Holder; (b) 60 days have passed after the day on which notice was mailed; and (c) the person designated for receipt of the response in the notice has not received a written response from the Eligible Holder either consenting to or refusing to accept the amendment or action.

#### 11.4 Rights of Eligible Holders.

In addition to the approvals required and the rights provided above, each Eligible Holder shall

have the following rights:

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

(b) **Right to Notice of Proposed Amendments.** All Eligible Holders, upon written request to the Association, will be entitled to timely written notice of any proposed amendment effecting a change in: (1) the boundaries of any Unit or the exclusive easement rights appertaining thereto; (2) the interests in the general or limited Common Areas appertaining to any Unit or the liability for common expenses appertaining thereto; (3) the number of votes in the Association appertaining to any Unit; or (4) the purposes to which any Unit or the Common Areas are restricted.

(c) **Other Rights to Notice.** All Eligible Holders, upon written request to the Association, will be entitled to timely written notice of: (1) any proposed termination of the condominium regime; (2) any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Unit on which the Eligible Holder holds a Mortgage interest; (3) any delinquency in the payment of assessments or charges owed by the Owner of a Unit subject to a Mortgage of the Eligible Holder, where such delinquency has continued for a period of 60 days; (4) any lapse, cancellation or material modification of any insurance policy maintained by the Association.

## ARTICLE XII - MISCELLANEOUS PROVISIONS

### 12.1 Premises Liability.

The Association and the Management Committee are and shall remain wholly free and clear of any and all liability to, or claims by, all Unit Owners and all persons and entities, of whatever kind or character, whether sounding in contract or tort, deriving from the occurrence of any injury or damage to any person or property on, or in respect of the use and operation of, the Common Area or any of its improvements, fixtures, and facilities and a Unit Owner shall defend, indemnify and hold harmless the Association and Management Committee against such claim, loss or liability asserted by such Unit Owner or his or her guest, invitee, licensee, tenant, or visitor. In this respect, it shall be the affirmative duty and responsibility of each Unit Owner and user of the Common Area facilities to continuously inspect the same for any defects or perils or other unsafe conditions or circumstances, prior to and during such use or enjoyment thereof; and all users of, and visitors to, the Common Area and its improvements and facilities shall use, enjoy, and visit, the same at their own risk and peril.

### 12.2. Interpretation

All questions of interpretation or construction of any of the covenants or restrictions in the Governing Documents shall be resolved by the Management Committee, and its decision shall be final, binding and conclusive on all parties affected for all purposes.

### 12.3. Invalidity; Number; Captions.

The invalidity of any part of this Declaration shall not impair or affect in any manner the validity, enforceability, or effect of the balance of this Declaration. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include

the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Declaration.

#### 12.4 Joint Owners.

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

#### 12.5 Lessees and Other Invitees.

No damage to, or waste of the Common Areas or any part thereof shall be committed by any Owner or any Unit occupant, guest, invitee, lessee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by any such person. Lessees, invitees, guests, Unit occupants, contractors, family members and other persons entering the Property under rights derived from an Owner shall comply with all of the provisions of the Governing Documents restricting or regulating the Owner's use, improvement or enjoyment of such Owner's Unit and other areas within the Property. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner.

#### 12.6 Waiver, Precedent and Estoppel.

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

#### 12.7 Notice of Sale or Lease.

Immediately upon the sale, rental or other conveyance of any Unit, the Owner shall promptly inform the secretary or manager of the name and address of said grantee or tenant. The Management Committee may for all purposes act and rely on the information concerning Owners and Unit ownership which is thus acquired by it and the address of each Owner shall be deemed for all purposes to be the address of the Unit owned by such Owner unless the Management Committee is otherwise advised in writing.

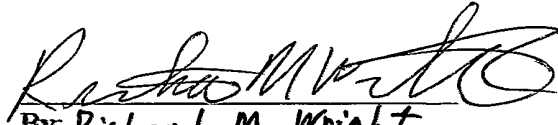
#### 12.8 Person to Receive Service of Process.

The person designated to receive service of process on behalf of the Project, in the cases provided by the Utah Condominium Ownership Act, is the registered agent of the Association, as that agent may be designated by the Association from time to time and as reflected in the records

of the Utah Division of Corporations and Commercial Code.

IN WITNESS WHEREOF, Mount Olympus Condominiums, HOA has executed this Amended Declaration this 17 day of DECEMBER, 2012.

**MOUNT OLYMPUS  
CONDOMINIUMS, HOA**

  
By: Richard M. Wright  
Its: President

STATE OF UTAH )  
County of Salt Lake )ss:

The foregoing instrument was acknowledged before me on this 17<sup>th</sup> day of December, 2012 by Richard M. Wright, of Mount Olympus Condominiums, HOA.

 12/17/12  
Notary Public for Utah



Exhibit A

**Legal Description**

All Units (12 total), MOUNT OLYMPUS CONDOMINIUMS PHASE 1, according to the official plat thereof recorded in the records of the Salt Lake County Recorder.

All Units (6 total), MOUNT OLYMPUS CONDOMINIUMS PHASE 2, according to the official plat thereof recorded in the records of the Salt Lake County Recorder.

All Units (10 total), MOUNT OLYMPUS CONDOMINIUMS PHASE 3, according to the official plat thereof recorded in the records of the Salt Lake County Recorder.

All Units (18 total), MOUNT OLYMPUS CONDOMINIUMS PHASE 4, according to the official plat thereof recorded in the records of the Salt Lake County Recorder.

(First Parcel #: 16-34-379-001-0000)

All common area, (1 total) MOUNT OLYMPUS CONDOMINIUMS PHASES 1 through 4, according to the official plat thereof recorded in the records of the Salt Lake County Recorder.

(Parcel# 16-34-378-012-0000)

EXHIBIT B

BYLAWS

OF

MOUNT OLYMPUS CONDOMINIUMS, HOA

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ARTICLE 1 - APPLICABILITY

1.1 Name and Location. These are the Bylaws of the Mount Olympus Condominiums, HOA (the “Association”). Mount Olympus Condominiums is a residential condominium project that has been subjected to a Declaration for the Mount Olympus Condominiums, recorded concurrently herewith in the records of the County Recorder (the “Declaration”).

1.2 Principal Office. The principal office of the Association shall be located at such office as may be designated by the Management Committee from time to time.

1.3 Purposes. This Association is formed to serve as a means through which the Unit Owners may take action with regard to the administration, management and operation of the properties and Units therein.



1.4 Applicability of Bylaws. The Association, all Unit Owners and all persons using the Property shall be subject to these Bylaws and to all rules and regulations which may be adopted pursuant to the Declaration and these Bylaws.

1.5 Composition of Association. The Association shall be composed of all Unit Owners and the Association, itself, to the extent any of these own any Unit or Units of the Property.

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

## ARTICLE 2 - MEETINGS OF ASSOCIATION

2.1 Place of Meeting. The Association shall hold meetings at such suitable place as may be designated by the Management Committee from time to time.

2.2 Annual Meetings. Each regular annual meeting of the members shall be held each year on the day and at a time and place within the State of Utah selected by the Management Committee of the Association.

2.3 Special Meetings. The Association shall hold a special meeting of its members on call of (1) the Management Committee, or (2) if the Association receives one or more written demands for the meeting that state the purpose or purposes for which the meeting is to be held, and are signed and dated by members holding at least twenty-five percent (25%) of all the votes entitled to be cast on any issue proposed to be considered at the meeting. If a notice for a special meeting demanded by the members is not given by the Committee 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.

2.4 Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, in a fair and reasonable manner, including by delivering a copy of such notice to each member entitled to vote thereat, in accordance with the notice requirements specified in these Bylaws, and sufficiently in advance of the meeting to provide fair and reasonable notice of the meeting, as determined by the Committee. Notice shall always be deemed fair and reasonable if given 10 days before the meeting, but shorter notice may also be fair and reasonable when all the circumstances are considered. The notice shall specify the place, day and hour of the meeting, and must include a description of any matter that must be approved by the members and, in the case of a special meeting, the purpose of the meeting.

2.5 Voting. Each Unit shall be allocated such vote in the affairs of the Association equal to the percentage of undivided interest in the Common Areas and facilities appertaining to such Unit, as set forth in Article II of the Declaration. The Management Committee shall be entitled to vote on behalf of any Unit which has been acquired by or on behalf of the Association, except

the Management Committee shall not be entitled to vote such Units in any election of Committee members.

## 2.6 Proxies, Absentee Ballots and Rights of Mortgagees.

2.6.1 Proxies. A vote may be cast in person or by proxy. A proxy given by an Owner to any person who represents the Owner at meetings of the Association shall be in writing, dated and signed by such Owner and shall be filed with the secretary in accordance with procedures adopted by resolution of the Management Committee. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy; however, no proxy may be valid for more than eleven (11) months after the date of execution. No proxy shall be valid if it purports to be revocable without notice. An Owner may not revoke a proxy given except by actual notice of revocation to the person presiding over a meeting of the Association, or to the Management Committee if a vote is being conducted by written ballot in lieu of a meeting. Every proxy shall automatically cease upon sale of the Unit.

2.6.2 Absentee Ballots. A vote may be cast by absentee ballot.

2.6.3 Mortgagee Rights. An Owner may pledge or assign the owner's voting rights to a Mortgagee. In such a case, the Mortgagee or its designated representative shall be entitled to receive all notices to which the owner is entitled hereunder and to exercise the owner's voting rights from and after the time that the Mortgagee shall have given written notice of the pledge or assignment to the Management Committee. Any first Mortgagee may designate a representative to attend all or any meetings of the Association.

## 2.7 Fiduciaries and Joint Owners.

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

(b) Joint Owners. Whenever any Unit is owned by two or more persons jointly, according to the records of the Association, the vote of the Unit may be exercised by any one of the Owners then present, in the absence of protest by a co-owner. In the event of a protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of the Unit shall be disregarded completely in determining the proportion of votes given with respect to the matter.

## 2.8 Quorum of Owners.

(a) At any regular annual meeting of the Association, the Members that are represented for any purpose at the annual meeting shall constitute a quorum, except for matters requiring a higher quorum as provided in the Declaration or these Bylaws. For any other meeting of the Association, including special meetings, or action taken without a meeting, and

except as otherwise provided in the Declaration or these Bylaws, Members holding one-third (1/3) of the voting rights, represented in person, by proxy, or by written ballot, shall constitute a quorum.

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

(c) If any meeting or vote of Members cannot be organized because of a lack of quorum, the Members who are present may adjourn the meeting to a time at least 48 hours from the time of the meeting at which a quorum was not present and Members holding fifteen percent (15%) of the voting rights, represented in person, by proxy, or by written ballot, shall constitute a quorum at such adjourned meeting or vote.

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

2.10 Order of Business. The order of business at annual meetings of the Association shall be according to the order established by the President, and by way of example, may include the following: (a) Calling of the roll and certifying of proxies; (b) Proof of notice of meeting or waiver of notice; (c) Reading of minutes of preceding meeting; (d) Reports of officers; (e) Reports of committees, if any; (f) Election of Committee members; (g) Unfinished business; (h) New business; and (i) Adjournment.

2.11 Meeting Procedure. Rules of order may be adopted by resolution of the Management Committee, otherwise, the President shall conduct meetings according to the procedure he or she deems fit. A decision of the Association may not be challenged on the basis that appropriate rules of order were not used.

2.12 Action by Written Ballot in Lieu of a Meeting.

2.12.1 Action by Written Ballot. At the discretion of the Management Committee, any action, except removal of Committee members, that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Owner that is entitled to vote on the matter not less than fifteen (15) days prior to the date on which the ballots must be received by the Association in order to be counted.

2.12.2 Form and Effect of Ballot. The written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action. A written ballot may not be revoked.

2.12.3 Information Required in Ballot Solicitations. All solicitations for votes by written ballot must state the number of responses needed to meet any applicable quorum

requirements and the total percentage of votes needed for approval, and specify the time by which a ballot must be received by the Association in order to be counted.

2.12.4 Secrecy Procedure. The Management Committee may elect to conduct a vote pursuant to this section by a secrecy procedure whereby a written ballot is accompanied by: (1) A secrecy envelope; (2) A return identification envelope to be signed by the owner; and (3) Instructions for marking and returning the ballot.

2.12.5 Determination of Vote. The outcome of a vote by written ballot in lieu of a meeting shall be determined by the Management Committee within seventy-two (72) hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within forty-eight (48) hours of the postponed date. Matters that may be voted on by written ballot shall be deemed approved or rejected as follows:

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

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

(c) Except as provided in Subsection 2.12.5(4), votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are entered.

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

2.12.6 Owner Notification of Ballot Results. The Committee shall notify each Owner within fifteen (15) days after the ballots have been counted of the results of the ballot meeting, or that a quorum of ballots was not returned.

## 2.13 Action Without a Meeting.

(a) Any action that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting and without solicitation of written ballots pursuant to this Section 2.13, if the action is taken by the number of owners required to pass the action.

(b) The action must be evidenced by one or more written consents describing the action taken, signed by the number of owners required to pass the action, and delivered to the

Association for inclusion in the minutes or filing with the Association records.

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

### ARTICLE 3 - MANAGEMENT COMMITTEE – SELECTION, TERM OF OFFICE

#### 3.1 Number, Term and Qualifications.

(a) The affairs of the Association shall be governed by a Management Committee composed of at least three (3) and not more than five (5) Committee members, as determined by the Committee.

(b) Members of the Management Committee shall serve for a term of three (3) years.

(c) All Committee members must reside full-time within the Project. All Committee members must be an Owner or the spouse of an Owner of a Unit, except that a husband and wife may not serve as Committee members simultaneously. A shareholder of a corporation, a member of an LLC, a partner of a partnership, a trustee of a trust, a personal representative of an estate or an employee of a trust or estate, may serve on the Committee if the same is a full-time resident and if the corporation, LLC, partnership, trust or estate owns a Unit.

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

#### 3.3 Removal of Committee members.

(a) At any annual or special meeting, any one or more of the Committee members, other than interim Committee members, may be removed, with or without cause, by a majority of the voting interests of the Members. A successor may be elected at that meeting to fill the vacancy thus created. The notice of the meeting must state that the removal is to be considered and any Trustee whose removal has been proposed by the owners may be given an opportunity to be heard at the meeting.

(b) The Management Committee may declare the office of a member of the Management Committee to be vacant in the event such member is absent from three (3) consecutive regular meetings of the Management Committee or from more than 25% of the regular meetings held in any 12 month period. The vacancy shall be filled as provided in Section 3.2 above.

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

3.5 Action Taken Without a Meeting. The Committee shall have the right to take any action in the absence of a meeting which they could take at a regular or special meeting if all the Committee members agree in writing to take a vote or an action without a meeting. The action being taken shall not require unanimous consent of the Committee. Any action so taken shall have the same effect as though taken at a meeting of the Committee members.

#### ARTICLE 4 - NOMINATION AND ELECTION OF MANAGEMENT COMMITTEE MEMBERS

4.1 Nomination.

(a) Method of Nomination. Nomination for election to the Management Committee shall be made in the manner determined by the Management Committee, which may include a Nominating Committee and/or nominations from the floor at a meeting. If one is established, the Nominating Committee shall make as many nominations for election to the Management Committee as it shall in its discretion determine, but not less than the number of vacancies.

(b) Nominating Committee. The Nominating Committee, if any, shall consist of a chairman, who shall be a member of the Management Committee; and one or more members of the Association.

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

#### ARTICLE 5 - MEETINGS OF MANAGEMENT COMMITTEE

5.1 Organizational Meeting.

(a) Location, Date and Time. The first meeting of a newly-elected Management Committee shall be held within fourteen (14) days of election at such place, date and time as shall be fixed by the Committee members at the meeting at which the Committee members were elected and no notice shall be necessary to owners or to the newly elected Committee members in order to legally hold the meeting providing a majority of the elected Committee members are present.

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

5.2 Regular Meetings. Regular meetings of the Management Committee shall be held at such place and hour as may be fixed from time to time by the Committee, and if so fixed, no notice

thereof need be given. Should the meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday, or at another date and time agreed upon by the Management Committee with notice to all members of the Management Committee.

5.3 Special Meetings. Special meetings of the Management Committee shall be held when called by the president of the Association, or by any two (2) Committee members, after not less than three (3) days notice to each Committee member by mail, electronic mail, telephone, or facsimile, unless waived pursuant to 5.7 below. The notice must state the time, place, and purpose of the meeting.

5.4 Meeting Procedure. Unless other rules of order are adopted by resolution of the Management Committee: (a) Meetings of the Management Committee shall be conducted by the President; (b) A decision of the Management Committee may not be challenged because the appropriate rules of order were not used; (c) A decision of the Management Committee is deemed valid without regard to any procedural errors related to the rules of order unless the error appears on the face of a written instrument memorializing the decision.

5.5 Open Meetings; Executive Sessions.

5.5.1 Open Meetings. Except as provided in subsection 5.5.2, all meetings of the Management Committee shall be open to Unit Owners. However, no Owner shall have a right to participate in the Management Committee meeting unless the Owner is also a member of the Committee. The president or Committee shall have the authority to exclude an Owner who disrupts the proceedings at a Committee meeting.

5.5.2 Executive Sessions. In the discretion of the Committee, the following matters may be considered in executive session:

- 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 Committee.

5.5.3 Executive Session Procedure. Except in the case of an emergency, the Management Committee shall vote in an open meeting whether to meet in executive session. If the Committee 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.

5.6 Meetings by Telephonic or Electronic Communication. In the event of an emergency, or

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

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

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

For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Committee member may be considered to be present at a meeting and to vote if the Committee member has granted a signed written proxy: (i) to another Committee member, or other person, who is present at the meeting; and (ii) authorizing the other Committee member or person to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy (a directed proxy).

## ARTICLE 6 - POWERS, RIGHTS, AND DUTIES OF THE MANAGEMENT COMMITTEE

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

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

(a) Declare the office of a member of the Management Committee to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Management Committee.

(b) Employ a manager, independent contractor, or such other professionals, individuals, entities or employees as they deem necessary and to prescribe their duties.



(c) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

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

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

(f) In the Management Committee's discretion, appoint such committees as deemed appropriate in carrying out its purpose.

6.3 Best Interest of Association and Reliance on Information. A Committee member or officer shall discharge the Committee member or officer's duties (a) in good faith, (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and (c) in a manner the Committee member or officer reasonably believes to be in the best interests of the Association. The Management Committee members shall, at all times, keep themselves informed and take such steps and necessary actions as a reasonable, prudent person would do to serve the best interest of the Association.

In discharging duties, a Committee member or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (a) one or more officers or employees of the Association whom the Committee member or officer reasonably believes to be reliable and competent in the matters presented, (b) legal counsel, a public accountant, or another person as to matters the Committee member or officer reasonably believes are within the person's professional or expert competence, or (c) in the case of a Committee member, a sub-committee of the Association or Management Committee of which the Committee member is not a member if the Committee member reasonably believes the sub-committee merits confidence.

## ARTICLE 7 - OFFICERS AND THEIR DUTIES

### 7.1 Designation and Qualification.

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

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

(c) Multiple Offices. The same individual may simultaneously hold more than one office.

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

7.2 Election and Vacancies. The officers of the Association shall be elected by the Management Committee at the organizational meeting of each new Committee or any Management Committee meeting thereafter to serve until their respective successors are elected at the next organizational meeting. If any office becomes vacant by reason of death, resignation, removal, disqualification or any other cause, the Management Committee shall elect a successor to fill the unexpired term at any meeting of the Management Committee.

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

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

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

7.6 Duties of Officers. Each officer shall have the authority and shall perform the duties prescribed with respect to the office by the Management Committee and these Bylaws. The duties of the officers include:

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

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

(c) Secretary. The secretary shall prepare and maintain the minutes of all meetings of the Management Committee and the minutes of all meetings of the Association, have charge of such books, papers and records as the Management Committee may direct, shall have the responsibility for preparation and maintenance other records and information required to be kept by the Association under the Act and under Section 16-6a-1601 of the Utah Revised Nonprofit Corporation Act; and for authenticating records of the nonprofit corporation, and in general, shall perform all of the duties incident to the office of secretary,

(d) Treasurer. The treasurer shall have responsibility for the Association's funds and

securities not otherwise held by a managing agent, and shall be responsible for causing full and accurate accounts of all receipts and disbursements to be kept in books belonging to the Association. The treasurer shall be responsible for causing the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may, from time to time, be designated by the Management Committee and disbursing funds as directed by resolution of the Management Committee.

#### ARTICLE 8 - INDEMNIFICATION OF OFFICERS AND COMMITTEE MEMBERS

Each officer and Committee member of the Association, in consideration of his or her services, shall be indemnified by the Association to the fullest extent permitted or allowed (even if just permissively allowed and not mandated) by the Utah Revised Nonprofit Corporation Act (regardless of the Association's corporate status or lack thereof) against expenses and liabilities reasonably incurred by him or her in connection with the defense of any actual or threatened action, suit or proceeding, civil or criminal, to which he or she may be a party by reason of being or having been a Committee member or officer of the Association. The foregoing right to indemnification shall not be exclusive of any other rights to which the Committee member or officer or person may be entitled by law or agreement or vote of the members or otherwise.

#### ARTICLE 9 - RECORDS AND AUDITS

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

##### 9.1 General Records.

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

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

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

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

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

9.3 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. The account shall designate the Unit number, the

name and address of the Owner or Owners, the amount of each Assessment against the Owners, the dates and amounts in which the Assessment comes due, the amounts paid upon the account, and the balance due on the Assessments.

#### 9.4 Financial Reports and Audits.

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

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

#### 9.5 Inspection of Records by Owners.

(a) Except as otherwise provided in Section 9.6 below, all records of the Association shall be reasonably available for examination by an Owner and any Mortgagee of a Unit pursuant to rules adopted by resolution of the Management Committee or if no such resolution has been adopted, pursuant to the Utah Revised Nonprofit Corporation Act.

(b) The Management Committee shall maintain a copy, suitable for the purposes of duplication, of the following: (1) The Declaration, Bylaws and any amendments in effect or supplements thereto, and rules and regulations of the Association; (2) The most recent financial statement prepared pursuant to Section 9.4 above; and (3) The current operating budget of the Association.

(c) The Association, within five (5) business days after receipt of a written request by an owner, shall furnish the requested information required to be maintained under Subsection (b) of this section, subject to a reasonable fee for furnishing copies of any documents, information or records described in this section. The fee may include reasonable personnel costs incurred to furnish the information.

(d) The Management Committee, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of Association records and the imposition of a reasonable fee for furnishing copies of any documents, information or records described in this section. The fee may include reasonable personnel costs incurred to furnish the information.

9.6 Records Not Subject to Inspection. Records kept by or on behalf of the Association may be withheld from examination and duplication to the extent the records concern:

(a) Personnel matters relating to a specific identified person or a person's medical records.

(b) Contracts, leases and other business transactions that are currently under negotiation to purchase or provide goods or services.

(c) Communications with legal counsel that relate to matters specified in subsections (a) and (b) of this section, and any other communications with legal counsel that are protected by any privilege, including the attorney client privilege.

(d) Disclosure of information in violation of law.

(e) Documents, correspondence or management or Committee reports compiled for or on behalf of the Association or the Management Committee by its agents or committees for consideration by the Management Committee in executive session held in accordance with these Bylaws.

(f) Documents, correspondence or other matters considered by the Management Committee in executive session held in accordance with these Bylaws and the minutes of any executive session.

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

## ARTICLE 10 - AMENDMENTS

10.1 Adoption. Approval of a majority of the voting rights of the Members is required for approval of any amendment to these Bylaws, except that the approval of members representing at least 60% of the total voting rights of the Association and the approval of 51% of the Eligible Holders shall be required for any amendment or change to the material provisions of the Bylaws pertaining to voting rights.

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

10.3 Challenge to Validity. No action to challenge the validity of an adopted amendment may be brought more than two (2) years after the amendment is recorded.

## ARTICLE 11 - MISCELLANEOUS

11.1 Notices.

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

11.1.2 Owners.

A. Notice by Electronic Means. In any circumstance where notice is required

to be given to the Members, the Association may provide notice by electronic means, including text message, email, or an Association website, if the Management Committee deems the notice to be fair and reasonable. A Member may require the Association, by written demand, to provide notice to the Member by mail. The Management Committee is authorized to promulgate rules and procedures facilitating the implementation of this section as it deems fit from time to time, including requiring members to furnish the Association with a current email address.

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

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

11.2 Affairs, Electronic Means. Any transaction or action involving the business or affairs of the Association, including but not limited to voting and providing notice or records, may be conducted by electronic means. The Association may accept a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation as the act of the member if the Committee does so in good faith and has no reason to believe it is not the act of the member. A writing may be delivered in an electronic medium or by electronic transmission, and may be signed by photographic, electronic, or other means. An electronic record or electronic signature is attributable to a person if it was the act of the person. An electronic signature may consist of a mark, symbol, character, letter, or number or any combination thereof attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record and the same shall be considered the signature of such person. A writing includes any document, record, vote, ballot, proxy, or instrument required or permitted to be transmitted by a Member or by the Association.


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

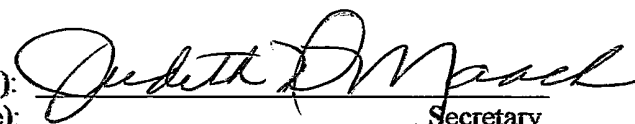
11.4 Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall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

11.5 Fiscal Year. The fiscal year of the Association shall be determined by the Committee in its discretion.

II.6 **Conflicts.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, the Association has caused these Bylaws to be executed by its duly authorized officers on this 17 day of DECEMBER, 2012.

(Sign):   
(Print Name): RICHARD M WRIGHT, President

(Sign):   
(Print Name): Judith D. Maack, Secretary