

**Fairmeadows of Countrywoods**  
An Open Space Community Condominium Complex

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

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

**I. RECITALS**

- A. On December 6, 1978, the original enabling Declaration of Fairmeadows was filed of record in the office of the Salt Lake County Recorder in Book 4782, Pages 785 et seq., as Entry No. 3207544.
- B. On June 14, 1979, the [First] Supplementary Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 4881, Pages 455 et seq., as Entry No. 3294150 and set forth expansion of the property included in the project.
- C. On March 1, 1983, the Second Supplementary Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5440, Pages 2881 et seq., as Entry No. 3764053 and set forth and clarified requirements and provisions regarding the expansion of the project.
- D. On December 1, 1983, the Third Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5511 Pages 1249 et seq., as Entry No. 3875601 and expanded the property included in the project to be known as Phase III, Coventry at Fairmeadows.
- E. On April 30, 1984, the Fourth Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5551, Pages 1249 et seq., as Entry No. 3935083 and amended and revised the percentage interest in the common areas of the project.
- F. On June 15, 1984, the Fifth Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5565, Pages 166 et seq., as Entry No. 3955298, expanded the property included in the project, and included a restated Declaration.
- G. On June 18, 1984, the Sixth Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5565, Pages 1761 et seq., as Entry No. 3956003, expanded the property included in the project, and revised the percentage interest in the common area of the project.
- H. On August 15, 1984, the Seventh Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5582, Pages 525 et seq., as Entry No. 3980809, expanded the property included in the project, and revised the percentage interest in the common area of the project.
- I. On September 26, 1984, the Eighth Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5593, Pages 2711455 et seq., as Entry No. 3997737, expanded the property included in the project, and revised the percentage interest in the common area of the project.
- J. On October 25, 1984, the Ninth Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5601, Pages 941 et seq., as Entry No. 4008665, expanded the property included in the project, and revised the percentage interest in the common area of the project.
- K. On January 9, 1985, the Tenth Supplemental Declaration of and Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 5620, Pages 2685 et seq., as Entry No.

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FAIRMEADOWS HOMEOWNERS ASSN  
6880 S 775 E  
MIDVALE UT 84047  
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4036776, expanded the property included in the project, and revised the percentage interest in the common area of the project.

- L. On October 24, 1991, the Eleventh [Supplemental of and] Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 6368, Pages 2880 et seq., as Entry No. 5144467 and revised the percentage interest in the common area of the project.
- M. On January 5, 1999, the Twelfth [Supplemental of and] Amendment to the Declaration was filed of record in the Office of the Salt Lake County Recorder in Book 8219, Pages 928 et seq., as Entry No. 7210660 and revised the descriptions of Personal Obligation of the Owner and Covenants to Run with the Land: Compliance in the Covenants, Conditions and Restrictions of the Declaration.
- N. On December 13, 2000, the [Thirteenth Supplemental of and] Amendment to the Declaration and By-Laws was filed of record in the Office of the Salt Lake County Recorder in Book 8407, Pages 8434 et seq., as Entry No. 7779765, revised the description of a Quorum for meetings of the Association, and revised the description of Unit Numbers and Buildings Numbers.
- O. On June 19, 2007, the Fourteenth Supplemental of and Amendment to the Declaration and By-Laws was filed of record in the Office of the Salt Lake County Recorder in Book 9479, Pages 8102-8135 et seq., as Entry No. 10136820 consisting of a restatement of the Declaration (Definitions; Covenants, Conditions and Restrictions; and the Bylaws) and minor mathematical corrections to the Percentages of Ownership Interest.
- P. This Supplemental to the Declaration consists of amendments to the Fourteenth Supplemental to correct inadvertent errors in wording, to correct confusing and incorrect wording, to ensure consistency with Utah State law and the Utah State Codes, to ensure consistency with regulations established by the City of Midvale, and to strengthen various administrative and operational procedures of the Association.
- Q. NOW, THEREFORE, for the reasons stated above, the Declaration (Definitions; Covenants, Conditions and Restrictions; and Bylaws) is amended as follows:
  - 1. All the amendments listed below are substituted in lieu thereof.
  - 2. Unit Owners holding sixty-seven (67) percent or more by Percent Interest have executed a written consent approving the revised Covenants, Conditions and Restrictions.
  - 3. Unit Owners holding fifty-one (51) percent or more by Percent Interest executed a written consent approving the revised Bylaws in their entirety.
  - 4. All mortgagees on record at the Association's office were provided a copy of the proposed restated Declaration and an opportunity to submit comments on the document. All comments received were favorable.

## II. APPROVED AMENDMENTS TO THE 14<sup>TH</sup> SUPPLEMENTAL TO THE DECLARATION

*The following amendments correct inadvertent omissions and incorrect wording in the 2007 Supplemental and strengthen the definition of the composition of the Management Committee and its role in monitoring the condition of the buildings and grounds.*

### **Section IV.B.2 – Officers [substituted in its entirety]**

Officers of the Association shall be the same as those individuals elected to the Management Committee and serving as its officers. See Section IV.C.2.b. concerning the election of members of the Management Committee and Section IV.C.3. concerning the election of officers of the Management Committee.

### **Section IV.B – Association [editorial changes]**

- 1. Sec. B.3.a), line 2 – Change the words “Management Committee” to “Association’s Officers”
- 2. Sec. B.3.b.2), line 1 – Change the word “Committee” to “Association’s”
- 3. Sec. B3.b.2), line 3 – Change the word “Committee” to “Association’s”

4. Sec. B.3.c., line 1 – Change the word “Committee” to “Association’s”
5. Sec. B.3.c., line 7 – Change the words “Committee Secretary” to “Condominium Office”
6. Sec. B.3.d., line 1 – Change both words “Committee” to “Association’s”
7. Sec. B.3.d., line 2 – Change the word “Committee” to “Association’s”
8. Sec. B.3.g.4), line 3 – Change the word “Committee” to “Condominium Office”
9. Sec. B.3.g.4), line 7 – Change the word “Committee” to “Condominium Office”
10. Sec. B.3.g.6), line 4 – Add the word “Management” before the word “Committee”

**Section III.D.2. - Composition of Management Committee** *[substituted in its entirety]*

The Management Committee shall be composed of five elected Unit Owners, with no more than one Committee member coming from a single Unit. No more than one non-resident Owner may be a member of the Committee at any one time. In the case of a vacancy, the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected.

**Section IV.C.3.a. - Designation** *[substituted in its entirety]*

The principal officers of the Management Committee shall be a Chairperson, a Vice Chairperson, a Secretary, and a Treasurer; all of whom shall be members of the Committee. Each person so elected shall also hold the same title as an officer of the Association with the authority to conduct the routine business of the Association. Two offices may be held by one person, except that the Chairperson shall not hold any other office. The Committee Chairperson may assign responsibilities to other members as in his judgment may be deemed necessary. The Chairperson shall assign one or more members of the Committee the responsibility of monitoring the condition of the buildings and grounds and any member(s) so assigned shall be an Owner in residence. The member(s) shall make a report to the Association members at the Annual Meeting with regard to all major work accomplished during the year such as roofing, painting, tree removal, etc. and also about any corrections of continuous violations concerning building alterations made without approval of the Management Committee.

*The following amendments clarify the definitions of the different types of votes that are to be used in annual and special meetings and to correct errors in the 2007 supplemental.*

**Section II. Definitions** *[following new definition added that also amends and incorporates the existing definition on Majority of the Owners]*

**Voting** – The following definitions shall apply to the voting process that shall be used in the conduct of business by the Association and the Management Committee:

- a. **Simple Majority** shall mean more than fifty percent (50%) of the votes cast by Owners present at an annual meeting or special meeting including those represented by proxy or by absentee ballot if applicable. Simple Majority applies to all votes unless specifically mandated otherwise in the Declaration.
- b. **Majority by Percent Interest** and **Majority of the Owners** shall mean more than fifty percent (50%), unless stated as higher in the Declaration (e.g. sixty-seven (67) percent), of all the Owners by percentage of undivided interest of each Unit in the Common Areas. Votes by percent interest or majority of the Owners shall be mandatory when specifically mandated in the Declaration.
- c. **Proxy** shall mean an Owner who has been formally authorized in writing by another Owner to represent him at an annual or special meeting.
- d. **Absentee Ballot** shall mean the casting of a ballot by an Owner when the Owner is unable to attend a meeting. An absentee ballot may be cast by an Owner only for an issue for which a ballot has been provided by letter or meeting agenda.

- e. Mail-in Ballot shall mean the casting of a ballot by an Owner when the Management Committee requests a vote on an issue in lieu of holding a special meeting, in lieu of the Owner attending an annual meeting if permitted, or as permitted otherwise. As with an Absentee Ballot, a mail-in ballot may be cast only when such a ballot has been provided by letter or meeting agenda.

**Section II. Definitions** *[the following definition under this section is deleted in its entirety]*

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

**Section III.A.4. Computation of a Unit's Percent Interest** *[last paragraph of this section is deleted in its entirety and substituted with the following two paragraphs]*

An affirmative vote of sixty-seven (67) percent by Percent Interest of all Unit Owners is required to amend the above Computation of a Unit's Percent Interest.

Examples of the use of a Unit's Percent Interest are the following: 1) amendments to the Declaration, including the Bylaws, 2) an amendment to the Computation of a Unit's Percent Interest as discussed above, 3) determining each Unit Owner's share of the annual common expenses, 4) approval of special assessments (over five thousand (5,000) dollars) by the Unit Owners, and 5) the distribution of any common profits. More information on each of these issues is provided in the appropriate sections of the Declaration, including the Bylaws.

**Section III.A. Declaration and Establishment of the Fairmeadows Condominium Complex** *[following subsection added]*

14. Common Profits – Should any profit be made by the Association, it shall be distributed to all Owners based on the Percent Interest each Owner holds in the Common Area.

**Section III.C.3.b. - Special Assessment** *[last paragraph of this subsection deleted in its entirety and substituted with the following]*

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

**Section IV.B.3.g.5) a) – At Meetings** *[substituted in its entirety]*

An owner of a Unit may vote by absentee or mail-in ballot at an annual or special meeting requiring a vote by either simple majority or percent interest. However, voting by absentee or mail-in ballot may be used only for a specific issue on the agenda for which a ballot has been provided or in such case where a vote is requested without a meeting. For any item on the agenda which requires a vote by percent interest, an absentee or mail-in ballot shall be provided with the letter or agenda announcing the meeting. Absentee/mail-in ballots must be submitted to the Condominium Office no less than three (3) business days prior to the meeting in a manner to be established by the Committee.

**Section IV.B.3.f.1) – Annual Meetings** *[substituted in its entirety]*

Except as may otherwise be provided herein, by statute, or the Declaration, the number of Units that must be represented in person or by proxy that shall constitute a quorum for any and all purposes shall not be less than thirty-five (35). If the minimum of thirty-five (35) Units is not reached, a second meeting shall be called, at which time the number of Units represented in person or by proxy shall be the quorum. The majority of the quorum shall be entitled to transact business for and on behalf of the Association unless the matter being addressed requires a vote by a specific percentage of all Owners.

**Section IV.B.3.f.2) – Special Meetings [substituted in its entirety]**

Except as may otherwise be provided herein, by statute or the Declaration, the number of Units represented in person or by proxy shall be the quorum. The majority of the quorum shall be entitled to transact business for and on behalf of the Association unless the matter being addressed requires a vote by a specific percentage of all Owners.

**Section IV.C.2.b. – Election [substituted in its entirety]**

New members of the Committee shall be elected to replace members whose terms are expiring. Provided a quorum is present, the election shall take place at the Association's annual meeting and new members shall be elected by vote of the Owners present and by proxy. Voting for Committee members by absentee ballot is not permitted. Current Members shall hold office until their respective successors have been elected and hold their first meeting.

As required by Section III.D.2., no more than one non-resident Owner may be elected to the Committee. If a non-resident is already a member of the Committee, then any non-resident candidate is eliminated. If there are no non-resident Owners on the Committee and more than one non-resident Owner is on the ballot, only the one receiving the highest number of votes shall be seated.

**Section IV.C.2.d. – Removal [substituted in its entirety]**

A Committee Member may be removed, with or without cause, and his successor elected at any duly called annual or special meeting of the Association at which a quorum is present. Removal shall be by an affirmative vote of a simple majority of the Owners present and proxy votes. As with the election of members, voting by absentee or mail-in ballot for the removal of a Member is not permitted. Any Committee Member whose removal has been proposed by the Owners shall be given at least ten (10) days notice of the calling and purpose of the meeting and an opportunity to be heard at the meeting.

Notwithstanding anything contained herein to the contrary, a Committee member may be removed for cause by a majority vote of the members of the Management Committee. Cause for removal may include, but is not limited to, missing three (3) consecutive meetings without a permitted excuse, materially and repeatedly failing to fulfill his assigned responsibilities and duties, and for abusing his authority as a member of the Committee.

***The following amendments concern a non-resident Owner's use of Common Areas.***

**Section III.C.8. – Use of Recreational Areas and Facilities [substituted in its entirety]**

- a. Each Unit Owner in residence is hereby granted a non-exclusive right and easement of enjoyment, in common with others, of the amenities and recreational facilities constituting a portion of the Common Areas of the Complex.
- b. Any Owner in residence may delegate to family members in residence the rights spelled out above regarding the use of amenities and recreational facilities.
- c. Any Owner who is not in residence does not have the right to use the amenities and recreational facilities, but does have the right to delegate such rights to his family members in residence or to his tenants.
- d. All rights, as spelled out above, may be suspended upon failure of a Unit Owner to pay his assessment.
- e. Owners in residence, their families in residence, guests, invitees, tenants, and licensees, shall be subject to the following with regard to the right and easements of enjoyment as spelled out above:
  - 1) The right of the Management Committee to charge reasonable and equitable admission and other fees for the use of the recreational areas and facilities.
  - 2) The right of the Management Committee to adopt Rules and Regulations governing the use of the recreational areas and facilities.

- f. All Owners in residence, their families in residence, guests, invitees, tenants, and licensees, having the right to use the recreational facilities shall comply with the Rules and Regulations regarding such use.

**Section III.C.9.c. [substituted in its entirety]**

There shall be no obstructions of the Common Areas by an Owner, his family members in residence, guests, invitees or tenants without the prior written consent of the Management Committee.

**Section III.C.9.j. [substituted in its entirety]**

No Owner, his family members in residence, or his guests, invitees or tenants shall violate the Rules and Regulations for the use of the Units and the Common Areas as adopted from time to time by the Management Committee.

***The following amendments concern changes in how the Association controls the leasing/renting of Units.***

**Section III.C.9.a. [substituted in its entirety]**

Each of the Units in the Complex is intended to be used for single family residential housing and is restricted to such use. The term "single family" shall mean/include any of the following: Owner(s) in residence or tenant(s), the first generation children of the Owner(s) in residence or the tenant(s), any children who have been legally adopted by the Owner(s) in residence or the tenant(s), any children for whom the Owner(s) in residence or tenant(s) are the legal guardians, and a parent(s) who is under the care of the Owners in residence or tenants. Any exception must be approved by the Management Committee.

Should the family (lessee) be a single person, it shall be permitted that one other person may share the lease or occupy the Unit with the lessee, along with any natural or adopted children if the two individuals are in a partnership.

**Section III.C.9.b.8) [substituted in its entirety]**

A Unit may be leased only to a single family. See Sec. III.C.9.a. for a more complete definition of "single family."

**Section III.C.9.b.4) [substituted in its entirety]**

Whenever a Unit Owner does not reside in the Unit and the Unit is made available to others, a formal lease in writing is required unless the Management Committee has established clearly defined reasons in the Rules and Regulations as to why there should be an exception. The lease is required regardless of whether there is remuneration for the use of the Unit or what the relationship may be between the lessor and the lessee, unless excepted as noted above. The Unit Owner shall also agree to and comply with the following conditions, unless there is an exception to the requirement for a lease agreement:

- a) Obtain a business license as required by the City of Midvale, a copy of which must be provided with the copy of the lease.
- b) Join the City of Midvale's "Good Landlord Program".

**Section III.C.9.b.5) [substituted in its entirety]**

The lease shall cover a period of time of not less than one (1) year. Unit Owners, based upon an approved request from a Unit Owner or upon a unilateral decision of the Management Committee, may be exempt from this term requirement when one or more of the following conditions exist:

- a) During the period of the Unit Owner's deployment in the military;
- b) When the occupant is the Owner's parent, child or sibling;
- c) When the Owner has been relocated by his employer for no less than two years;
- d) When the Unit is owned by a trust or other entity created for estate planning purposes and the trust or other estate planning entity was created for the estate of the current resident of the Unit or the parent, child, or sibling of the current resident of the Unit.

- e) When the Unit Owner or Owner's representative has submitted a request for, along with strong supporting documentation, and been granted an exemption by the Management Committee due to a significant hardship that would be placed upon the Owner if this requirement were to be enforced. This exemption must be documented in writing by the Management Committee.

A copy of the lease shall be provided to the office within two (2) weeks of execution. Information of a sensitive nature (e.g. SSN's, lease amount, etc.) may be blocked out.

**Section III.C.9.b.9) [deleted in its entirety with all following subsections renumbered appropriately]**

**Section III.C.9.b.1) [substituted for Section III.C.9.b.10) and renumbered as the first subsection with all following subsections renumbered appropriately]**

A maximum of twenty (20) percent or forty-six (46) of the two hundred and thirty-two (232) Units in the Complex may be leased by Owners to other individuals at any given time.

Unit Owners, based upon an approved request from a Unit Owner or upon a decision of the Management Committee, may not be restricted by the above limitation on rentals and may rent their Unit when one or more of the following conditions exist:

- a) During the period of the Unit Owner's deployment in the military;
- b) When the occupant is the Owner's parent, child or sibling;
- c) When the Owner has been relocated by his employer for no less than two years;
- d) When the Unit is owned by a trust or other entity created for estate planning purposes and the trust or other estate planning entity was created for the estate of the current resident of the Unit or the parent, child, or sibling of the current resident of the Unit.
- e) When the Unit Owner or Owner's representative has submitted a request for, along with strong supporting documentation, and been granted an exemption by the Management Committee due to a significant hardship that would be placed upon the Owner if this requirement were to be enforced. This exemption must be documented in writing by the Management Committee.

Once the twenty (20) percent limit is reached, the Management Committee shall maintain, or cause to be maintained, a waiting list of those Owners wishing to lease and each Owner shall be notified on a first-come-first-served basis as to when he may lease his unit.

**Section III.A.9.f. [substituted in its entirety]**

No Unit Owner shall be permitted to lease his Unit for transient or hotel purposes, which means the initial term of any lease shall be at least one (1) year and no Unit Owner may lease less than the entire Unit (e.g. individual room rentals are not permitted). Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and that any failure by the lessee to comply with the terms of such document shall be in default under the lease. All leases shall be in writing.

***The following amendments concern the Association's responsibilities with regard to the carrying of required insurance on all Common Areas and Buildings.***

**Section III.D.7. – Insurance [substituted in its entirety]**

Insurance – The following section defines the requirements and responsibilities of the Association and the Owners with regard to insurance and policy deductibles.

- a. Association – A multi-peril policy or policies of fire, casualty, earthquake, and fidelity insurance shall be maintained as follows:
  - 1) Property and Liability Insurance – The Association shall maintain a master insurance policy which includes: a) 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 b) liability insurance having at least a three-million-dollar (\$3,000,000.00) 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.

- 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 Management Committee, its employees, and all others who are responsible for handling funds of the Association, including the Manager. Such fidelity coverage shall: a) name the Association as an obligee; b) not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the Manager, 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; c) 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 Manager; d) 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.
- 3) Flood Insurance – If any portion of the Complex 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 Complex 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.

The Association’s property insurance shall include coverage for any fixture, improvement, or betterment installed at any time 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.

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 or Chairperson’s and officer’s insurance.

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: the Unit Owner’s ownership interest in the common areas and facilities, maintenance, repair, or replacement of common areas and facilities, and the Unit Owner’s membership in the Association.

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:

- 1) 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.
- 2) The Association shall pay for any loss for any Common Areas and facilities for which a loss occurs.
- 3) 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.



4) The Association need not tender the claim to the Association's insurer.

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.

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

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: 1) any person residing with the Unit Owner, if the Unit Owner resides in the Unit, and 2) the Unit Owner.

The Association, or insurance trustee if any, shall 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.

b. Unit Owner Insurance Responsibility – For Units, the Association's policy is primary but the Unit Owner is responsible for the deductible as follows:

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' policy, and Coverage A of the Unit Owner's policy applies to that portion of the loss attributable to the policy deductible of the Association.

If a Unit, or Limited Common Area or facility 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.

The deductible under the Association's policy shall be as established in the Rules and Regulations. 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.

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 and personal property of his Unit, coverage for personal liability, as well as for coverage in the event the Owner has to pay the Association policy deductible as provided above.

**Section III.C.6. – Insurance** *[deleted in its entirety and all following subsections renumbered appropriately]*

*The following amendments concern the administrative operations of the Association.*

**Section IV.C.1.n.** *[substituted in its entirety]*

Keeping books or ensuring the keeping of books with detailed accounts of the receipts and expenditures affecting the Complex and the administration of the Complex specifying the maintenance and repair expenses of the Common Areas and any other expenses incurred. The said books and vouchers accrediting the entries

thereupon shall be available for examination by the Owners or their duly authorized agents or attorneys during general business hours at the time and in the manner that shall be set forth in the Rules and Regulations and consistent with the Utah Code relating to records and reviewing of the same. All books and records shall be kept in accordance with generally accepted accounting practices. A full audit of the same shall be conducted at least once in a three-year period by an outside auditor employed by the Committee who shall not be a resident of the Complex or an Owner therein. During the intervening years, a review of the financial records and procedures of the same shall be conducted based on documented procedures between the Management Committee and the audit firm. The cost of an audit or a procedural review shall be a Common Expense. A copy of every audit report and every report resulting from an agreed-upon procedural review shall be made available by the office secretary to any Owner or first mortgagee of any Unit in the Complex who requests the same in writing;

**Section IV.C.8. - Management of the Association's Business [substituted in its entirety]**

The Management Committee shall develop and maintain a Business Operational Manual that shall describe the routine business of the Association with regard the responsibilities of the Management Committee and the role and responsibilities of the Manager. A copy of the manual shall be maintained in the Office of the Complex and shall be made available for review in the office upon a request from any Owner. The issues to be addressed in the manual shall include, but are not limited to, the following:

1. Legal Requirements – Identification of those State and local reporting requirements that must be addressed by the Association on a routine basis, such as the reporting of registration requirements required by the Utah Department of Commerce and the identification of who shall be responsible for ensuring compliance.
2. Agreements, Contracts, and Deeds – Procedures related to the development, review, execution, and monitoring of all agreements, contracts, and deeds. With regard to contracts, the procedures for requesting bids, the development of standards for the evaluation of bids, who shall be involved in the evaluation, the procedures for the selection of the best bid, and the authority to execute and sign a contract shall be described. All delegations of authority to the Manager with regard to his involvement in such instruments, as well as any delegation of authority to incur costs by the Manager, shall be described. The handling of contracts or other authorizations for work to be performed on an emergency basis shall also be described.
3. Financial – Procedures for the investment of Association funds, both short term and long term. The execution of the checks and the use of e-checks, including the identification of individuals who may sign checks and how many must sign, shall be addressed.
4. Budget – Procedures for the development and approval of the annual budget, including a description of the information and level of detail that will be made available to the Owners on an annual basis.
5. Long-range Planning – Procedures for development and continual update of a long-range improvement/maintenance plan to be used for the development of annual budgets, maintenance of the contingency reserve fund, and determining annual assessments (monthly maintenance fees).
6. Record Retention – Procedures to determine the importance of the various types of documents maintained by the Association and to determine the length of time each type of documentation shall be retained. The manner (hard copy, micro-film, website, etc.) in which the documents will be stored shall be identified, as well as the location and whether duplicate copies are needed to be stored elsewhere.

**Section IV.C.1. – Powers and Duties [introductory paragraph only substituted in its entirety]**

The affairs and business of the Association shall be managed by a Committee which shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Declaration and may do all such acts and things as are not by the Act or by these Bylaws directed to be exercised and done by the Association. The Committee shall have the power to adopt any Rules and Regulations deemed necessary for the proper management of the Complex provided such Rules and Regulations are not in conflict with the Act and the Declaration including these Bylaws. No separate sets of policies, procedures, processes, guides, etc. governing Unit Owners shall be established except as permitted or mandated by the Declaration, including these Bylaws, or by the Rules and Regulations themselves. The Committee shall

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

***The following amendments include minor changes to existing definitions and adds new definitions to Section II, Definitions.***

**Section II., Definitions - Common Areas and Facilities and Common Areas [par. d substituted in its entirety]**

- d. All foundations, columns, girders, beams, supports, perimeter walls, interior load-bearing walls, roofs, attics, crawl spaces, entrances and exits which are designed for the use of more than one Unit, parking spaces, access roads, driveways, walkways, pedestrian sidewalks, landscape and planting areas, fences, streetlights, and other common facilities;

**Section II., Definitions – Condominium, Condominium Unit and Unit [title of this definition changed, all definitions to be reordered alphabetically, and par. e. substituted in its entirety]**

Unit, Condominium Unit and Condominium

- e. Any structural interior wall members (not including load bearing walls) or any other property of any kind, including fixtures and appliances within the Unit, which are removable without jeopardizing the soundness, safety, or usefulness of the remainder of the building within which the Unit is situated.

**Section I., Definitions – Unit Owner and Owner [substituted in its entirety]**

Unit Owner and Owner shall mean the person or persons owning a unit in fee simple and an undivided interest in the fee simple estate of the common areas and facilities in the percentage specified and established in the Declaration and as that person or persons identified as owners in the listing of the property with the County Recorder. In the event a Unit is the subject of an executory contract of sale, the contract purchaser upon notice to the Committee by the Purchaser shall, unless the seller and the purchaser have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for purposes of voting and Committee membership.

**Section II, Definitions – Resident, Owner in Residence, tenant, and renter [new definition added and all subsequent definitions reordered alphabetically]**

Resident, Owner in residence, tenant, and renter shall refer to the individual occupying a Unit. If an Owner is residing in another location outside the complex and has not permitted his Unit to be occupied by another individual, the Owner shall be considered the resident of the Unit for the purposes of this Declaration. If the Owner has made his Unit available to another individual, whether or not for remuneration, the occupant (tenant/renter) shall be considered the resident. Under such a circumstance the Owner may then be identified in this document as the Non-Resident Owner, Non-Resident Unit Owner or Owner not in Residence. A Unit Owner who owns more than one Unit and lives in one of the Units shall be considered a resident with regard to the Unit in which he resides and a Non-Resident Owner with regard to the one or more Units in which he does not reside.

***The following amendments are editorial changes and minor definition changes to existing language in the CC&Rs and Bylaws as indicated below.***

**Editorial/Definitional Changes**

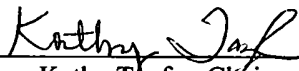
1. Wherever they may appear after Section I., Recitals, of the Declaration – Change the words “2007 Supplement” or “2007 supplement” to the words “2007 Supplemental”
2. Pg. 3, Act – Change the reference to Sections of the Act to 57-8-1 through 57-8-54, or as may be amended from time to time.
3. Pg. 9, sec. 2.b., line 2 – After the word “licensees” add the following: “(persons or entities receiving permission from an Owner to engage in an activity)”

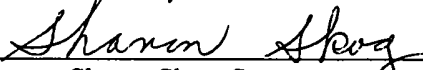
4. Pg. 9, sec. 4, line 8 – Change the words “there from” to “therefrom”
5. Pg. 15, sections 9.b.6) and 7) – Add the words “or a related document” after the word “lease” at the beginning of each sentence to allow the use of a checklist for meeting some of the requirements of the CC&Rs.
6. Pg. 19, sec. 7.a., line 1 – After the words “casualty insurance” add the following: (loss of or damage to property)
7. Pg. 19, sec. 7.b., line 1 – After the words “liability insurance” add the following: (claims arising from injuries or damage to other people or property)
8. Pg. 19, sec. 7.c., line 1 – After the words “fidelity coverage” add the following: (losses caused by the dishonest acts of employees or others)
9. Pgs. 19 through 22 – Move Section III.D.11. concerning Damage to Complex to follow Section III.D.7 concerning Insurance and appropriately renumber Sections III.D.8. through III.D.10
10. Pg. 21, sec. 9.a., line 3 – Delete the words “and unsightly”
11. Pg. 21, sec. 10.a., last par., line 3 – Add the word “above” between the words “the” and “major”.
12. Pg. 22, sec. 11.a., line 2 – Change word “damage” to “damaged”.
13. Pg. 22, sec. 12, line 7 – Change words “there from” to “therefrom”.
14. Pg. 25, sec. g.3), line 1 – Add the words “(see definition for voting)” between the words “vote” and “of”
15. Pg. 25, sec. g.4), lines 8 & 9 – Change the words “one other Owner, besides himself,” to “one other Owner”
16. Pg. 25, sec. g.6), line 4 – Add the word “Management” before the word “Committee”
17. Pg. 30, sec. D.2., line 2 – After the second word “Complex” add the words “Clubhouse, 6880 South 775 East,”

### III. EFFECTIVE DATE

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

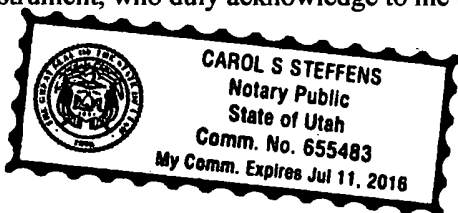
IN WITNESS WHEREOF, the undersigned, being the Chairperson and Secretary of the Management Committee of Fairmeadows, have executed this Supplemental the 15<sup>th</sup> day of July, 2013.

  
 \_\_\_\_\_  
 Kathy Tauffer, Chairperson

  
 \_\_\_\_\_  
 Sharon Skog, Secretary

STATE OF UTAH                    )  
   :  
 County of Salt Lake            )

On the 15<sup>th</sup> day of July, 2013, personally appeared before me Kathy Tauffer and Sharon Skog, the Chairperson and Secretary respectively of the Fairmeadows Association and the signers of the above instrument, who duly acknowledge to me that they executed the same on behalf of the Association.



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