

BYLAWS

OF

QUAIL LAKE HOMEOWNERS ASSOCIATION

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FOR: QUAIL LAKE HOMEOWNERS ASSN

ARTICLE I
NAME AND LOCATION

The name of the corporation is Quail Lake Homeowners Association, hereafter referred to as the Association.

The principal office of the Association shall be at Quail Lake Clubhouse, 28C Quail Creek Drive, Hurricane, Utah 84737, until changed by resolution of the Board of Trustees but meetings of members and Trustees may be held at such places within the State of Utah as may be designated by the Board of Trustees.

ARTICLE II
DEFINITIONS

Section 1. Association shall mean and refer to Quail Lake Homeowners Association, its successors and assigns.

Section 2. Declaration shall mean and refer to the Declaration of Covenants, Conditions and Restrictions of Quail Lake Estates, and any amendments.

Section 3. Plat or Map shall mean and refer to the subdivision plat recorded with the Declaration captioned "Quail Creek Mobile Home Estates," or any replacements thereof, or additions thereto.

Section 4. Properties shall mean and refer to all real property subject to the Declaration.

Section 5. Common Area shall mean and refer to that portion of property owned by the Association and shown on the plat as dedicated to the common use and enjoyment of the owners.

Section 6. Lot shall mean and refer to any separately numbered and individually described plot of land shown on the plat, designated for private ownership, and shall exclude the common areas.

Section 7. Owner shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any lot which is within the properties. Regardless of the number of parties having ownership in a lot, those parties shall be treated, as a group, as one "owner."

Section 8. Member shall mean and refer to every person or entity who holds membership in the Association.

Section 9. Trustees shall mean and refer to the governing body of the Association.

Section 10. Declarant shall mean and refer to Quail Lake Estates, a Utah general partnership, George L. Whitby, June S. Whitby, Harold E. Rice, Joan E. Rice, Richard Lee Tooke, Carol N. Tooke, William D. Tooke, William H. Tooke, William Birrell, Jr., Marjorie A. Birrell, Paul B. Cochran, Franklin David Bradford, and Elaine Bradford, their successors and assigns.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person or entity who is owner of any lot shall be a member of the Association. The term "owner" shall include contract purchasers but shall not include persons or entities who hold an interest merely as security for the performance of an obligation unless and until said holder has acquired title pursuant to foreclosure or proceedings in lieu of foreclosure. Membership shall be appurtenant to and may not be separated from ownership of any lot. Membership in the Association shall automatically transfer upon transfer of title by the record owner to another person or entity.

Section 2. Voting Rights. All members are entitled to one vote for each lot owned except for declarant who, pursuant to the CC&Rs, is entitled to 6/10 of one vote for each lot he owns on which dues are paid. When more than one person holds an interest in any lot, the group of such persons shall be considered a member. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot. A vote cast at any association meeting by any of such co-owners, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the lot concerned unless written objection is made prior to said meeting, or verbal objection is made at said meeting, by another co-owner of the same lot. In the event objection is made, the vote involved shall not be counted for any purpose except to determine whether a quorum exists.

Section 3. Qualification for Membership. No person, or persons, entity or entities shall exercise the rights of membership until satisfactory proof has been furnished to the secretary of the Association of qualification as a member, or nominee of a member, pursuant to the terms of the Articles of Incorporation and the Bylaws. Such proof may consist of a copy of a duly executed and acknowledged warranty deed or title insurance policy showing said person, persons, entity or entities, or the person nominating him qualified in accordance therewith, in which event said deed or title insurance policy shall be deemed conclusive evidence in the absence of a conflicting claim based upon a later deed or title insurance policy.

Section 4. Suspension of Membership Rights. The rights of membership are subject to the payment of annual and special assessments levied by the Association. If a member fails to make payment of any annual or special assessment levied by the Association within thirty (30) days after the same shall become due and payable, the voting rights of such member may be suspended by the Board of Trustees until such assessment has been paid. Rights of a member may also be suspended for violation of any of the use restrictions. Rights of a member also may be suspended after notice and hearing, for infraction of any published rules and regulations established by the Board of Trustees governing the use of the services, facilities or equipment of

the Association, for a period not to exceed sixty (60) days. Any first mortgagee shall be entitled to receive, upon request, notification of any default or suspension of a member.

ARTICLE IV MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting shall be held for the purpose of electing Trustees, presenting the annual financial report of the Association and for the transaction of such other business as the Board of Trustees may determine. Each annual meeting of the members shall be held in March, on a day and time appointed by the Board of Trustees.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Trustees, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association. Such notice shall specify the place, date and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Waiver of Notice. The notice provided for herein above is not indispensable and any meeting of the members shall be deemed validly called for all purposes if all members are represented thereat in person or by proxy, or if a quorum is present and waivers of notice of time, place and purpose of such meeting shall be duly executed in writing either before or after said meeting by those members not so represented or not given such notice. The attendance of any member at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

Section 5. Quorum. Except as hereafter provided, and as otherwise provided in the Articles of Incorporation, the presence at the meeting of members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of all the votes shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

In case of a meeting to change the basis and maximum of the assessments fixed prospectively for any annual period, the presence at the meeting of members, or of proxies, entitled to cast sixty percent (60%) of all the votes shall constitute a quorum. If the required quorum is not forthcoming at such a meeting, another meeting may be called, subject to the notice requirement set forth above and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

In case of a meeting to authorize special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of fixtures and personal property related thereto, the presence of members or of proxies of two-thirds (2/3) of all members authorized to vote shall constitute a quorum.

Section 6. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary prior to the meeting for which the proxy is valid. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

Section 7. Voting. If a quorum is present, the affirmative vote of the majority of the members represented at the meeting shall be the act of all the members, unless the act of a greater number is expressly required by law, by the Declaration, or by the Articles of Incorporation of the Association or elsewhere in these Bylaws. Upon direction of the presiding officer, the vote upon any business before a meeting shall be by ballot, but otherwise any such vote need not be by ballot.

Section 8. Procedure. The order of business and all other matters of procedure at every meeting of members shall be determined by the presiding officer.

ARTICLE V BOARD OF TRUSTEES: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3), five (5) or seven (7) Trustees, the number of persons constituting the whole Board of Trustees to be fixed from time to time by resolution of the Board of Trustees, who must be members of the Association or in the case of multiple co-owners or owners not natural persons, their designees.

Section 2. Term of Office. At each annual meeting, the members shall elect Trustees for terms of two (2) years, with an odd number of Trustees (at least two less than the entire Board) elected in odd-numbered years and an even number of Trustees elected in even-numbered years.

Section 3. Removal. Any Trustee may be removed from the Board, with or without cause, by a majority vote of the members of the Association and any Trustee who shall be absent from three (3) consecutive Board meetings shall be automatically removed from the Board unless determined otherwise by the Board. In the event of death, resignation or removal of a Trustee, a temporary successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor or until special election of a successor.

Section 4. Compensation. No Trustee shall receive compensation for any service he may render to the Association. However, any Trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI
NOMINATION AND ELECTION OF TRUSTEES

Section 1. Nomination. Nomination for election to the Board of Trustees shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Trustees, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Trustees at least sixty (60) days prior to each annual meeting of the members, to serve through such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Trustees as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Trustees shall be by secret written ballot. At such 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 Articles of Incorporation and these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII
MEETINGS OF TRUSTEES

Section 1. Regular Meetings. The first meeting of the Board of Trustees will follow the annual meeting of the members. Thereafter, regular meetings of the Board of Trustees shall be held at such date, time and place as may be determined from time to time by resolution of the Board of Trustees. Written notification of each regular Board meeting shall be delivered or mailed to all Trustees at least seven (7) days prior to any regular Board meeting.

Section 2. Special Meetings. Special meetings of the Board of Trustees shall be held when called by the President of the Association, or by any two (2) Trustees, after not less than two (2) days' notice to each Trustee.

Section 3. Quorum. A majority of the number of Trustees shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Trustees present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board, unless a greater number is required by law, the Articles of Incorporation or these Bylaws.

Section 4. Action Taken without a Meeting. The Trustees shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Trustees. Any action so approved shall have the same effect as though taken at a meeting of the Trustees.

ARTICLE VIII
POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers. The Board of Trustees shall have power to:

(a) adopt and publish rules and regulations governing the use of the equipment and facilities of the Association and to establish reasonable admission and other fees for the use thereof;

(b) suspend the voting rights and any other rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association or in violation of any of the use restrictions. Such rights may also be suspended for infraction of any published rules and regulations, after notice and hearing, for a period of not to exceed sixty (60) days;

(c) employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties;

(d) grant easements for public utilities or other public purposes consistent with the intended use of the common area;

(e) levy and collect assessments as more fully outlined in the Declaration;

(f) purchase insurance as outlined in the Declaration;

(g) appoint an Architectural Control Committee and generate guidelines and procedures for the Architectural Control Committee to follow;

(h) appoint arbitrators to resolve party wall disputes;

(i) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Articles of Incorporation;

(j) enforce and administer the Declaration of Covenants, Conditions and Restrictions recorded as affecting the properties.

Section 2. Duties. It shall be the duty of the Board of Trustees to:

(a) act within thirty (30) days upon any request for approval or disapproval submitted pursuant to the Declaration of Covenants, Conditions and Restrictions;

(b) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-half (1/2) of the members who are entitled to vote;

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

(d) prepare a roster of the properties and the assessments applicable thereto;

- (e) fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;
- (f) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (g) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or bring an action at law against the owner personally obligated to pay the same;
- (h) furnish a certificate upon demand, and for a reasonable charge, signed by an officer of the Association setting forth whether the assessment on a specified lot has been paid;
- (i) maintain an adequate reserve fund for maintenance, repairs, and replacement of any elements of the common or limited common areas which must be replaced on a regular basis.
- (j) cause the Common Areas to be maintained, preserved and kept in good repair.

ARTICLE IX OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Trustees, a secretary and a treasurer, who need not be members of the Board of Trustees nor of the Association, and such other officers as the Board may from time to time create by resolution.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Trustees following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or be removed, or otherwise be disqualified to serve. Officers may be reelected to successive terms without limit.

Section 4. Special Appointments. The Board 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 Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office by the Board, which removal may only be for cause. Any officer may resign at any time by giving notice to the Board, or any officer of the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special office created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) PRESIDENT. The president shall preside at all meetings of the Board of Trustees; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) VICE PRESIDENT. The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) SECRETARY. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep appropriate current records showing the members of the Association, together with their addresses, and shall perform such other duties as required by the Board.

(d) TREASURER. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board of Trustees; sign all checks and promissory notes of the Association; maintain a roster of properties, assessments and payments; keep proper books of account; issue certificates of payment of assessments; cause an annual audit of the Association books to be made by an accountant at the completion of each fiscal year; notify the Trustees of members who are delinquent in paying assessments and prepare an annual budget and statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of the budget and statement to the members at said meeting.

Section 9. Compensation. No salary or other compensation for services shall be paid to any officer of the Association for services rendered by such officer, but this shall not preclude an officer of the Association from performing any other service for the Association as an employee and receiving compensation therefor. Officers may be reimbursed for their actual expenses incurred in the performance of their duties.

ARTICLE X FINANCIAL MATTERS

Section 1. Depositories. The Board of Trustees shall select such depositories as it considers proper for the funds of the Association. All checks and drafts against such deposited funds shall be signed and countersigned by persons specified by the Board.

Section 2. Contracts; Management Contracts. The Board of Trustees may authorize any officer or officers, agent or agents, in addition to those specified in these Bylaws, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board of Trustees, no officer, agent or employee shall have any power or

authority to bind the Association by any contract or engagement or to pledge its credit or render it liable for any purpose or for any amount.

Any agreement for professional management of the property may not exceed one year duration, but may allow for successive renewals of one year duration. Such an Agreement must provide for termination by either party without cause and without payment of a termination fee on thirty (30) days or less written notice.

Prior consent of first mortgagees will be required in the event a decision is made to terminate professional management and adopt self-management.

Section 3. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Trustees of the Association.

Section 4. Annual Report. The Board of Trustees shall present at the annual meeting of the members the report of the treasurer, giving the annual budget and a statement of income and expenses, and a report of other affairs of the Association during the preceding year. The Board of Trustees shall post a copy of said annual budget and statement of income and expenses in the clubhouse for all members to see, and shall, upon request of a member, provide a copy of the same to the requesting member free of charge.

Section 5. Books and Records. These Bylaws, the Articles of Incorporation, the CC&Rs, and all books, records and papers of the Association other than personal employee files and those records subject to the attorney-client privilege shall at all times, during reasonable business hours, be made available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI INDEMNIFICATION OF TRUSTEES AND OFFICERS

Each Trustee and officer of the Association now or hereafter serving as such shall be indemnified by the Association against any and all claims and liabilities to which he has or shall become subject while or after serving by reason of serving as Trustee or officer, or by reason of any action alleged to have been taken, omitted, or neglected by him as such Trustee or officer; and the Association shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with, any claim or liability arising out of his own willful misconduct or gross negligence.

The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any Trustee or officer of the Association may otherwise be entitled by law.

ARTICLE XII
COMMITTEES

Section 1. Architectural Control Committee. An Architectural Control Committee (ACC) composed of three or more representatives may be appointed by the Trustees. In the absence of such a committee, the Board shall so serve.

No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, colors and location of the same shall have been submitted to and approved in writing by the ACC, including but not limited to, approval as to harmony of external design and location in relation to surrounding structures and topography. In the event the ACC fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and compliance with this article will be deemed to have been made.

Notwithstanding the foregoing, without the prior written approval of at least two-thirds (2/3) of the owners or first mortgagees, neither the Association nor the Architectural Control Committee shall, by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance or maintenance of units, or the maintenance of the common and limited common areas, including walls, fences, driveways, lawns and plantings. Said committee may also have authority to oversee and evaluate the repair and/or maintenance of lot owners' personal property as provided in the Declaration, to give notice of failure to perform said repair and/or maintenance and to perform the same.

Section 2. Additional Committees. In addition, the Board of Trustees may appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE XIII
ASSESSMENTS

Section 1. Assessments and Delinquencies. As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, or at such other rate as the Board of Trustees may establish from time to time, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by the non-use of the Common Areas or abandonment of his Lot.

Section 2. Chronic Delinquencies. Dues delinquent for two consecutive months shall be deemed as chronic. In such case, the association may send a notice by certified mail to the

responsible owner requesting payment within fifteen days from the date of the notice of the amount past due. If the property owner fails to pay off the delinquency within fifteen days of his receipt of such a notice, the Board of Trustees may immediately direct the disconnection of the property owner's pool/clubhouse key and cable TV. The Board may also direct the filing of a lien against the property of said owner. The property owner shall thereafter be responsible for all costs arising from the disconnection/re-connection of the pool/clubhouse access key and cable TV as elsewhere established in these Bylaws, as well as for all lien and administrative costs and attorney fees. Dues delinquent for three consecutive months may result in a Certified Letter of demand for payment of the entire assessment for the remainder of the year, plus late charges for the delinquent months, administrative costs and attorney fees. The letter of demand shall also include all other amounts owed to the association.

ARTICLE XIV CORPORATE SEAL

The association shall have a seal in a circular form having within its circumference the words "Quail Lake Homeowners Association," the year of its incorporation, and a notation that the Association is Non-Profit.

ARTICLE XV RULES AND REGULATIONS

The Board of Trustees shall have the power to adopt and establish by resolution such rules and regulations as it may deem necessary for the maintenance, operation, management and control of the property, equipment, facilities and utility systems of the Association, and the Board of Trustees may alter from time to time such rules and regulations. The members shall at all times obey such regulations and use their best efforts to see that they are faithfully observed by the persons with whom they reside, their lessees, invitees and others over whom they may exercise control or supervision.

ARTICLE XVI AMENDMENTS

Section 1. Amendments. These Bylaws may be altered, amended, repealed or added to by majority vote of the Board of Trustees of the Association at any regular meeting of said Board or at a special meeting called for that purpose. These Bylaws and any amendments thereto may be amended, altered or replaced by majority vote of the members at any annual or special meeting of the members.

Section 2. Conflicts. In case of any conflict between the Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation or these Bylaws, the Declaration shall be of primary authority, the Articles secondary and the Bylaws subject thereto.

ARTICLE XVII
PROHIBITION OF PORTABLE VACATION ORIENTED HOUSING

Prohibition of Permanent Placement of Portable Vacation Oriented Housing on any Lot.

Commencing as of January 1, 2001 and continuing thereafter, recreation vehicles designed primarily as portable temporary vacation oriented housing, including but not limited to campers, fifth wheels, travel trailers or mobile homes, may not be permanently placed on any lot, nor may any lot owner build any additional housing attachment to such a portable housing unit. Lot owners who temporarily install a portable housing unit on a lot are not permitted to remove the wheels of the portable housing unit except in cases of special need. Portable housing units may not remain on a lot for more than a cumulative total of nine months in any given year. ~~Mobile~~ *
 Homes are not subject to the prohibitions contained in this Article. ~~Modular~~

ARTICLE XVIII
FEES AND PENALTIES FOR SPECIFIED VIOLATIONS

Section 1. Fees for violation of CC&Rs and Bylaws. Fees shall be levied as outlined in this Article for failure of a homeowner to comply with rules and regulations established by these Bylaws and the Conditions, Covenants and Restrictions of the Quail Lake Homeowners Association.

Section 2. Rules Specific to New Construction. Any Realtor, contractor or homeowner planning construction in Quail Lake Estates must contact the Architectural Control Committee (ACC) and request a copy of the rules governing construction within Quail Lake Estates. Said realtor, contractor or homeowner shall also be given a copy of these Bylaws, including the specific fees and penalties outlined in this Article for failure to comply with ACC guidelines.

(a) Presentation of Building Permit and Plot Plan to ACC. At least 48 hours prior to the start of new construction, any realtor, contractor or homeowner planning construction in Quail Lake Estates shall present to the ACC for its approval pursuant to the CC&Rs: (1) a copy of the Building Permit issued by the city; and (2) a plot plan showing the set backs from lot lines. If the ACC is not provided with this documentation within the time limit specified, it shall promptly notify the Board of Trustees of this failure which may then notify the property owner by Certified Mail of the violation, and indicate in the notice that the property owner is therefore subject to a fine of FIVE HUNDRED (\$500.00) DOLLARS. The property owner may request a hearing by the Board of Trustees within FIFTEEN DAYS of his receipt of such a notice, which hearing shall be promptly held, and at which hearing the Board may decide to enforce, amend, or rescind the fine. Failure of the property owner to pay the fine within a reasonable time, or otherwise to resolve the same at a hearing before the Board of Trustees, shall result in a lien against the property of said owner in the amount of the fine, plus related lien and administrative costs and attorney fees.

(b) Encroachment of set backs: If the ACC inspects a lot and determines that an encroachment exists in violation of the setbacks in the CC&Rs and as established by the City of Hurricane, the ACC shall promptly notify the Board of Trustees of the existence and extent of the encroachment. The Board of Trustees shall then notify the property owner of the offense by Certified Mail, and indicate in the notice that the property owner is

therefore subject to a fine of FIVE (\$5.00) DOLLARS per square foot of the encroachment over the setbacks. The property owner may request a hearing by the Board of Trustees within FIFTEEN DAYS of his receipt of such a notice, which hearing shall be promptly held, and at which hearing the Board may decide to enforce, amend, or rescind the fine. Failure of the property owner to pay the fine within a reasonable time, or otherwise to resolve the same at a hearing before the Board of Trustees, shall result in a lien against the property of said owner in the amount of the fine, plus lien and administrative costs and attorney fees.

(c) Landscaping: Within ninety (90) days after a dwelling has been built or installed on a lot and either an occupancy permit has been issued for the lot or the dwelling on the lot is occupied, the lot owner shall install all landscaping pertaining to the lot. Proposed plans for said landscaping shall first be approved by the ACC. If landscaping is not installed within the time specified in this paragraph, the Board of Trustees may then notify the property owner of the offense by certified mail, and indicate in the notice that if the lot owner does not make arrangements for the installation of landscaping within fifteen days, or otherwise arrange with the Association for a continuance of time in which to do so, the Association may enter upon the lot during reasonable hours and install whatever landscaping the ACC deems appropriate. The cost of any landscaping and installation performed by the Association shall be borne by the lot owner, and shall continue as a lien on the lot until paid.

(d) Modification and Waiver: The Board of Trustees may at their discretion modify or waive any of the conditions or penalties in paragraphs (a), (b) or (c) above.

Section 3. Damage to Homeowner or Association Property. In the event a property owner causes damage to another homeowner's property or to association property, said property owner shall be notified by the Board of Trustees by Certified Mail of the cost for repairing or making whole the property damaged. The offending property owner shall be given FIFTEEN DAYS from receipt of said notice to either pay the amount of the damage or request a hearing before the Board of Trustees, which hearing shall be promptly held, and at which hearing the Board may decide to enforce, amend, or rescind the damage amount specified in the notice. Failure of the property owner to make the repairs or pay the cost of repairs, or otherwise to resolve the issue at a hearing before the Board of Trustees within fifteen days, will result in a lien against the property of said owner for the cost of repairs, plus lien and administrative costs and attorney fees.

Section 4. Disconnection of Pool/Clubhouse Key and Cable TV. If a property owner who has been notified of a fine or amount he must pay has either had a hearing before the Board of Trustees or failed to request such a hearing within the time specified, and thereafter fails to pay within a reasonable time, or make arrangements with the Association to pay within a reasonable time, any fine or amount due under these Bylaws, the Association may immediately direct the disconnection of the property owner's pool/clubhouse key and cable TV. The Association may do this independent of, and in addition to, all other remedies or actions the Association may take pursuant to these Bylaws or the CC&Rs. The Association may also do this if a property owner fails to maintain his lot and as a result thereof receives a 10 day notice from the Association regarding such failure pursuant to Article VII of the CC&Rs, and within 10 days of receipt of the same still does not clean up the lot. In the event of such disconnection, the property owner may

thereafter be responsible for all costs arising from the disconnection/re-connection of the pool/clubhouse access key and cable TV, as well as for all lien and administrative costs and attorney fees.

Section 5. Association Lien and Administrative Charges and Interest. Association lien charges shall be forty (\$40.00) dollars, and administrative charges for pool/clubhouse key and cable disconnection shall be sixty (\$60.00), for a total charge of One Hundred (\$100.00) dollars. Either or both of these amounts may be waived or modified by the Board of Trustees in its discretion based on the circumstances in any given case. Interest on these and all other charges and on liens shall be one and one-half percent (1½ %) per month from the date specified on the lien, or from the date the property owner is notified that of the charge.

Section 6. Landlords Responsible for Actions of Tenants. Landlords shall be deemed the sole responsible party in all cases where their tenant incurs any fine and/or violates any association rule or provision of the CC&Rs or these Bylaws. Lease agreements between property owning members and tenants shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the CC&Rs and these Bylaws, and that any failure by the tenant to comply with the terms of the lease shall be a default under the lease. If such a default occurs, property owning landlords shall evict the tenant if requested to do so by the Association.

CERTIFICATION

STATE OF UTAH)
 : ss.
County of Washington)

I, the undersigned, do hereby certify:

1. I am the duly elected ~~secretary~~ ^{president} of Quail Lake Homeowners Association, a non-profit corporation.
2. The foregoing Bylaws constitute the Amended Bylaws of said Association as duly adopted at a meeting of the Board of Trustees thereof, held on the 14 day of December, 2000.

IN WITNESS WHEREOF, I have hereunto set my hand this 4 day of January, ²⁰⁰¹~~2000~~.

Elden W. Nielsen
~~Secretary~~ ^{President}
vice president - Joice Marston

SUBSCRIBED AND SWORN to before me on the 4 day of January, ~~2000~~ ²⁰⁰¹

Joice Hansen
Notary Public

