

Amended and Restated Declaration of the
Covenants, Conditions and Restrictions
for the
Fairmeadows Condominium Complex

This Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Fairmeadows Condominium Complex (this "Declaration") is adopted by the Fairmeadows Homeowner's Association, Inc., a Utah Nonprofit Corporation (the "Association") and is effective as of the date it is recorded in the office of the Salt Lake County Recorder.

Recitals

A "Declaration of Covenants, Conditions and Restrictions of Fairmeadows Condominium Complex ("Fairmeadows Complex") was recorded with the Salt Lake County Recorder's office on December 6, 1978, as Entry No. 3207544, Book 4782, Pages 785 *et. seq.*, ("Enabling Declaration").

The Enabling Declaration has been supplemented by amendment fifteen times over the intervening approximate 44 years, with the last of them, the Fifteenth Supplemental Declaration of an Amendment to the Enabling Declaration of the Fairmeadows Condominium Complex recorded with the Salt Lake County Recorder's office on July 15, 2013, as Entry No. 11683770, Book 10159, Pages 1830-1841.

The Association, by and through its Management Committee and Owners, desires and intends to now amend and restate in its entirety the Enabling Declaration, as supplemented and amended to date, and adopt this Declaration, including exhibits, as its governing declaration and to adopt new bylaws as a separate document by approving and recording the same.

NOW, THEREFORE, for the foregoing purposes and reasons recited above, the Association hereby makes this Declaration pursuant to the provisions of the Utah Condominium Ownership Act, which Declaration restates and replaces the Enabling Declaration as supplemented and amended to date in its entirety and constitutes an enforceable equitable servitude, where reasonable, and shall run with the land.

**Article 1:
Definitions**

As used herein, unless the context otherwise requires:

- 1.1 "Act" shall mean the Condominium Ownership Act codified at Utah Code Ann. §§ 57-8-1 *et seq.*, as may be amended from time to time.
- 1.2 "Articles" shall mean the Articles of Incorporation or the chartering document of any other legal entity, as may be amended from time to time.
- 1.3 "Assessment" shall mean any monetary charge imposed or assessed on an Owner by the Association as provided for in this Declaration or the Act, including "Special Assessments."
- 1.4 "Association" shall refer to the Association of Unit Owners of Fairmeadows Condominium Complex, the membership of which shall include each Owner in the Condominium Complex. The Association is a Utah nonprofit corporation.
- 1.5 "Buildings" shall mean the buildings containing the Units, the Clubhouse and the Maintenance Building in the Condominium Complex.
- 1.6 "Bylaws" shall mean the Bylaws of the Association attached as **Exhibit C**, and all valid amendments and supplements thereto. No amendment to the Bylaws shall be effective until it is recorded as supplemental to the then current Bylaws.
- 1.7 "Capital Improvement" shall mean and refer to non-recurring expenses (as opposed to day to day operating expenses) to repair, maintain, repurpose, replace, refurbish or eliminate significant fixed assets in the Common Area of the Complex, such as the roofs, entry areas, roads, green space,

sidewalks, park, recreational facilities, clubhouse and rooms, spaces, fixtures, furnishings and equipment within or around the clubhouse, pool, and other Complex amenities intended to restore, enhance, improve, make safe or ameliorate the obsolescence, utility, usefulness, economies, value and beauty of the Common Areas and Complex facilities and equipment.

- 1.8 **“Common Area”** shall mean everything and everywhere in the Condominium Complex that is not part of a “Unit” as that term is defined herein and includes the “Limited Common Areas” as that term is defined herein, unless otherwise more specifically provided, whether included or excluded on the Plat or in this Declaration.
- 1.9 **“Common Expenses”** shall mean all sums lawfully assessed against the Unit Owners for expenses incurred by the Association, including, but not limited to those incurred for:
- (a) Administration, maintenance, repair, or replacement of the Common Areas and Facilities, including those expenses incurred for “Capital Improvements” referenced above and otherwise agreed upon by the Association of Unit Owners;
 - (b) That which is declared Common Expenses by the Act or the Association’s “Governing Documents” as that term is defined herein;
 - (c) Management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys, consultants, and employees;
 - (d) Utilities (other than utilities that are separately metered and/or charged to the Units), extermination services for insects and rodents in Common Areas, landscape maintenance, and other related services;
 - (e) Insurance and bonds required or allowed by the Act and this Declaration;
 - (f) Use of those funds deposited in reserves; and,
 - (g) Other charges incurred by the Association as provided for or allowed in the Act or the Governing Documents and any other expenses of the Association arising from the operation of the Association and not otherwise excluded from Common Expenses by the Governing Documents or any applicable law.
- 1.10 **“Community Wide Standard”** shall mean the standard of conduct, maintenance, or other activity generally prevailing in the Community as may be reviewed and specifically determined from time to time by the Management Committee.
- 1.11 **“Condominium Complex” or “Complex”** shall mean the Fairmeadows Condominium Complex and the land upon which it is located, and includes, whether leasehold or in fee simple, the Buildings, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith; as defined by the Plat and this Declaration and including the Units, the Common Area, and the Limited Common Areas. Condominium Complex as defined in this Declaration is intended to have the same definition as “Property” defined in the Act.
- 1.12 **“Declaration”** shall mean this Amended and Restated Declaration (“Declaration”) including all attached exhibits, which, other than the attached Bylaws, are hereby incorporated by reference into the Declaration and shall be part of the Declaration, and all amendments or supplements to this Declaration hereafter adopted. The Bylaws may be amended from time to time separately pursuant to the terms therein governing its amendment.
- 1.13 **“Demising”** means each wall, ceiling or floor physical boundary which is built as part of the original construction or reconstruction of the Buildings and placed on the dividing line (whether horizontal or vertical) between Units.

- 1.14 **“Electronic Transmission” or “Electronically Transmitted”** means a process of communication not directly involving the physical transfer of paper that is suitable for the receipt, retention, retrieval, and reproduction of information by the recipient, whether by email, texting, facsimile, or otherwise.
- 1.15 **“Governing Documents”** shall refer to the Articles of Incorporation; this Declaration, as amended pursuant to its terms from time to time by the Owners; the exhibits contained in the Declaration; the Plat; the Bylaws; any Rules, Regulations and Policies promulgated from time to time by the Management Committee in writing; and any other documents or agreements binding upon all the Owners.
- 1.16 **“Lender”** shall mean a holder of a first mortgage or deed of trust on a Unit who has requested notice in writing from the Association in accordance with this Declaration.
- 1.17 **“Limited Common Area”** shall mean a portion of the Common Area specifically designated in this Declaration or the Plat for the exclusive use of Owners of one or more Units to the exclusion of all other Owners. Conveyance of a Unit includes the use of the Limited Common Area designated for the use of the Owner of the Unit, which includes designated patios, balconies, carports, and storage sheds.-
- 1.18 **“Management Committee” or “Committee”** shall mean the body of elected or appointed people with primary authority to manage the affairs of the Association, including the responsibility and authority to make and enforce reasonable Rules covering the operations and maintenance of the Condominium Complex. The term “Committee Member” shall refer to a duly qualified and elected or appointed member of the Management Committee.
- 1.19 **“Mortgage”** shall mean any mortgage, deed of trust, or other security instrument by which a Unit or any part thereof is encumbered. First Mortgage shall refer to a mortgage which has a lien position prior to any other mortgage.
- 1.20 **“Occupant”** shall mean any Persons in possession of, using, entering, or living in a Unit in the Condominium Complex, including, without limitation, the Owner, family members, tenants, guests, and invitees of an Owner or an Occupant. Occupants shall include any trespassers or previously lawful Occupants if the Owner fails to secure the Unit against trespass, fails to take action necessary and appropriate to remove trespassers or previously lawful Occupants immediately upon notice of the trespass or occupancy, or fails to take reasonable measures to become aware of any unauthorized Occupants in the Unit or of any unauthorized entry and use of the Unit (which shall include the duty to verify the physical condition and occupancy of the Unit at least monthly if it is left unoccupied). The Management Committee shall have the authority to establish Rules governing the occupancy of any Unit. Any exception from those rules must be approved by the Management Committee.
- 1.21 **“Owner”** shall mean the Person or Persons who have record title to a Unit, including those who hold a fee simple interest in the Unit (in whole or in part), according to the records of the Salt Lake County Recorder; however, Owner shall not include a trustee for a deed of trust.
- 1.22 **“Parking”** shall mean all clearly marked, off street parking places wherever located in the Common Areas of the Complex, except those found in the Limited Common Areas and parking, generally, within the Condominium Complex, regulated and enforced by the Management Committee.
- 1.23 **“Percent Interest”** means and refers to the percentage of undivided interest of each Unit in the Common Areas as set forth in the latest revised Percent Interest Table, see **Exhibit A**.
- 1.24 **“Person”** shall mean a natural individual, corporation, estate, partnership, trustee, association, joint venture, government, governmental subdivision or agency, or any other legal entity with the legal capacity to hold title to real property.
- 1.25 **“Plat”** shall mean the record of survey map or maps of the Condominium Complex (the “condominium plat” as used in the Act) recorded in the records of the Salt Lake County Recorder and all amendments and supplements thereto.

- 1.26 **"Property"** shall mean the property legally described in **Exhibit B** and all easements and rights appurtenant thereto.
- 1.27 **"Property Manager"** or **"Manager"** shall mean any Person engaged by the Association to manage the Condominium Complex.
- 1.28 **"Rules"** shall mean and refer to the rules, regulations, policies or procedures adopted by the Management Committee from time to time provided that they are not in conflict with the Act or this Declaration.
- 1.29 **"Terms and Conditions"** shall mean any one or all of the terms, covenants, rights, obligations, and restrictions set forth in the Governing Documents.
- 1.30 **"Undivided Interest"** shall mean the interest of that Owner (expressed as a percentage in **Exhibit A** to this Declaration) in the Common Areas, which shall be applicable for the purposes of voting, paying Common Expenses (assessments), for voting on issues as required by this Declaration such as amendments to this Declaration and the Bylaws, and other purposes indicated in this Declaration or the Act.
- 1.31 **"Unit"** shall mean an individual condominium unit, unit, or condominium (all as defined in the Act and also Article 3.1 below), which shall consist of a separate physical part of the Property intended for independent and exclusive use of the Unit's Owner, including one or more rooms or spaces located in one or more floors or part or parts of floors in a Building, and which is identified on the Plat. Except where the context specifically requires otherwise, reference to a Unit shall include reference to the Undivided Interest appurtenant to such Unit. Anything not included in this definition of Unit shall be considered Common Areas which include Limited Common Areas.
- 1.32 **"Unit Number"** shall be the number assigned to each Unit and shall be used as the primary identification of a Unit, such as in the Percent Interest table.

Article 2: The Condominium Complex

- 2.1 **Submission to the Act.** The Association hereby confirms and restates that the Condominium Complex is a condominium Complex as defined in the Act.
- 2.2 **Binding Effect of Governing Documents.** The Property is part of the Condominium Complex. The Condominium Complex and all of the Units shall be held, transferred, mortgaged, encumbered, occupied, used, and improved subject to the Terms and Conditions, which Terms and Conditions shall, to the extent they are included in recorded documents, constitute equitable servitudes, easements, and covenants and conditions running with the land and shall be binding upon and inure to the benefit of the Association and each Owner, including their respective heirs, executors, administrators, personal representatives, successors and assigns. By acquiring any interest in a Unit, the Owner consents to, and agrees to be bound by, each and every Term and Condition in the Governing Documents.
- 2.3 **Condominium Complex Name.** The Condominium Complex, as identified on the Plats, is named "Fairmeadows Condominium Complex." The Condominium Complex is located entirely in the City of Midvale, Salt Lake County, Utah.
- 2.4 **Description of Condominium Complex.** The Complex buildings as constructed and submitted to the provisions of the Declaration are located on the property and all such Buildings are as described on the Plat. The Plat indicates the number of stories, the number of Units which are contained in the Buildings, the dimensions of the Units, the recreational areas and facilities such as the clubhouse, pool, park, and all other Common Areas thereof. There are two hundred and thirty-two (232) Units contained in forty-four (44) buildings as follows:
- (a) Coventry Buildings – Buildings 1, 3, and 4 each contain three (3) Units; Buildings 5, 6, 7, 16, 18, 20 and 22 each contain four (4) Units; Buildings 19, 21 and 23 each contain five (5) Units; and

Buildings 2 and 17 each contain six (6) Units. All Buildings contain a combination of one (1) level and two (2) level Units, and all Units have attached garages and basements.

- (b) 4-Plex Buildings – Buildings 8, 9, 10, 11, 12, 13, 14, 15, 24, 25, 26, 27, 28, 29, 30 and 31 each contain four (4) individual Units with the two (2) outer Units consisting of one (1) level and the two (2) inner Units consisting of two (2) levels. These Units have carports designated to them, each having two spaces per Unit, which are Limited Common Areas.
- (c) 8-Plex Buildings – Buildings 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, and 44 are comprised of three levels including basements for parking. Each such Building containing eight (8) individual Units. These Units have parking spaces designated to them, each having two spaces per Unit, which are Limited Common Areas.

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

2.5 Identification of Units. All the Units are referenced specifically and identified by location on the Plat by Unit Number.

2.6 Registered Agent. The registered agent for the Association shall be the Property Manager as set forth in the entity filings of the Association with the State of Utah. The Management Committee may approve a change in the registered agent of the Association without any need for Owner consent.

Article 3:

Descriptions of the Units, Limited Common Area and Undivided Interests

3.1 The Unit.

- (a) The distinct Unit number is identified on the Plat.
- (b) Subject to further specification in this Declaration, each Unit consists of the space enclosed and bounded by the horizontal and vertical planes as shown on the Plat, and all interior partitions and other fixtures and improvements within such boundaries. The horizontal and vertical boundaries of each Unit shall be the underside of the finished (dry wall) of each demising wall and level (floor) of the Unit, and the underside of whatever finishing material applied to the (usually) concrete or plywood sub-floor. The structural components of the demising wall between the Unit boundaries and of the respective levels of the Units as shown on the Plat and all exterior framing, concrete, and other structural components in the walls, floors, or ceilings on the vertical and horizontal boundaries of a Unit (as designated on the Plat) are Common Areas. All framing, structures, and concrete in any bearing walls are part of the Common Area. Generally, all concrete, wood or metal framing in exterior and demising walls, ceilings, and floors between the boundaries of the Unit are not part of the Unit and are part of the Limited Common Area or Common Area. All materials constituting any part of the finished surfaces, including drywall, or of the decorating in the Unit are part of the Unit. Generally, all paneling, tile, wallpaper, paint, carpet, hardwood flooring, linoleum, and other materials constituting any part of the finished surfaces or installed on the framing and sub-surfaces in a Unit are part of the Unit. All parts of exposed concrete structural components in the Building (including the surface) in or on the boundary of a Unit shall be Limited Common Area or Common Area. All parts of non-bearing walls and partitions inside the boundaries of a Unit (walls not on the exterior boundary of a Unit) are part of the Unit.
- (c) All pipes, wires, conduits, chutes, flues, ducts, shafts, public utility, water, power, air, sewer lines, or any other similar fixtures located inside the designated vertical and horizontal boundaries of a Unit and those between the point at which the same enter the Owner's Unit and the closer of the point where the same join the utility lines serving another Unit, are part of the Unit.
- (d) All windows, screens and screen doors, window frames, doors and storm doors, sliding glass doors, door frames, window and door trims, thresholds, jambs, handles, hinges and locks, both

interior and exterior, and a garage door are part of the Unit. Also included are items controlled by the Owner such as doorbells, exterior lights, satellite dishes, and air conditioners, as well as any patio awning or skylight approved by the Management Committee and installed by the current or previous Owner.

- (e) The boundaries of a Building or Unit constructed or reconstructed in substantial accordance with the Plat shall be conclusively presumed to be the actual boundaries rather than the description expressed in the Plat, regardless of the settling or lateral movement of the Building and regardless of minor variance between boundaries shown on the Plat and those of the Building or Unit.
- (f) Each Unit shall, for all purposes, constitute real property and, together with its Limited Common Areas and Undivided Interest, may be individually conveyed and encumbered and may be inherited or devised by will or trust. Any Unit may be held and owned by more than one Person as joint tenants, as tenants in common, or in any other real property tenancy relationship recognized under the laws of the state of Utah.
- (g) Each Unit shall be assessed separately for property taxes, assessments, and other charges of the state of Utah or of any political subdivision or special improvement district or of any other similar authority. The Common Area shall not be subject to separate taxation or assessment.
- (h) Each Owner may separately convey, encumber, or mortgage the Owner's Unit. No Owner may encumber the Common Areas, except to the extent of the Owner's Undivided Interest in the Common Area appurtenant to the Unit. The provisions of this Declaration shall be superior to any such interest and in the event of any foreclosure (judicial or otherwise) the Person taking title shall be subject to this Declaration.

3.2 Limited Common Area.

- (a) The Limited Common Area associated with each Unit shall consist of areas identified on the Plat or in this Declaration as Limited Common Area. The Association has the right to enter and inspect such Limited Common Area to ensure compliance with this Declaration and fulfillment of its maintenance responsibilities for Common Areas.
- (b) An Owner must receive Management Committee approval before installing a fence or awning; enclosing, building or installing a patio; or replacing any hard surface in the Limited Common Area assigned to or appurtenant to any Unit.
- (c) Should it be unclear from the Plat or this Declaration if a particular area is Common Area or Limited Common Area, the Management Committee shall have absolute authority in determining the proper designation of that area.
- (d) If any area designated as Limited Common Area in the Plat, the Declaration, or (if unclear) by the Management Committee, is not physically associated with a particular Unit and is not identified as pertaining to a particular Unit in the Plat or this Declaration, the Management Committee may determine to which Unit the Limited Common Area pertains based on the following factors: advice of counsel, fairness to all Owners, and any established use, each of which shall have equal weight but none of which shall be individually determinative.
- (e) The right to the exclusive use of the Limited Common Area shall be appurtenant to each Unit and may not be severed from the ownership of the Unit.

3.3 Undivided Percentage Interest of Each Unit and Method for Allocating Voting and Assessments of the Association. The Owners are entitled to vote and to pay their portion of any Assessments, as set forth in this Declaration, based on their Undivided Interest for all matters related to the Association that Owners are permitted or required to vote or approve or for which they are assessed for payment. The Undivided Interests assigned to each Unit shall be as provided for in **Exhibit A** to this Declaration. The sum of the Undivided Interests allocated to all Units shall always equal one hundred percent (100%).

- 3.4 **Plat.** The Plat and all dimensions, descriptions, and identification of boundaries therein shall be binding on the Association and the Condominium Complex. Notwithstanding the foregoing sentence, if any conflict exists between the Plat and this Declaration, this Declaration shall control.

**Article 4:
Maintenance, Remodeling and Utilities**

4.1 Owner Responsibility.

- (a) The Owner of a Unit shall furnish and be responsible for, at the Owner's own expense, all aspects of cleaning, maintenance, repair, and replacement regarding the Owner's Unit including but not limited to:
- (1) All paneling, tile, wallpaper, paint, carpet, finished interior flooring, fireplaces, and any other materials constituting the finished interior surfaces of floors, ceilings, or walls;
 - (2) All drywall, wallboard, or similarly functioning materials within the boundaries of the Unit as set forth herein;
 - (3) All framing, insulation, and other materials associated with interior nonbearing walls;
 - (4) The repair or replacement of any construction defect or damage resulting from ordinary use and exposure over time to all framing and structural components of the building including the bearing walls, demising walls or in any other wall on the boundary to a Unit, excluding exterior siding surfaces.
 - (5) All fixtures, appliances, and other improvements in the Unit;
 - (6) Except as set forth in the Rules, all landscaping located within the fenced-in Limited Common Areas including being responsible for any damage to the concrete, fence or building due to the planting of trees or shrubs.

The Owner will be responsible for mowing any lawn planted in the fully enclosed fenced-in Limited Common Areas. The Owner shall be responsible for all maintenance, repair, and replacement of the lawn, flowers, shrubs, trees, etc. within the enclosed area.
 - (7) All equipment, lines, pipes, wiring, equipment, and fixtures related to the provision of: sewer and water drainage and removal, hot and cold water, power, natural gas, heating, air conditioning, internet, television, telephone, and any other utility service, wherever they might be located (inside or outside of the Unit) that serve an Owner's Unit exclusively;
 - (8) All of the interior of the Unit and all doors (including any screen door, storm door, or sliding door, garage door) awnings installed by the current or previous Owner, and windows of any Unit and associated glass, thresholds, jambs, hinges, trims, frames, doorbells, handles, locks, and all components therein, which are part of the Limited Common Area appurtenant to the Unit, including the cleaning of the interior and exterior of such doors.
 - (9) All doors, skylights installed by the current or previous Owner, and windows (including any screen, screen door, storm door, or sliding door), awnings, and windows of any Unit and associated thresholds, jambs, hinges, doorbells, handles, and locks and all components therein, intended to serve a single Unit and materials and related frames, sashes, casings, jambs, sills, and weather-strip including the interior and exterior cleaning of the windows;
 - (10) Any storage area assigned to or owned by an Owner, if any, and located within the Condominium Complex.
- (b) The Owner is responsible for keeping the following areas in a clean and sanitary condition and free of pests, birds, rodents, stains, tripping or any other hazard and animal waste:

- (1) The Unit;
 - (2) Any Limited Common Area assigned or appurtenant to a Unit, including the removal of animal waste from the lawn, and including, but not limited to the enclosing fencing, gates, and hard surfaces of a patio or any other Limited Common Area appurtenant to any Unit;
 - (3) Any storage area within the Condominium Complex assigned to or associated with a Unit or owned by an Owner;
 - (4) The interior and exterior surfaces of any window and door on the exterior boundary of the Unit; and
 - (5) Any cover over a window well installed by the current or previous Owner.
- (c) An Owner shall be responsible to pay all costs associated with repairing or replacing any Common Area which was damaged by the negligent or willful act of the Owner, an Occupant of the Owner's Unit or any other Person for whom the Owner is responsible and the Owner may be assessed said costs pursuant to Section 7.11 of the Declaration. The Owner's failure to pay any such assessment may also subject the Owner to fines and penalties.
 - (d) Without the prior approval of the Management Committee, an Owner shall not replace or make any alterations, repairs, or modifications to the exterior surface of any part of the exterior of a Building, including (but not necessarily limited to) doors, windows, skylights, balconies, and lighting fixtures. The Association may require that such repairs or modifications, if allowed, be made in a particular manner, by a particular Person, or that they comply with materials or aesthetics requirements (including color, style, materials, etc.) or other standards. The Management Committee may adopt reasonable Rules related to the oversight and approval of all repairs made to Limited Common Areas and Units.
 - (e) The Management Committee may set forth in the Rules complete restrictions on all or some items or specific restrictions or guidelines on what may or may not be kept, installed, or left on or in any storage area, parking area, or Limited Common Area.
 - (f) The Association may establish Rules, policies, or guidelines to address areas of maintenance, repair, replacement, or cleaning unidentified or unresolved by this Declaration and to establish maintenance, repair, replacement, or cleaning responsibilities and standards for components, fixtures, and areas in between, on, or straddling areas of different maintenance responsibility.

4.2 Association Responsibility.

- (a) Except as maintenance and cleaning obligations are otherwise assigned to the Owners or others in this Declaration, the Association shall repair, maintain, replace, and clean the Common Area, which shall include but not be limited to the obligation to repair, maintain, replace, and clean (as appropriate) the following:
 - (1) All concrete and asphalt surfaces and installations in the Common Area and Limited Common Area;
 - (2) The exterior surfaces of the Buildings and all components that are a part of the exterior surface of the Buildings., except for those portions of the Limited Common Area appurtenant to a Unit as described in Section 4.1(a) and (b) above;
 - (3) The roofs, rain gutters, fascia, soffits, and all related components;
 - (4) All equipment, lines, pipes, wiring, and fixtures related to the provision of sewer drainage and waste removal and water, power and natural gas service for each Unit, wherever they might be located but only to the extent and from the point in a utility service line that serves more than one Unit;

- (5) All perimeter fences of the Complex; however, if any Person damages the fences, then the Owner responsible for that Person shall be responsible for the costs and expenses of such repairs;
 - (6) The swimming pool, clubhouse, park, picnic area, water features, and all similar amenities located in the Common Area;
 - (7) All Common Area stairways, hallways, common spaces, and mailboxes (unless replaced by the current or previous Owner);
 - (8) All Limited Common Areas, except as otherwise set forth in this Declaration;
 - (9) All window wells and all sump pumps installed in a window well or crawl space;
 - (10) The cleaning of guest parking areas in the Common Area;
 - (11) Snow and ice removal from all sidewalks, walkways, driveways, and stairs; provided that the Management Committee may adopt Rules regarding how and when the snow may be removed from the streets and sidewalks leading to the Units; and
 - (12) All exterior landscaping including mowing the lawn, trimming the trees, weeding flowerbeds, etc., unless a limited scope of the landscaping is assigned to a particular Owner as directed by the Management Committee in the Rules, a particular decision approving an Owner's request, or this Declaration. The Management Committee, through the Rules, may establish how the landscaping in the fully enclosed fenced-in Limited Common Areas will be maintained, repaired, and replaced and whether such will be done by the Association or the Owner. Should a tree be removed for any reason, the Management Committee shall, in its sole discretion, decide whether to plant a new tree and the type of any new tree.
- (b) The Management Committee shall have the right to modify, remove fixtures from, add fixtures and structures to, place signs upon, and otherwise modify the Common Area (subject only to the obligation to get approvals for material alterations to the Condominium Complex).-

4.3 Owner Approval for Certain Improvements. Improvements shall be governed by and subject to the following conditions, limitations, and restrictions:

- (a) Regardless of its cost and prior to being constructed or started, any improvement that would materially alter the Condominium Complex must be authorized by the vote of Owners holding at least sixty-seven percent (67%) of the Undivided Interests at a meeting called for that purpose or by ballot and must be approved of by the Management Committee. No material alteration that changes the size, shape, or location of any Unit shall be permitted without the written consent of all directly affected Owners.
- (b) Any improvement (repair, replacement, modification, or upgrade) to the Condominium Complex that does not materially alter the Condominium Complex may be authorized by the Management Committee alone.
- (c) A material alteration to the Condominium Complex is the installation of a previously non-existent and materially significant fixture or permanent removal of a materially significant exterior improvement such as a swimming pool, park and picnic areas, water features, or parking area. Landscaping alterations, general remodeling, repurposing Common Area spaces such as those within the Clubhouse or pool area, updating of existing fixtures and equipment such as boilers, electrical systems, plumbing equipment, appliances and equipment, or determining not to so do, and the addition or removal of signs or small structures are not material alterations to the Condominium Complex.

4.4 Standard of Maintenance. The Management Committee shall determine, in its sole discretion, the appropriate maintenance standard for the Common Area and Limited Common Area, so long as those areas are maintained in a safe condition and in the best interests of the Owners.

4.5 Default in Maintenance. If an Owner or Occupant fails to:

- (1) maintain or clean a Unit or Limited Common Area as required in the Governing Documents; or
- (2) make repairs otherwise required of the Owner in such a manner as may be deemed reasonably necessary in the judgment of the Management Committee to preserve and protect the structural integrity, attractive appearance, good condition, and value of the Units in the Condominium Complex;

then the Management Committee may take any action allowed to enforce the Declaration and may give written notice to such Owner or Occupant stating with particularity the nature of the default and the corrective action that the Management Committee determines to be required and requesting that the same be carried out within a reasonable period not to exceed thirty (30) days. If the Owner or Occupant fails to carry out such action within the period specified by the notice, the Management Committee may cause corrective action to be taken (which may include completing the repairs and replacements) and may assess the Owner for all costs associated therewith.

4.6 Utilities. All utilities for individual Units will be metered and charged separately to each Unit and such utility charges shall be the responsibility of the Unit Owner. All utility costs that are metered or charged collectively shall be paid for by the Association as a Common Expense item.

Article 5:

Organization and Governance of the Association

5.1 Organization of Association. The Association shall serve as the organizational body for all Owners.

5.2 Modifying or Changing the Name of the Condominium Complex. The name of the Condominium Complex may be modified or changed pursuant to a lawful amendment to this Declaration.

5.3 Legal Organization. The Association may be organized as a non-profit corporation. In the organization, reorganization, or amendment of any documents related to the legal organization of the Association, the terms in all such documents shall, to the extent possible under the applicable law, be consistent with the terms in the Declaration and the Bylaws. If the legal entity should ever expire or be dissolved for any reason as required or permitted by law, in any reorganization or reinstatement of the entity, the Association shall, to the extent possible and subject to any existing legal requirements, adopt documents with terms substantially like the documents related to the expired or dissolved entity.

5.4 Membership. Membership in the Association shall consist exclusively of the Owners. Each Owner shall be a member of the Association so long as such Owner has an ownership interest in a Unit and such membership shall automatically terminate when the Owner ceases to have an ownership interest in a Unit. Upon the transfer of an ownership interest in a Unit, the new Owner succeeding to such ownership interest shall likewise succeed to such membership in the Association. If titled ownership to a Unit is held by more than one Person, the membership appurtenant to that Unit shall be shared by all such Persons in the same proportional interest and by the same type of tenancy in which title to the Unit is held.

5.5 Availability of Documents. The Association shall make available to the Owners, Lenders and insurers of any Lender, current copies of the Governing Documents and other records the Association is required to keep pursuant to applicable law. The term "available" as used in this section shall mean available for inspection and copying within thirty (30) days, unless a shorter time period is required by law, after receiving a proper request, during normal business hours and under other reasonable conditions. The Association shall have the right to refuse to disclose information that the Management Committee determines, in good faith, would reveal sensitive personal or financial information of another Owner or of an employee or agent of the Association, such as bank account numbers, birth dates, social security numbers, health records, documents an Owner has requested to be kept confidential or any communication or document subject to the attorney-client privilege. The Association may require that the Owner comply with any statutory provision or other legal requirement applicable to providing this information before providing it. Subject to any legal requirements to the contrary, the Association may

charge a fee for the reasonable cost of producing documents or information. Notwithstanding any of the foregoing, the Association shall comply with any applicable legal requirements contrary to any provision in this Section 5.5.

- 5.6 Management Committee.** The body responsible for the general operation of the Association shall be the Management Committee elected and removed as provided in the Bylaws. The Management Committee shall consist of five (5) members and may change from time to time through further resolution or by amendment to the Bylaws as provided therein. Each Management Committee Member may serve for the terms determined by the Management Committee or as may be set forth elsewhere in the Articles or Bylaws of the Association. Except as otherwise provided in the Governing Documents, the Management Committee shall act, in all instances, on behalf of the Association. Any reference to an act, right, or obligation of the Association in the Governing Documents may only be exerted or complied with through an action of the Management Committee. Except as may be specifically provided in this Declaration, the Articles, or by applicable law, no Owner or group of Owners other than the Management Committee may direct the actions of the Association.
- 5.7 Management Committee Member Requirements.** The Bylaws shall set forth the qualifications for serving as a Member of the Management Committee and may place reasonable obligations and requirements on existing Management Committee Members to retain their membership on the Management Committee, such as a requirement that a Management Committee Member attend a specified number of meetings. The Bylaws may further provide for a procedure for removal of any Management Committee Member who fails to comply with the reasonable requirements, which may include some action of the remaining Management Committee Members.
- 5.8 Limitation on Authority of Owners, Management Committee Members, Officers, & Committee.**
Except as otherwise provided herein or in the Bylaws, the Management Committee, any individual Owner, and any individual Management Committee Member or Officer shall have no authority to and may not act on behalf of the Association or the Management Committee to:
- (1) Amend or terminate any Governing Document;
 - (2) Elect or remove members of the Management Committee;
 - (3) Establish or change the qualifications, powers and duties, requirements, or terms of Management Committee Members or of the Management Committee; or
 - (4) Authorize or agree to any deviation or exception from the Terms and Conditions.
- 5.9 No Reliance on Actions Contrary to Governing Documents.** No one may rely upon any authorization (from the Management Committee or otherwise) contrary to the terms of the Governing Documents regardless of the circumstances under which it is given, and no claim or defense of estoppel or waiver or similar equitable or legal claim or defense may be raised by anyone related to any alleged reliance. It is the responsibility of anyone interacting with, visiting, occupying, or purchasing a Unit in the Association to verify that anything that the Association does, does not do, or authorizes related to the Condominium Complex or the Association is in compliance with the terms of the Governing Documents.
- 5.10 Registration with the State.** In compliance with Utah Code Ann. § 57-8-13.1, the Association shall be registered with the state Department of Commerce and shall update its registration to keep any required information current as required by law.

Article 6:

General Rights and Responsibilities of the Association

- 6.1 Rights and Responsibilities of the Association.** In addition to any others set forth in the Governing Documents or provided by law, the Association shall have the following rights and responsibilities:
- (a) **Paying Expenses.** The Association, through the Management Committee, shall provide for the payment of Association expenses.

- (b) Setting and Collecting Assessments. The Association, through the Management Committee, shall establish, collect, and account for Assessments as necessary to operate the Condominium Complex consistent with the requirements of the Governing Documents and the Act, as the same may be altered and amended from time to time by the Management Committee and the Utah Legislature, and under the Undivided Percentage Interest formula set forth above in Article 3.3.
- (c) Entering Units. After having given the appropriate notice as provided for in Article 17 of this Declaration, the Association shall have the right, in the sole discretion of the Management Committee, at all times upon reasonable notice (and at any time in case of an emergency) to enter into any Unit or the Limited Common Areas appurtenant to any Unit to abate any infractions or correct any violation of any of the Terms and Conditions, to make repairs, or to abate any condition that threatens the health or property of any Owner or Occupant.
- (d) Adopting and Enforcing Rules. The Association, through the Management Committee, may adopt Rules for the regulation and operation of the Condominium Complex. If Rules are adopted, they shall be consistently and uniformly enforced. Unless precluded by law, the Rules may address any issues including those addressed in any other Governing Document. The Rules may supplement, clarify, and add detail to issues addressed in the other Governing Documents so long as they do not contradict the same. The Management Committee's determination as to whether a particular activity being conducted or to be conducted violates or will violate the Rules shall be conclusive, subject to any timely judicial determination. A Rule must be reasonable in light of the circumstances pertaining to the situation or issue the Rule addresses.
- (e) Hiring Managers and Delegating Responsibilities. The Association may hire a Manager to assist the Management Committee in the management and operation of the Condominium Complex and may delegate its powers and obligations in the Governing Documents to the Manager, employees, or other agents as it deems appropriate; provided, however, that only the Management Committee shall have the right to approve Association budgets, fines to Owners, and Annual and Special Assessments. The Management Committee may revoke at any time, with or without cause, any powers and duties delegated to any Manager or other Person. The terms of any agreement or management agreement between the Association and a Manager must provide that:
 - (1) the Association may terminate the agreement without penalty and with or without cause upon thirty (30) days' notice; and
 - (2) the financial accounts and records maintained by the Manager are done so for the benefit of and belong to the Association and must be surrendered and assigned to the Association or its new Manager upon termination of any Manager regardless of the reason for termination.

To avoid any doubt, the Management Committee has no authority to enter into any agreement or contract for management of the Association or the Condominium Complex inconsistent with the terms of the Governing Documents or that allows for a termination fee or requires termination for cause or that gives up ownership or control of the Association's financial accounts or financial, accounting or any other records. The Manager shall not be granted signatory authority on any accounts of the Association.

- (f) Enforcement Rights. In addition to any other remedies allowed or provided for in the Governing Documents for any violation of the Governing Documents, the Management Committee may:
 - (1) impose fines;
 - (2) collect rents directly from tenants if Owners fail to pay Assessments;
 - (3) terminate Owners' and their Units' respective Occupants rights and access to Common Areas and Facilities; and,

- (4) take any other action or seek any other remedy allowed by the Act or other applicable Utah law.
- (g) Uniform Enforcement. The Management Committee shall uniformly and consistently enforce and implement the Terms and Conditions in the Governing Documents.
- (h) Reserve Fund. The Association shall establish a reserve fund and obtain and update a Reserve Analysis as required in this Declaration and the Act. The Association shall cause a reserve analysis to be conducted no less frequently than every six years and shall review and, if necessary, update a previously conducted reserve analysis no less frequently than every three years, all in compliance with Article 19 herein and Utah law.
- (i) Preventing Conflicts with Service Providers and Vendors. Unless the Management Committee specifically authorizes it as documented in the minutes of the Association after full disclosure of all aspects of the potential conflict, the Association shall not permit any paid services or materials obtained by the Association to be performed or provided by:
- (1) any relative of any Management Committee Member;
 - (2) any business or entity in which any Management Committee Member is a member of such business; or
 - (3) any business, entity, or Person with any familial or financial relationship with any Management Committee Member.
- (j) Establishing Hearing Procedures. The Management Committee shall have the authority to create a reasonable hearing process applicable to any adverse action taken by the Association to enforce the Governing Documents against any particular Owner or group of Owners. The Management Committee shall not be under any obligation to offer a hearing process, except as required by law or by the Governing Documents, and in any such process, shall have the authority to designate the procedure related to any such hearing and to make any and all final determinations of issues subject to the hearing process. The Management Committee may establish the hearing process on an as-needed basis for particular matters as they arise or may set forth a process in the Rules applicable generally to such matters that it designates. Any such hearing process shall provide, at a minimum: at least two weeks' notice of the hearing to the Owners; and a reasonable time period under the circumstances for the Owner(s) to present their own testimony, the testimony of others, argument, authority, evidence, and other information the Owner deems relevant to the disputed issue at the meeting.
- (k) Annual Meeting. The Management Committee shall arrange for and conduct an annual meeting as provided for in the Bylaws and shall arrange for and conduct such other meetings of the Association as shall be properly requested pursuant to the Governing Documents or law.
- (l) Review and Audit of Association Finances. The Management Committee may have an independent accountant conduct a review of the Association's finances. The Management Committee shall make any such review available to the Owners. Any Owner may have an audit or review conducted of the Association's records by a CPA, at that Owner's expense, and the Association shall cooperate in providing access to any records needed for that audit or review from the documents the Association is required to keep by law. Upon receipt of a request signed by owners holding twenty percent (20%) of the Undivided Interests, the Management Committee shall have an audit conducted of the Association's finances by a CPA, at the Association's expense, and shall make the audit available to the Owners.
- (m) Easements, Maintenance, and Use Rights. The Association, through the Management Committee, shall have the right to grant easements, rights-of-way, and use rights upon or through the Common Areas, and to enter into agreements to maintain property outside of the Condominium Complex if such maintenance shall, in the Management Committee's discretion, provide a benefit to the Association or the Owners.

- (n) Other Necessary Rights. The Association shall have any other right that is reasonably necessary to carry out the terms of the Governing Documents.

**Article 7:
Budgets & Assessments**

- 7.1 Purpose of Assessments.** Money collected by the Association shall be used for the purposes of promoting the health, safety and welfare of the Owners; the management, maintenance, care, preservation, operation, and protection of the Condominium Complex; enhancing the quality of life of the Owners in the Condominium Complex; enhancing and preserving the value of the Condominium Complex and Units; and in the furtherance of carrying out or satisfying any other responsibility or power of the Association.
- 7.2 Budget and Annual Assessment.**
- (a) The Management Committee is authorized and required to prepare and adopt a budget annually. The budget shall estimate the total Common Expenses to be incurred for the next calendar year (or that calendar year for a revised budget), which shall be broken down into reasonably detailed expense categories. The budget may include reserves, contingencies, and estimates as the Management Committee deems appropriate.
 - (b) The budget prepared and adopted by the Management Committee for the following year shall be provided to the Owners prior to the annual meeting but shall also be presented to the Owners and discussed at the annual meeting.
 - (c) The Management Committee shall determine the amount of the regular Assessments to be apportioned to and paid by the Owners of each Unit by multiplying the total budgeted amount (operations plus reserves) by the Unit Owner's Undivided Interest.
- 7.3 Payment of Annual Assessments.** The Management Committee shall communicate to each Owner the Unit's annual Assessment, and each Owner shall pay to the Association the Owner's annual Assessment in equal monthly installments beginning on January 1st of the new budget year.
- 7.4 Adjustments to Annual Assessments.** In the event the Management Committee determines that the estimate of total charges for the current year is, or will become, inadequate to meet all Common Expenses for any reason, it may then revise the budget and each Owner's share of the new budget total based on the Owner's Undivided Interest. Upon notice of the adjustment, and unless modified by the Management Committee, each Owner shall thereafter pay to the Association the Owner's adjusted regular Assessment in equal monthly installments.
- 7.5 Personal Obligation for Assessments.** Each Owner of any Unit, by acceptance of a deed or other instrument creating in such Owner the interest required to be an Owner, whether or not it shall be so expressed in any such deed or other instrument and regardless of any lien rights or lack thereof, hereby personally covenants and agrees with each other Owner and with the Association to pay to the Association any Assessments as provided for in the Governing Documents. Each such Assessment, together with any interest, collection charges, costs and attorney fees, shall also be the personal obligation of the Owner of such Unit at the time the Assessment is assessed.
- 7.6 Improvements.** Expenses for improvements may be included in the budget, paid for through Special Assessments, or paid for in any other manner the Management Committee determines.
- 7.7 Allocation of Assessments.** All Assessments (other than Assessments to individual Units) shall be allocated to Owners based on the Undivided Interest applicable to the Unit.
- 7.8 Rules Regarding Billing and Collection Procedures.** The Management Committee may adopt Rules setting forth procedures applicable to Assessments provided for in this Declaration and for the billing and collection of all Assessments, provided that such procedures are not inconsistent with the provisions herein. Such procedures and policies may include, but are not limited to, the dates when Assessment payments are due and late, establishing late fees and collection charges, and establishing interest (per

annum or compounded) that may be charged on unpaid balances. The failure of the Association to send a statement to an Owner or an error in any such statement (other than a Certificate of Payment) shall not relieve any Owner of liability for any Assessment or charge under the Governing Documents.

7.9 Statement of Unpaid Assessment. An Owner may request a statement from the Management Committee showing an accounting of all unpaid assessments and charges to the Owner's account. The Management Committee may set forth in the Rules the amount of the fee that the Management Committee will charge for providing such statement; however, unless a different amount is set forth in the Rules, such fee will be twenty-five dollars (\$25.00). For any valid request, the Association shall provide a written statement of account within a reasonable time. A written statement from the Association is conclusive in favor of a Person who relies on the written statement in good faith.

7.10 Special Assessments. Subject to any limitations in this Declaration for the expense of a Special Assessment, the Management Committee is expressly authorized to set and collect a Special Assessment payable as may be determined by the Management Committee (in lump sums or over a period of time) to pay for any Common Expenses or Capital Improvement. Notwithstanding the wording or terms of any notice of such, a Special Assessment shall be deemed assessed, for all purposes, on the date that any payment for the Special Assessment is due. Anything to the contrary in this Declaration notwithstanding, no more than one Special Assessment may be assessed by the Management Committee within an annual budget cycle and the amount of said Special Assessment may not be in excess of fifty percent (50%) of the total annual Regular Assessment.

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

7.11 Individual Assessments to Individual Units. An Assessment may be assessed by the Association against a particular Unit and its Owner for:

- (a) Costs incurred in bringing an Owner or the Owner's Unit into compliance with the provisions of the Governing Documents, including the payment of past due Assessments;
- (b) Subject to the provisions in this Declaration related to insurance responsibility and deductible allocation, if the need for maintenance or repair is caused by the fault or negligence of an Owner or an Occupant, the Association may assess the Owner for the actual cost of such maintenance or repair to the extent the repair costs are not paid for by any applicable insurance;
- (c) Any other charge designated as pertaining to an individual Unit in the Governing Documents;
- (d) Fines, late fees, collection charges, and interest; and
- (e) Attorney fees, costs, and other professional expenses relating to any of the above.

7.12 Acceptance of Materials or Services. In the event the Association undertakes to provide materials or services that are not otherwise required for the maintenance of the Condominium Complex, which benefit individual Units, and which can be accepted or not by individual Owners, such Owners, in accepting such materials or services, agree that the costs thereof may be an Assessment pertaining to that Unit, at the Management Committee's discretion.

7.13 Application of Excess Assessments. In the event the amount collected to meet Common Expenses for a particular fiscal year proves to be in excess of the actual Common Expenses, the Management Committee in its sole discretion may retain the excess in the Association's operating account as working capital, apply the excess to reserves, credit the excess against future Assessments, refund the excess to the Owners in proportion to the Undivided Interest of each Unit, or take other action with the funds permitted under this Declaration, as the Management Committee deems appropriate. The decision of the Management Committee shall be binding and conclusive. In addition, the Association shall not be obligated to reduce the amount of the Assessments in succeeding years if an excess exists for a prior year.

- 7.14 **No Offsets.** All Assessments shall be payable at the time and in the amount specified by the Association. No offsets against such amount shall be permitted for any reason, including, without limitation, a claim that the Management Committee is not properly exercising its duties and power, a claim in the nature of offset or that the Association owes the Owner money, or that the Association is not complying with its obligations as provided for in the Governing Documents.
- 7.15 **Application of Payments.** Unless otherwise provided for in the Rules, all payments for Assessments shall be applied to the earliest charges first. Owners shall have no right to direct the application of their payments on Assessments or to require application of payments in any specific order, to specific charges, or in specific amounts.
- 7.16 **Administration of Assessment Funds.** The Association shall keep all Assessment-generated funds in an account, or accounts, in the name of the Association. The Association shall not commingle Assessment-generated funds with the personal funds of any other Person.
- 7.17 **Loans.** Upon the approval of two-thirds of the members of the Management Committee, the Association may borrow money or enter into leases, where the total amount of the loan(s) or value of the lease(s), in aggregate, does not exceed Ten percent (10%) of the total annual budget, and may provide such security as necessary for the loan or lease, including but not limited to securitizing, pledging, or assigning the Association's right to assess Owners. Any loan amount or lease value that increases the debt load by more than Ten percent (10%) of the total annual budget may only be approved by Owners holding fifty-one percent (51%) of the Undivided Interests by vote at a meeting called for that purpose. Notwithstanding anything to the contrary, no Unit shall be security for any loan to the Association without that Unit Owner's consent.
- 7.18 **Reinvestment Covenant upon Sale or Transfer of a Unit.** The Management Committee may require the transferor/seller or transferee/buyer to pay a fee related to the transfer of a Unit (a "Reinvestment Fee") as provided for in Utah Code Ann. § 57-1-46. The Management Committee may set forth the procedures and regulation concerning the assessment of a Reinvestment Fee or "Transfer Fee" in the Rules of the Association, pursuant to Utah law which provides in part that:
- (a) The Reinvestment Fee can be less than, but no more than one half of one percent (.5%) of the value of the Unit at the time of transfer as determined by the higher of the then current property tax valuation, the purchase price paid at transfer, or that may be determined by an independent appraisal as of the date of transfer.
 - (b) Once collected, the Reinvestment Fee may only be used by the Association to pay costs directly related to the transfer of the burdened property, for other Association expenses or as otherwise allowed by law.
 - (c) The Reinvestment Fee is not due and may not be enforced against: an involuntary transfer that results from Court order; a bona fide transfer to a family member of the seller within three degrees of consanguinity who, before the transfer, provides adequate proof of consanguinity; a transfer or change of interest due to death, whether provided in a will, trust, or decree of distribution; the transfer of burdened property by a financial institution, except to the extent that the reinvestment fee covenant requires the payment of the Association's costs directly related to the transfer of the burdened property, not to exceed two hundred and fifty dollars (\$250.00); or, if expressly provided in the Rules at the Management Committee's sole discretion, a transfer to an inter-vivos trust in which an Owner is a grantor and title to the Unit after the transfer is held by the trustee of that inter-vivos trust.
 - (d) The Association has the authority to record any notice required by law to effectuate this provision and must do so before it can require payment of such.
 - (e) The Association shall have the authority to require production of the sales and transfer documents, set performance deadlines, and otherwise establish procedures to effectuate the terms of this provision in a prompt and reasonable manner.

- 7.19 **Account Payoff Information.** The Association may charge a fee for providing account payoff information in connection with the closing of an Owner's financing, refinancing, or sale of a Unit. The Management Committee may set forth the amount of the fee in the Rules up to the maintenance amount allowed by law. Unless otherwise determined by the Management Committee in its Rules or as otherwise set forth in the Act, such fee shall be fifty dollars (\$50.00). Within five (5) business days of any complete payoff information request, the Management Committee shall provide Assessment payoff information needed for the closing. A request for payoff information needed for a closing must:
- (a) be conveyed in writing;
 - (b) be conveyed to the primary contact person designated by the Management Committee;
 - (c) contain:
 - (1) the name, telephone number, and address of the person making the request; and
 - (2) the facsimile number or email address for delivery of the payoff information;
 - (d) be accompanied by a written consent for the release of the payoff information that includes:
 - (1) identifying the person requesting the information as a person to whom the payoff information may be released; and
 - (2) signed and dated by an Owner of the Unit for which the payoff information is requested.

Each certificate is conclusive in favor of a Person who relies on the written statement in good-faith.

Article 8: Nonpayment of Assessments & Joint and Several Liability

- 8.1 **Delinquency.** Assessments not paid within the time required shall be delinquent. Whenever an Assessment is delinquent, the Management Committee may, at its option, invoke any or all of the remedies granted below.
- 8.2 **Collection Charges and Interest.** The Association may adopt or establish billing and collection procedures, including the amount of late fees and interest, in the Rules or by resolution in accordance with Utah Law.
- 8.3 **Joint and Several Liability of Owner and Future Owners for All Past and Presently Accruing Unpaid Assessments.** The Owner and any future Owners of a Unit are jointly and severally liable for all Assessments accruing related to that Unit prior to and during the time that an Owner is an Owner. An Owner is not liable for any Assessments accruing after an Owner has lawfully transferred the Unit to another Owner. The recording of a deed to someone or some company that has not agreed to take ownership of the Unit, or an attempted transfer to a person or entity for the purpose of avoiding any Assessments, shall not be considered a legal conveyance of title. The obligation in this paragraph is separate and distinct from any lien rights associated with the Unit.
- 8.4 **Lien.** The Association has a lien on each Unit for all Assessments, which include but are not limited to interest, collection charges, late fees, fines, attorney fees, court costs, and other costs of collection (which shall include all costs and not be limited by those costs that may be awarded under the Utah Rules of Civil Procedure). This lien attaches to the Unit as of the date of the recording of the Declaration and is perfected upon the filing of the Notice of Lien when a given Unit falls delinquent in paying any Assessment and has priority over all encumbrances recorded after the Declaration was recorded, except as otherwise required by law. Through the recording of this Declaration, such lien remains in place and is perfected and shall continue to have priority over all encumbrances recorded after the Declaration was recorded, except as otherwise required by law. If an Assessment is payable in installments, the lien is for the full amount of the Assessment from the time the first installment is due, unless the Association provides otherwise in the notice of Assessment. The Association's lien shall have priority over each other lien and encumbrance on a Unit except only:

- (a) a lien or encumbrance recorded before the Enabling Declaration was recorded;
 - (b) a first or second security interest on the Unit secured by a mortgage or trust deed that was recorded before a recorded notice of lien by or on behalf of the Association; and
 - (c) a lien for real estate taxes or governmental assessments or charges against the Unit. The Association may, but need not, record a notice of lien on a Unit.
- 8.5 **Action at Law.** The Association may bring an action to recover a delinquent Assessment either personally against the Owner obligated to pay the same or by foreclosure of the Assessment lien. In addition, the Association's choice of one remedy shall not prejudice or constitute a waiver of the Association's right to exercise any other remedy. Any attorney fees and costs incurred in this effort shall be assessed against the delinquent Owner and the Owner's Unit, and reasonable attorney fees and court costs will thereafter be added to the amount in delinquency (plus interest and collection charges, if appropriate). Each Owner vests in the Association or it assigns the right and power to bring actions at law or lien foreclosures against such Owner or Owners for the collection of delinquent Assessments.
- 8.6 **Foreclosure Sale.** The Association shall have all rights of foreclosure granted by the Act, both judicially and non-judicially. Pursuant to Utah Code Ann. Sections 57-1-20 and 57-8-44 to -53, an Owner's acceptance of an interest in a Unit constitutes a simultaneous conveyance of the Units in trust, with power of sale, to Quinn Sperry, the Association's Attorney at present, as trustee, for the benefit of the Association, for the purpose of securing payment of Assessments under the terms of this Declaration. The Management Committee may appoint a qualified successor trustee by executing and recording a substitution of trustee in the offices of the Salt Lake County Recorder.
- 8.7 **Association Lien Not Subject to Homestead Exemption.** Pursuant to Utah Code § 57-8-44(5), any lien of the Association arising under Section 44 of the Act is not subject to any Owner's homestead exemption, and each Owner hereby waives any homestead or exemption laws of the State of Utah now in effect, or in effect from time-to-time hereafter that relate to the Association's lien arising under the Act and this Declaration.
- 8.8 **Termination or Suspension of Delinquent Owner's Rights.** Pursuant to Utah Code § 57-8-52, the Association may terminate, or suspend, a delinquent Owner's: rights to receive a utility service for which the Owner pays a Common Expense; and access to certain Common Areas and recreational facilities. The Association may further suspend a delinquent Owner's right to vote in regard to any Association matter. Before terminating any delinquent Owner's rights under this provision, the Association shall give the delinquent Owner notice in accordance with Article 17 of this Declaration. The notice shall also include any specific provisions required by the Act and give the delinquent Owner the right to request an informal hearing with the Management Committee prior to the Association terminating or suspending the delinquent Owner's rights.
- 8.9 **Requiring Tenant to Pay Rent to Association.** Pursuant to and as provided for in the Act, the Association shall have a right to demand and collect rent from any tenant in a Unit for which an Assessment is more than sixty (60) days late. Any tenant who fails to pay such rent when demanded shall be liable to the Association for the amount of any unpaid rent and all collection costs and reasonable attorney fees related to the failure to pay as provided for in Section 8.10 and regardless of whether an action is commenced or not.
- 8.10 **Attorney Fees Incurred as a Result of a Default.** In addition to any attorney fees and costs provided for herein, the Association shall be entitled to recover all reasonable attorney fees and costs incurred as a result of an Owner's failure to timely pay Assessments, including but not limited to attorney fees and costs incurred to:
- (a) obtain advice about a default;
 - (b) collect unpaid Assessments;
 - (c) file lawsuits or other legal proceedings related to a default in an effort to collect unpaid Assessments;

- (d) file pleadings, notices, objections, and proofs of claim in any bankruptcy proceeding;
- (e) examine the debtor or others related to collections;
- (f) monitor any bankruptcy proceedings including but not limited to regular monitoring of an Owner's progress in a Chapter 13 plan for the duration of the plan;
- (g) file relief from stay motions, objections, or other adversary proceedings in bankruptcy and all related activities including seeking and responding to discovery, taking depositions or examinations, introducing evidence, hiring and paying expert witnesses, filing motions and other pleadings, attending trials, hearings, or other court proceedings, including as necessary related to assert any non-discharge ability of debts, to assert claims against the estate or co-debtors, to challenge exemptions, to pursue any appropriate adversary proceeding, or for any other reason related to the ultimate attempt to collect unpaid Assessments; and
- (h) foreclose a lien, secure lien rights, or provide for any notice of lien.

This provision is to be construed broadly to permit the Association to recover any reasonable fees and costs in any way related to an Owner's default in the payment of Assessments and the ultimate collection of those Assessments.

- 8.11 **Association Foreclosure.** If the Association takes title to a Unit pursuant to a foreclosure (judicial or non-judicial), it shall not be bound by any of the provisions related to the Unit that are otherwise applicable to any other Owner, including but not limited to obligations to pay assessments, taxes, insurance, or to maintain the Unit. By taking a security interest in any Unit governed by this Declaration, Lenders agree not to make any claim against the Association for nonpayment of taxes, assessments, or other costs and fees associated with any Unit if the Association takes title to a Unit related to any failure to pay assessments.

Article 9: Property Rights in Units and Common Area

- 9.1 **General Easements to Common Area and Units.** Subject to limitations in the Governing Documents, each Owner shall have an Undivided Interest in, and easement of use and enjoyment in and to, the Common Areas for the purposes for which they were intended. Such use cannot hinder or encroach upon the lawful rights of the other Owners and may not extend into the Limited Common Area reserved for the use of an Owner of another Unit. Each Owner shall have an unrestricted and non-exclusive right of ingress or egress to and from the Owner's Unit over and across such Common Area, subject to any other restrictions related to such use. Such rights and easements shall be appurtenant to and shall pass with title to each Unit and in no event shall such appurtenant rights be separated therefrom. Authorized Occupants shall have the same access and use rights to the Common Area as an Owner. All such rights shall be subject to any Rules established by the Management Committee.

The Association shall have nonexclusive easements with the right of access to each Unit, including any Limited Common Areas, to make inspections, to prevent or mitigate damage to Units and to Common Area, and to maintain, repair, replace or effectuate the restoration of the Common Area and those portions of the Unit that the Association is responsible for maintaining which are accessible from such Unit. Such rights shall be exercised only after the notice required in this Declaration. The Association shall have a nonexclusive right to grant permits, licenses, and easements upon, across, over, under, and through the Common Area for purposes necessary for the proper operation of the Condominium Complex.

- 9.2 **Sale, Conveyance, Lease, or Hypothecation of Common Area.** To the extent permitted by law and with the consent of Owners holding sixty-seven percent (67%) of the Undivided Interests present at a meeting called for that purpose or by ballot, the Association may, sell, convey, lease, or hypothecate Common Area.
- 9.3 **Public Utilities.** Easements and rights-of-way over the Condominium Complex for the installation and maintenance of electricity lines, telephone lines, cable television lines, fiber optics, water lines, gas

lines, sanitary sewer lines, drainage facilities, telecommunication fixtures and equipment, utility fixtures and equipment, and such lines, fixtures, or equipment needed or determined by the Management Committee to be helpful in serving the Condominium Complex, Units, or Unit Owners in the Condominium Complex are hereby reserved to the Association, together with the right to grant, alter, and transfer the same; provided, however, such easements and rights-of-way shall not unreasonably interfere with the use of the Common Area and the Units by the Owners or Occupants. The Association shall have the power to grant and convey, in the name of the Association or all of the Owners as their attorney-in-fact, to any Person easements and rights-of-way in, on, over or under the Common Area or Units for the purpose of constructing, erecting, operating, or maintaining lines, cables, wires, wireless transmission or reception equipment, conduits, or other devices for electricity, cable television, power, telecommunications, internet, telephone, public sewers, storm water drains and pipes, water systems, sprinkling systems, water heating and gas lines or pipes and any other public, quasi-public, or private improvements or facilities. Each Owner in accepting the deed to a Unit expressly consents to such easements and rights-of-way and authorizes and appoints the Association as attorney-in-fact for such Owner to execute any and all instruments conveying or creating such easements or rights-of-way. Such Owner and those claiming by, through or under an Owner agree to execute promptly all such documents and instruments and to do such other things as may be necessary or convenient to affect the same at the request of the Association. However, no easement can be granted pursuant to this paragraph if it would permanently and materially interfere with the use, occupancy or enjoyment by any Owner of such Owner's Unit.

- 9.4 **Easements for Encroachments.** If any portion of the Common Area encroaches upon any Unit, or if any Unit encroaches upon any other Unit or the Common Area, as a result of the manner in which the Building(s) is constructed or due to settling, shifting, alteration, replacement, repair or restoration by the Association, a valid easement for encroachment and maintenance of such encroachment, shall exist for the life of the structure.
- 9.5 **Limitation on Easement; Suspension of Owner's Rights.** An Owner's Undivided Interest and right and easement of use and enjoyment concerning the Common Area shall be subject to any other limitation in the Governing Documents and the following:
- (a) The right of the Association to suspend the Owner's or Occupant's right to the use and/or access to Common Areas and any recreational facilities included in the Common Area:
 - (1) for any period during which an Assessment on such Owner's Unit remains unpaid;
 - (2) for a period not exceeding sixty (60) days for any infraction by such Owner of the provisions of this Declaration or any Rule; and
 - (3) for successive sixty (60) day periods if any such infraction is not corrected during any prior sixty (60) day suspension period;
 - (b) The right of the Association to impose reasonable limitations on the number of Occupants per Owner who at any given time are permitted to use the Common Area;
 - (c) The right of any governmental or quasi-governmental body having jurisdiction over the Condominium Complex to access and to have rights of ingress and egress over and across any street, parking areas, walkway or open areas contained within the Common Area for purposes of providing police and fire protection, transporting school children, and providing other governmental or municipal services;
 - (d) The right of the Association to reasonably limit or restrict Owner's access and use of certain portions of the Common Area set aside for the functioning of the Association; and
 - (e) Any Rule adopted by the Management Committee allowing for an Owner or Occupant to rent a particular part of the Common Area, such as the pool, clubhouse, etc., for a limited time period, and in which instance the Owner or Occupant renting the specific Common Area may restrict

access to the Common Area by other Owners, Occupants, and Persons as allowed under the Rules.

- 9.6 **Views.** Views from a Unit and the Condominium Complex are not assured or guaranteed in any way. There is no warranty concerning the preservation of any view or view plane from the Condominium Complex and each Owner and Occupant acknowledges and agrees that there are no view easements or view rights appurtenant to the Unit or the Condominium Complex.

Article 10: Use Limitations and Conditions

- 10.1 **Rules.** The Management Committee shall have authority to promulgate and enforce such reasonable Rules and procedures as may aid the Management Committee in carrying out any of its functions and to ensure that the Condominium Complex is maintained and used in a manner consistent with the interests of the Owners.
- 10.2 **Signs.** The Management Committee may not prohibit any religious, political or Unit-for-sale signs, but has authority to regulate and impose limitations by Rule as to the time, place and manner of any such signs placed inside the Unit but visible from outside the Unit. Otherwise, the Association does not allow signs of any kind in, on, around or affixed to the Unit, or that may be placed anywhere inside the Unit but visible from the outside of the Unit, nor does the Association allow signs of any kind anywhere else in the Condominium Complex, except as may be authorized, restricted and regulated by the Management Committee pursuant to the Rules and to the extent otherwise permitted by law. The term "signs" shall include any type of object (including but not limited to flags, billboards, banners, plaques, A-frames, easel signs, poly-bag signs, corrugated plastic signs, lawn signs, window signs, and displays) used to convey a message, symbol, idea, identification, or for any other purpose that signs are typically used, that is placed in, on, or outside of a Unit with the apparent purpose, in whole or in part, of making it visible to people outside of the Unit. All signs are prohibited except those listed in the Rules.
- 10.3 **Nuisance.** No noxious or offensive activity shall be conducted in the Condominium Complex, nor shall any activity that might be or become an annoyance or nuisance to the Owners or Occupants be permitted to interfere with their rights of quiet enjoyment or increase the rate of any insurance or decrease the value of the Units. No Owner or Occupant shall engage in activity within the Condominium Complex in violation of the Governing Documents or any law, ordinance, statute, rule or regulation of any local, county, state or federal body and engaging in such may also subject the Owner to separate or additional fines from those assessed by the Association for the conduct itself. No abusive behavior or language shall be directed to or around any resident, employee or contractor. Such abusive behavior or language may be subject to a fine.
- 10.4 **Smoking and Vaping.** Smoking and vaping are prohibited within certain Common Areas including without limitation the clubhouse, swimming pool, community park, and the water features. It shall be a nuisance and prohibited to permit or cause any smoke to drift or otherwise enter into any Unit or the Limited Common Area of any Unit. The Management Committee may adopt Rules further restricting smoking and vaping, including non-combustible tobacco products, to certain designated smoking areas within the Common Areas. The Association relies upon the definitions of the terms "e-cigarette" and "smoking" as used in the Utah Indoor Clean Air Act (Utah Code Ann. §§ 26-38-1 *et seq.*) in defining such terms for this Section 10.4.
- 10.5 **Temporary Structures.** No structure or building of a temporary character, including a tent, storage shed or shack, shall be placed upon the Condominium Complex or used therein unless otherwise authorized in this Declaration or approved by the Management Committee.
- 10.6 **Parking.** The Association has authority to regulate parking anywhere in the Condominium Complex and shall promulgate reasonable rules to govern parking and the use of all paved surfaces in the Common and Limited Common Areas, which rules and restrictions shall apply to all Owners and Occupants. No recreational vehicles (boats, campers, trailer, motor homes, or similar vehicles) shall be parked on any portion of the Common Areas except for temporary loading and unloading.

10.7 Commercial and Recreational Vehicles. The Management Committee may adopt Rules regulating the use, parking, storage, and maintenance or repair of commercial vehicles and recreational vehicles in the Condominium Complex, including, but not limited to, the following recreational vehicles: boats, trailers, 4-wheelers, ATV's, snowmobiles, campers, and motor homes.

No commercial vehicles shall be parked on any portion of the Common Areas except for a temporary purpose to serve a unit or the Common Areas. For purposes of this section, and consistent with Utah law, the term "commercial vehicle" means a motor vehicle, trailer, or semitrailer used or maintained for the transportation of persons or property that operates either as: a carrier for hire, compensation, or profit; or, as a carrier to transport the vehicle owner's personnel or goods, equipment, tools, or other property in furtherance of the owner's commercial enterprise.

10.8 Equipment and Vehicle Maintenance. Except for emergency automobile maintenance, no repairs of any detached machinery, equipment, or fixtures, including without limitation, motor vehicles, shall be made in the Condominium Complex except as may be permitted by the Management Committee in the Rules.

10.9 Holiday Decorations. The Association may define, regulate and restrict, by Rule, holiday decorations in the Condominium Complex, to the extent permitted by law.

10.10 Window Covers. The Management Committee may adopt Rules requiring window covers, regulating the type, color, and design of window covers, and requiring prior approval of window coverings before installation. Absent Rules permitting otherwise, only curtains, drapes, shades, shutters, and blinds may be installed as window covers. When closed, such coverings shall not convey a written or iconic message of any sort. No window shall be covered by paint, foil, sheets, reflective film, or similar items.

10.11 External Fixtures. The Management Committee may adopt Rules defining and regulating placement of external fixtures in the Limited Common Areas. Except as provided in the Rules, no external fixtures such as, but not limited to, television, radio and satellite antennas, and dishes, flag poles, solar panels, clotheslines, wiring, air conditioning equipment, water softening or storage equipment, fences, awnings, ornamental screens, screen doors, porches, patios, balconies, enclosures, sunshades, lighting fixtures, walls, windows, skylights, landscaping and plantings, other than those provided in connection with the original construction of the Condominium Complex, shall be constructed, erected, attached or maintained on the Condominium Complex without the prior written approval of the Management Committee and, if approved, shall be attached and maintained at the sole expense of the Owner.

10.12 Air Space, Drones, and Unmanned Aircraft. The Association shall have the authority to regulate or to ban by Rule, and if allowed, to impose reasonable requirements on the use of the airspace (all airspace up to public airspace) by anyone over the Property and any structures on the Property. Unless and until Rules allowing and regulating the use of drones or unmanned aircraft of any kind in the Associations air space, they are prohibited.

10.13

Electric Vehicle Charging Stations. The Association may not prohibit but has authority to regulate and impose limitations by Rule on the installation of charging stations and the charging of electric vehicles in the Association. All costs associated with an electric vehicle charging station, per regulations imposed, shall be the responsibility of the Owner and shall meet applicable health and safety standards and requirements imposed by state and local authorities as well as all other applicable zoning, land use, safety or other ordinances; and the Unit Owner must obtain and shall install and use any charging station in full compliance with all required land use and government permits and licenses.

10.14 External Laundering; Outside Speakers and Amplifiers. Unless permitted in the Rules and subject to any regulations therein, no laundering and drying of clothing and other items in and around

the Common and Limited Common Areas is permitted. No radio, stereo, loudspeaker, or Complexion of sound, music, or video of any kind in, around, from or directed into the Common and Limited Common Areas is permitted; nor is any Complexion of sound permitted from within a Unit that bothers anyone in another Unit.

- 10.15 **Animals.** The Management Committee shall adopt Rules and Regulations for the keeping of animals within the Condominium Complex, including procedures for qualifying and registering "Assistance Animals" as allowed for and defined by law, for example, "Service Animals" and "Emotional Support Animals," or more commonly "service dogs" and "comfort animals" as those terms and types of animals are legally described.
- 10.16 **Floor Load.** No item may be attached or placed within a Unit, the weight of which exceeds the "floor load" capacity for which the Unit was designed without the prior written approval of the Management Committee. It shall be the Owner's responsibility to determine if the item exceeds the floor load capacity for a Unit and the Owner shall present independent, qualified engineering documents to establish to the Management Committee satisfaction that the item will not exceed the floor load capacity. The Management Committee may require the Owner to pay the costs of an engineer or architect hired by the Association to verify that the Owner is safely within the Unit's floor load capacity.
- 10.17 **Residential Occupancy.** No Unit may be used for any purpose other than a residential purpose. No trade or business may be conducted in or from any Unit unless:
- (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell, from outside the residence;
 - (b) the business activity conforms to all zoning and legal requirements for the Condominium Complex and the business activity;
 - (c) the business activity does not involve Persons coming onto the Condominium Complex who do not reside in the Condominium Complex or solicitation of Occupants or Owners of the Condominium Complex;
 - (d) the business activity is consistent with the residential character of the Condominium Complex and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Occupants of the Condominium Complex;
 - (e) the business activity is disclosed to the Management Committee before business is commenced along with a description of the business activity, a statement of the amount of space required in the Unit for such activity, and a description of any impact on the Condominium Complex;
 - (f) the business activity will not result in the increase of the cost of any of the Association's insurance;
 - (g) all Owners and Occupants of the Unit reside in the Unit in which the business activity is conducted for the entire time any business activity is conducted, (if an entity owns the Unit, all owners of the entity must reside in the Unit, if the Unit is held in the name of a trustee for a trust, the beneficiary must reside in the Unit); and
 - (h) the occupancy addressed in Article 10.17(g) above is in compliance with the Rules established by the Management Committee concerning occupancy of a Unit.

The Management Committee may request information related to the business as necessary to determine compliance with this Section and that such requests be responded to fully and completely as often as the Management Committee shall determine in its discretion.

- 10.18 **No Subdivision or Timeshare of Units or Recording by Owners of Terms and Conditions.** No Unit shall be split, subdivided, separated or timeshared into two (2) or more Units or property interests (whether temporally or spatially), and no Owner of a Unit shall sell or lease part of a Unit. No subdivision Plat or covenants, conditions, or restrictions shall be recorded by any Owner or other Person with respect to any one Unit. No subdivision Plat or covenants, conditions, or restrictions related to any

Unit or the Condominium Complex shall be recorded on the Condominium Complex unless the Management Committee and/or Owners (as required in this Declaration) have first approved the Plat or the proposed covenants, conditions, or restrictions. Any Plat or covenants, conditions, or restrictions recorded in violation of this Section shall be null, void, and of no legal effect.

10.19 Firearms. The discharge of firearms within the Condominium Complex is strictly prohibited. The term "firearms" includes "B-B" guns, pellet guns, paintball guns, air soft guns, gel guns and other firearms of all types, regardless of size.

10.20 Sales. Garage sales, carport sales, patio sales, estate sales, rummage sales, or similar sales shall not be held unless pre-approved by the Management Committee. The Management Committee may adopt Rules governing such sales.

10.21

Lighting and Security Fixtures. Permanent or temporary lighting or security fixtures, including deck lighting and cameras, outside of Units shall be allowed only to the extent approved by the Management Committee by Rules adopted for that purpose.

10.22

Dumpsters, Trash and Unsightly Items. The Management Committee may adopt Rules regulating Owners and Occupants' use of the dumpsters, including, but not limited to, what items may be placed in dumpsters and their timely disposal of trash and other unsightly items. Only Owners and Occupants may place trash in the dumpsters. All rubbish, debris, unsightly materials, or similar objects of any kind shall be regularly removed from Units and shall not be allowed to accumulate therein or within the Limited Common Areas adjacent to the Unit. Trash and garbage shall be properly and promptly disposed of as provided for in the Rules.

10.23 Variances. The Management Committee may, at its option and in extenuating circumstances, grant variances from the Terms and Conditions set forth in this Article 10 if the Management Committee determines in its discretion:

- (a) either: that the Term and Condition would create an unreasonable hardship or burden on an Owner or Occupant; or that a change of circumstances since the recordation of this Declaration has rendered such Term and Condition obsolete and unreasonable to enforce; and
- (b) that the activity permitted under the variance will not have any financial effect or any other substantial adverse effect on the Owners or Occupants of the Complex and is consistent with the high quality of life intended for residents of the Condominium Complex.

Any such variance shall be unenforceable and without any effect whatsoever unless reduced to writing and signed by the Owner and Association as directed by the Management Committee.

10.24 Hazardous Substances.

- (a) The Owners and Occupants shall comply with applicable Environmental Laws (as defined below), and shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances (as defined below), on or within the Condominium Complex, that are not properly possessed, controlled, safeguarded, and disposed of. The Owners and Occupants shall not do, nor allow anyone else to do, anything affecting the Condominium Complex that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Condominium Complex of small quantities of Hazardous Substances that are generally recognized to be appropriate to the maintenance of a Unit or the Condominium Complex.
- (b) Each Owner and Occupant shall indemnify from all liabilities and losses and defend the Association and each and every other Owner and Occupant against any and all claims and proceedings (whether brought by private party or governmental agency) for bodily injury,

property damage, abatement or remediation, environmental damage or impairment, or any other injury or damage resulting from or relating to any Hazardous Substances located under or upon or migrating into, under, from or through the Condominium Complex, which the Association or the other Owners or Occupants may incur due to the actions or omissions of an indemnifying Owner or Occupant. The foregoing indemnity shall apply:

- (1) when the release of the Hazardous Substances was caused by an indemnifying Owner or an Occupant; and
- (2) whether or not the alleged liability is attributable to the handling, storage, generation, transportation or disposal of Hazardous Substances on the Condominium Complex.

The obligations of each Owner and Occupant under this Section 10.24 shall survive any subsequent transfers of the Unit (voluntary or otherwise).

(c) As used in this Section, "Hazardous Substances" are those substances defined as a toxic or hazardous substance by environmental law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Section, "Environmental Law" means federal laws and laws of the jurisdiction where the Condominium Complex is located that relate to health, safety, or environmental protection.

Article 11: Insurance

11.1 Insurance Requirement. The Association shall obtain insurance as required in this Declaration and as required by applicable law. The Association may obtain insurance that provides more or additional coverage than the insurance required in this Declaration. Different policies may be obtained from different insurance carriers and standalone policies may be purchased instead of or in addition to embedded, included coverage, or endorsements to other policies.

11.2 Annual Insurance Report. The Association may obtain a written report by an independent and experienced insurance broker, agent, or consultant (who may be the insurance provider/agent/broker used by the Association), with specific knowledge and experience in the community association insurance industry, setting forth:

- (a) a summary description of the insurance coverage obtained by the Association, including the dollar amounts of any such coverage, and any material exceptions, exclusions, and limitations on such coverage;
- (b) whether, in the opinion of such broker or consultant, the insurance coverage in effect for the Association complies with the requirements of this Declaration and the law;
- (c) a description of any earthquake insurance and material exclusions and limitations for that coverage and if no earthquake insurance is obtained, a conspicuous clear statement in both bold and uppercase letters stating: "**NO EARTHQUAKE INSURANCE HAS BEEN OBTAINED BY THE ASSOCIATION**"; and
- (d) a description of any flood insurance and material exclusions and limitations for that coverage and if no flood insurance is obtained, a conspicuous clear statement in both bold and uppercase letters stating: "**NO FLOOD INSURANCE HAS BEEN OBTAINED BY THE ASSOCIATION.**"

The report shall also set forth any recommendations or suggestions from the insurance professional regarding current policy provisions, deductibles, exceptions, exclusions, and for additional insurance suggested or recommended for the protection of the Owners in light of the insurance then available and the best practices with respect to other similar Complexes.

If obtained, a summary of the most recent annual insurance report shall be distributed to the Owners before the annual meeting of the Association and shall be provided to any Owner at any other time upon request. The report shall be posted on the Association website. A copy of the full report shall also be emailed to the Owners or mailed to Owners who have requested the same, within thirty (30) days of the annual meeting.

11.3 Property Insurance.

(a) Hazard Insurance.

(1) Blanket Policy of Property Insurance. The Association shall maintain a blanket policy of property insurance covering the entire Condominium Complex, including the Common Area and all Buildings including all Units, fixtures, and Building service equipment.

- (i) The blanket policy shall exclude land and other items not normally and reasonably covered by such policies. The blanket policy shall be an “all in” or “all inclusive” insurance as those terms are used in the insurance industry and shall include insurance for any fixture, improvement, or betterment installed in or to the Unit or any Limited Common Areas or otherwise permanently part of or affixed to Common Areas, Units, or Limited Common Areas, including but not limited to, floor coverings, cabinets, light fixtures, electrical fixtures, heating and plumbing fixtures, paint, wall coverings, windows.
- (ii) At a minimum, the blanket policy shall afford protection against loss or damage by:
 - (A) fire, windstorm, hail, riot, aircraft, vehicles, vandalism, smoke, and theft; and
 - (B) all perils normally covered by “special form” property coverage.
- (iii) The blanket or guaranteed replacement cost policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all property covered by such policy (including the Units) at the time the insurance is purchased and at each renewal date. The actual replacement cost of the property shall be determined by using methods generally accepted in the insurance industry.
- (iv) The blanket policy shall include either of the following endorsements to assure full insurable value replacement cost coverage:
 - (A) a Guaranteed Replacement Cost Endorsement under which the insurer agrees to replace the insurable property regardless of the cost, or
 - (B) a Replacement Cost Endorsement under which the insurer agrees to pay up to one hundred percent (100%) of the property’s insurable replacement cost but not more.

If the policy includes a coinsurance clause, it must include an Agreed Amount Endorsement which must waive or eliminate the requirement for coinsurance.
- (v) Each property policy that the Association is required to maintain shall also contain or provide for the following:
 - (A) “Inflation Guard Endorsement,” if available;

- (B) “Building Ordinance or Law Endorsement,” (the endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction); and
 - (C) “Equipment Breakdown,” for heating or cooling or other equipment of the clubhouse and maintenance building or other applicable fixtures, equipment, or installations such as the swimming pool, which shall provide that the insurer’s minimum liability per accident at least equals the lesser of one million dollars (\$1,000,000) or the insurable value of the building containing the equipment.
- (b) Owner Responsibility for Payment of Deductible. If a loss occurs that is covered by a property insurance policy in the name of the Association and another property insurance policy in the name of an Owner:
 - (1) The Association’s policy provides primary insurance coverage;
 - (2) Notwithstanding Subsection 11.3(b)(1) and subject to Subsection 11.3(b)(1):
 - (i) the Owner is responsible for the Association’s policy deductible; and
 - (ii) building property coverage, often referred to as Coverage A, of the Owner’s policy, if any, applies to that portion of the loss attributable to the Association’s policy deductible.
 - (3) An Owner who owns a Unit that has suffered Unit Damage as part of a Covered Loss is responsible for an amount calculated by applying the Unit Damage Percentage for that Unit to the amount of the deductible under the Association’s property insurance policy.
 - (i) If an Owner does not pay the amount required under Subsection 11.3(b)(3) within thirty (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 the Owner for that amount.
 - (ii) As used in this Subsection (3):
 - (A) “Covered Loss” means a loss, resulting from a single event or occurrence that is covered by the Association’s property insurance policy.
 - (B) “Unit Damage” means damage to any combination of a Unit or a Limited Common Area appurtenant to a Unit.
 - (C) “Unit Damage Percentage” means the percentage of total damage resulting in a Covered Loss that is attributable to Unit Damage.
- (c) Flood and Earthquake Insurance.
 - (1) If any part of the Condominium Complex is or comes to be situated in a Special Flood Hazard Area as designated on a Flood Insurance Rate Map, a policy of flood insurance shall be maintained covering the Condominium Complex or, at a minimum, that portion of the Condominium Complex located within the Special Flood Hazard Area. That policy shall cover machinery and equipment that are not part of a Building and all Common Area within the Condominium Complex (“Insurable Property”) in an amount deemed appropriate and reasonable in relation to what insurance is available at an affordable cost.
 - (2) If the Condominium Complex is not situated in a Special Flood Hazard Area, the Association may nonetheless, at the discretion of the Management Committee, purchase flood insurance to cover water and flooding perils not otherwise covered by blanket property insurance.

- (3) **Earthquake Insurance.** The Association may purchase earthquake insurance as the Management Committee deems appropriate. If the Management Committee elects not to purchase earthquake insurance, the Owners may call for a special meeting for the purpose of requesting a vote by ballot on whether the Association should purchase earthquake insurance. A vote of Owners holding at least sixty-seven percent (67%) of the of the Undivided Interests of the Association must vote in favor of purchasing earthquake insurance to override the Management Committee's prior decision. If the Owners at the meeting or by ballot vote to purchase earthquake insurance, the Association shall purchase earthquake insurance within sixty (60) days of the vote in an amount deemed appropriate and reasonable in relation to what insurance is available at the cost approved by the Owners as part of their vote regarding the same.
- (d) **Association's Obligation to Segregate Property Insurance Deductible.** The Association shall set aside the amount of the property insurance deductible. The Association may keep those funds in a segregated bank account or financial account (such as the purchase of a certificate of deposit) in an amount equal to the Association's property insurance policy deductible or ten thousand dollars (\$10,000.00), whichever is less, unless some other amount is required by law – which shall be complied with. This requirement shall not apply to any earthquake or flood insurance deductible.
- (e) **Association's Right to Not Tender Claims That Are Under the Deductible.** If, in the exercise of its business judgment, the Management Committee determines that a covered loss is likely not to exceed the Association's property insurance policy deductible, and until it becomes apparent the covered loss exceeds the Association's property insurance deductible, and a claim is submitted to the Association's property insurance insurer:
- (1) the Owner's policy is considered the policy for primary coverage for any loss to the Owner's Unit, to the amount of the Association's policy deductible;
 - (2) the Association is responsible for any loss to any Common Area;
 - (3) an Owner who does not have a policy to cover the damage to that Owner's Unit is responsible for that damage and the Association may, as provided in Section 11.3(b)(3)(i), recover any payments the Association makes to remediate that Unit; and
 - (4) the Association need not tender the claim to the Association's insurer.
- (f) **Notice Requirement for Deductible.** The Association shall provide notice to each Owner of the Owner's obligation under Subsection 11.3(b) for the Association's policy deductible and of any change in the amount of the deductible. If the Association fails to provide notice of the initial deductible, it shall be responsible for the entire deductible in case of any loss. If the Association fails to provide notice of any increase in the deductible, it shall be responsible for paying any increased amount that would otherwise have been assessed to the Owner. The failure to provide notice shall not invalidate or affect any other provision in this Declaration.

11.4 Comprehensive General Liability (CGL) Insurance. The Association shall obtain CGL insurance insuring the Association, the agents and employees of the Association, and the Owners against liability incident to the use, repair, replacement, maintenance, or ownership of the Common Area and the Owner's membership in the Association. The coverage limits under such policy shall be determined by the Management Committee but shall not be less than one million dollars (\$1,000,000.00) covering all claims for death of or injury to any one Person or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner.

11.5 Management Committee Members' Insurance. The Association shall obtain liability insurance protecting the Management Committee, the officers, members of committees formed by the Management Committee, and the Association against claims of wrongful acts, mismanagement, failure

to maintain adequate reserves, failure to maintain books and records, failure to enforce the Governing Documents, and breach of contract (if available). To the extent reasonably available, this policy shall:

- (a) include coverage for volunteers and employees,
- (b) include coverage for monetary and non-monetary claims, and
- (c) provide for the coverage of claims made under any fair housing act or similar statute or that are based on any form of discrimination or civil rights claims.

At the discretion of the Management Committee, the policy may also include coverage for any Manager and any employees of the Manager and may provide that such coverage is secondary to any other policy that covers the Manager or any employees of the Manager.

11.6 Insurance Coverage for Theft and Embezzlement of Association Funds. The Association shall obtain insurance covering the theft or embezzlement of funds that shall:

- (a) coverage for an amount of not less than the sum of three (3) months regular Assessments in addition to the prior calendar year's highest monthly balance on all operating and reserve funds; and
- (b) provide coverage for theft or embezzlement of funds by: Officers and Management Committee Members of the Association; employees and volunteers of the Association; any Manager of the Association; and officers, directors, and employees of any Manager of the Association.

11.7 Workers' Compensation Insurance. The Association shall purchase and maintain in effect workers' compensation insurance for all employees of the Association to the extent that such insurance is required by law and may purchase workers compensation insurance even if the Association has no employees, as the Management Committee deems appropriate.

11.8 Certificates. Any insurer that has issued an insurance policy to the Association shall issue a certificate of insurance to the Association and upon written request, to any Owner or Lender.

11.9 Named Insured. The named insured under any policy of insurance shall be the Association. Each Owner shall also be an insured under all property and CGL insurance policies and the policy of insurance may also name other insureds, such as the Manager, as additional named insureds, at the discretion of the Management Committee.

11.10 Right to Negotiate All Claims and Losses and Receive Proceeds. The Association shall have the right to negotiate all claims and losses and to receive any proceeds from the Association's insurance policies. Insurance proceeds for a loss under the Association's property insurance policy shall be payable to an Insurance Trustee if one is designated, or to the Association, and shall not be payable to a holder of a security interest. An Insurance Trustee, if any is appointed, or the Association shall hold any insurance proceeds in trust for the Association, Owners, and lien holders. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property, if the property is to be repaired and restored as provided for in this Declaration. After any repair or restoration is complete and if the damaged property has been completely repaired or restored, any remaining proceeds shall be paid to the Association. If the property is not to be repaired or restored, then any proceeds remaining after paying for any necessary action related to the property shall be distributed to the Owners and lien holders, as their interests remain with regard to the Units. The cost of repair or replacement of any Unit in excess of insurance proceeds and reserves is a Common Expense to the extent the Association is required under this Declaration or the law to provide insurance coverage for the Unit. The cost of repair or replacement of any Common Area in excess of insurance proceeds and reserves is a Common Expense. Each Owner hereby appoints the Association, or any Insurance Trustee, as attorney-in-fact for the purpose of negotiating all losses related thereto, including: the collection, receipt of, and appropriate disposition of all insurance proceeds; the execution of releases of liability; and the execution of all documents and the performance of all other acts necessary to administer such insurance and any claim. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors or assigns of an Owner.

- 11.11 **Insurance Trustee.** At the discretion of the Management Committee or upon written request executed by Owners holding fifty-one percent (51%) or more of the Undivided Interests, the Management Committee shall hire and appoint an insurance trustee ("Insurance Trustee"), with whom the Association shall enter into an insurance trust agreement, for the purpose of taking such action as the Owners or Management Committee (as the case may be) shall require related to a loss and receipt or potential receipt of insurance proceeds.
- 11.12 **Owner Act Cannot Void Coverage Under Any Policy.** Unless an Owner is acting within the scope of the Owner's authority on behalf of the Association and under direct authorization of the Association to terminate an insurance policy, an Owner's act or omission may not void an insurance policy or be a condition to recovery under a policy.
- 11.13 **Waiver of Subrogation against Owners and the Association.** All property and CGL policies must contain a waiver of subrogation by the insurer as to any claims against the Association, the Owners, any Person residing with an Owner if an Owner resides in the Unit, and the Association's agents and employees.
- 11.14 **Right of Action.** Nothing in this Declaration shall prevent an Owner 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.
- 11.15 **Applicable Law.** This Declaration is specifically subjecting the Association to the insurance requirements and provisions in Utah Code Ann. § 57-8-43, and any amendments thereto and hereafter enacted by law. It is the intent of this provision that any future changes to the insurance law applicable to condominium associations shall apply to this Association.

Article 12: Destruction of Improvements

- 12.1 **Reconstruction.** In the event of partial or total destruction of a Building, the Association shall promptly take the following actions:
- (a) Ascertain the cost of reconstruction by obtaining fixed price bids from at least two (2) reputable contractors, including the obligation to obtain performance and lien payment bonds. If the Management Committee in good faith determines that none of the bids submitted under this Section reasonably reflect the anticipated reconstruction costs, the Management Committee shall continue to attempt to obtain an additional bid that it determines reasonably reflects such costs. Such determination shall be made by the Management Committee as soon as possible.
 - (b) The Management Committee, or any Insurance Trustee if one is appointed, shall determine and liquidate the amount of insurance proceeds, if any, or establish a procedure by which any insurance proceeds shall be available for either a cash payment or for reconstruction.
 - (c) Engage the services of a reputable licensed architect to advise and consult with the Management Committee or any Insurance Trustee on all actions and decisions necessary under this Article.
 - (d) If an appraisal of any or all Units is required under this Article, the Management Committee shall select the appraiser and any appraisal relied upon by the Management Committee shall be final and not subject to challenge by any Owner for purposes of this Article.
- 12.2 **Insurance Proceeds Sufficient for Reconstruction.** In case of fire or any other disaster and if insurance proceeds are sufficient to reconstruct the Building and all Units suffering damage therein, then the insurance proceeds shall be applied to reconstruct the Building and any Units suffering damage minus requested Unit deductibles. As used herein, reconstructing the Building shall mean restoring the Building and Units to substantially the same condition in which they existed prior to the fire or other disaster, with each Unit and the common elements having the same vertical and horizontal boundaries as before.

12.3 Insurance Proceeds Insufficient for Reconstruction. If insurance proceeds will be insufficient for reconstruction, the following shall apply:

- (a) If the cost of reconstruction is equal to or less than twenty-five percent (25%) of the estimated fair market value of all of the Units in the Condominium Complex (prior to the damage and destruction), then the Association shall proceed forward with reconstruction applying any insurance proceeds as provided for in Section 12.2. The cost of reconstruction in excess of insurance proceeds and reserves shall be a Common Expense.
- (b) If the cost of reconstruction is greater than twenty-five percent (25%) of the estimated fair market value of all of the Units in the Condominium Complex (prior to the damage and destruction), then the Management Committee shall call a special meeting of the Owners for the purpose of voting on whether to reconstruct or not.
- (c) Unless Owners holding seventy-five percent (75%) or more of the Undivided Interests vote to not proceed with reconstruction at such meeting, the Association shall proceed with reconstruction as provided for in Section 12.3(a).
- (d) If, however, the Owners, by a vote at such meeting of not less than seventy-five percent (75%) of the Undivided Interests, decide not to proceed with such reconstruction:
 - (1) The Property shall be deemed to be owned in common by the Unit Owners;
 - (2) The Undivided Interest in the Property owned in common which shall appertain to each Owner shall be the Owners' Undivided Interest as determined in this Declaration;
 - (3) Any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the Undivided Interest of the Owners in the Property; and
 - (4) The Property shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance, if any, shall be considered as one fund and shall be divided among all the Owners in a percentage equal to the percentage of the Undivided Interest owned by each Owner in the Property, after first paying out of the respective shares of each Owner, to the extent sufficient, all liens on the Undivided Interest in the Property owned by each Owner.

Article 13: Eminent Domain

13.1 Total Taking of a Unit. If a Unit is taken by eminent domain or sold under threat thereof, leaving the Owner with a remnant that may not be practically or lawfully used for any purpose permitted by this Declaration, the award must compensate the Owner for the Owner's Unit and Undivided Interest in the Common Area, regardless of whether any Common Area is taken. Upon such a taking, unless the decree otherwise provides, that Unit's Undivided Interest in the Common Area will automatically be reallocated to the remaining Units in proportion to their respective interests immediately before the taking. Upon such a taking, the Association shall prepare, execute and record an amendment to the Declaration that accomplishes the adjustment required for this section. Any remnant of a Unit remaining after part of a Unit is taken becomes part of the Common Area.

13.2 Partial Taking of a Unit. Except as provided in Section 13.1, if part of a Unit is taken by eminent domain, or sold under threat thereof, so that such Unit may still be practically and lawfully used under this Declaration, the award must compensate the Owner for the reduction in the value of the Owner's Unit and Undivided Interest in the Common Area, regardless of whether any Common Area is taken. Upon such a taking, unless the decree otherwise provides, that Unit's Undivided Interest in the Common Area will remain the same, but if the decree provides for a reduction of the Undivided Interest for such Unit, the reduced amount will automatically be reallocated to that Unit and the remaining Units in proportion to their respective Undivided Interests immediately before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced Undivided Interest.

- 13.3 Taking of Limited Common Area.** If the portion of the Condominium Complex taken by eminent domain, or sold under threat thereof, is comprised of or includes any Limited Common Area or portion thereof, the portion of the award attributable to the Limited Common Area so taken will be divided among the Owners of the Units to which such Limited Common Area was allocated or assigned at the time of the acquisition.
- 13.4 Taking of Common Area.** If the portion of the Condominium Complex taken by eminent domain, or sold under threat thereof, is not comprised of or does not include any Unit or Limited Common Area, the Management Committee shall, as soon as practicable, cause the award to be utilized for the purpose of repairing or restoring that area in the Condominium Complex adjacent to the taking, and the portion of the award not used for restoration will be added to the general funds of the Association.
- 13.5 Taking of Entire Condominium Complex.** In the event the Condominium Complex, in its entirety, is taken by eminent domain, or sold under threat thereof, the Condominium Complex is terminated, and the provisions related thereto in this Declaration will apply.
- 13.6 Priority and Power of Attorney.** Nothing contained in this Article 13 shall entitle an Owner to priority over any Lender under a lien encumbering the Owner's Unit as to any portion of any condemnation award allocated to such Unit. Each Owner hereby appoints the Association as attorney-in-fact for the purpose of negotiations and settlement with the condemning authority for the acquisition of the Common Area, or any part thereof. If the taking involves all or part of any Unit or the Common Area or Limited Common Area, the award or proceeds will be payable to the Association for the use and benefit of the Owners and their Lenders as their interests may appear. This power-of-attorney is coupled with an interest, is irrevocable, and binds any heirs, personal representatives, successors or assigns of an Owner.

Article 14:

Termination of Condominium Complex or Sale of Property

- 14.1 Required Vote.** The Condominium Complex may be removed from the provisions of the Act, terminated, and/or sold by approval of Owners holding at least sixty-seven percent (67%) of the Undivided Interests or as otherwise provided in Article 13 and in compliance with any other applicable laws.
- 14.2 Sale of Condominium Complex Following Termination.** A termination agreement may provide that the entire Condominium Complex shall be sold following termination. If, pursuant to such agreement, any real estate in the Condominium Complex is to be sold following termination, the termination agreement shall set forth the minimum terms of the sale.
- 14.3 Sale of Condominium Complex Without Termination.** Pursuant to and as provided for in the Act, the Unit Owners may, by an affirmative vote of sixty-seven percent (67%) of such Unit Owners, at a meeting of Unit Owners duly called for such purpose, elect to sell or otherwise dispose of the Property either in conjunction with the termination of the Condominium Complex or not. Such action shall be binding upon all Unit Owners and it shall thereupon become the duty of every Unit Owner to execute and deliver such instruments and to perform all acts in manner and form necessary to affect the sale.
- 14.4 Sale Agreement.** An agreement to sell the Condominium Complex must be evidenced by the execution or ratification of a sale agreement, in the same manner as a deed, by the requisite number of Owners. The sale agreement must specify a date after which the agreement will be void unless it is recorded before that date. A sale agreement, including all ratifications of such termination agreement, becomes effective when it is recorded in the records of the County Recorder in Salt Lake County, Utah.
- 14.5 Association Duties.** The Association, on behalf of the Owners, may contract for the sale of real estate in the Condominium Complex on the termination of the Condominium Complex or related to the approval of the sale of the Condominium Complex pursuant to Sections 14.2 and 14.3. The contract is not binding on the Owners until approved pursuant to the provisions in this Article 14. If any real estate in the Condominium Complex is to be sold, immediately upon approval of the sale of the Property by the

Owners or the Approval of the Owners of Termination of the Condominium Complex, title to that real estate shall immediately vest in the Association as trustee for all Owners. Thereafter, the Association has all powers necessary and appropriate to affect the sale. Until the sale has been concluded and the proceeds of the sale distributed, the Association continues in existence with all powers it had notwithstanding any termination. Unless otherwise specified in a termination agreement, as long as the Association holds title to the real estate, each Owner and his or her successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted their Unit in accordance with the terms of this Declaration. During the period of that occupancy right, each Owner and his or her successors in interest remain liable for all Assessments and other obligations imposed on Owners by this Declaration.

14.6 Proceeds of Sale. The proceeds of any sale of real estate or assets of the Association shall be held by the Association as trustee for Owners and Lenders as their interests may appear. Proceeds of the sale shall be distributed to Owners and Lenders as their interests may appear, based on the relative value of each Unit. The interest of any Owner in such proceeds shall not be distributed to such Owner except upon the prior payment in full of any Assessment lien or lien of a Lender encumbering such proceeds. Following termination, Lenders holding notes on the Units that were recorded before termination may enforce those liens in the same manner as any lien holder. The value of each Unit for purposes of distributing proceeds shall be determined by an appraisal of each Unit, conducted by an independent appraiser selected by the Management Committee. If any Owner disputes the appraised amount, the Owner shall notify the Association of the dispute within ten (10) days of receiving notice of the value of that Owner's unit. Upon timely notice of a dispute, the Owner shall select an appraiser who shall jointly with the Association's appraiser select a third appraiser to appraise the Unit. That appraisal shall be final as to the value of the Unit, regardless of whether it is lower or higher than the original appraisal. The Owner shall pay for the final appraisal.

14.7 Allocation upon Termination or Sale. Unless provided otherwise herein, in a termination agreement, or in an approved contract for the sale of the Property, upon any liquidation or termination of all or part of the Condominium Complex, the Association shall represent the Owners in any proceedings, negotiations, settlements, or agreements related thereto. Each Owner hereby appoints the Association as attorney-in-fact for such purpose, including the allocation of any losses, awards, or proceeds resulting from such termination or liquidation. Any proceeds generated by such a termination or liquidation must be made payable to the Association, which shall hold such proceeds for the benefit of the Owners and their Lenders.

Article 15: Amendments

15.1 General Amendment Requirements. Except as otherwise provided herein, this Declaration may be amended by the affirmative approval of Owners holding Undivided Interests totaling sixty-seven percent (67%) of the total Undivided Interest. The approval required to amend the Declaration may be obtained by ballot, vote, or any other means allowed by law. The approval of any one Owner of a Unit is sufficient if there are multiple Owners of the Unit.

15.2 Scope of Amendments. This Declaration may be amended or restated in whole or in part to add new rights, restrictions, and obligations, or to remove, modify or replace existing rights, restrictions, and obligations. The right to amend shall be broadly construed to permit any change to the rights, restrictions, obligations, and other terms in the Declaration.

15.3 Execution and Effective Date of Amendments. An amendment that has been adopted as provided herein shall be executed by the Management Committee, through its agent, who shall certify that the amendment has been approved and adopted and that the procedures and requirements necessary to amend the Declaration have been complied with to the best of the Management Committee's knowledge. The amendment shall be effective when it is recorded in the office of the County Recorder of Salt Lake County, Utah.

15.4 Changes to Plat or Boundaries of the Complex. The Association may adopt an amended Plat, supplemental Plat, corrected Plat, or boundary agreement related to any Unit or Units upon the affirmative approval of Owners holding Undivided Interests totaling no less than sixty-seven percent (67%) of the total Undivided Interest and any Owner who owns any Unit in which the boundary is directly affected. Any Plat amendment, supplementation, or correction may make material changes to the existing or prior Plat including the addition or removal of amenities, increasing the size of Units, deleting, adding, or modifying Common Area or Limited Common Area, or other changes in the layout of the Condominium Complex. If the Plat amendment is solely to effectuate the approval of a Material Change to the Condominium Complex (that has been approved by the number of Owners required in this Declaration), no additional approval shall be required for the amendment of the Plat. If any such amendment affects any boundary of a Unit or Limited Common Area, that Unit Owner must consent. If the approval required herein, or as otherwise provided in this Declaration, is obtained, each and every Owner:

- (a) shall sign, consent to, and execute any further documents required for the finalization, recording, and/or governmental approval of any such document regardless of whether they approved of or consented to the change in the Plat; and
- (b) grants the Association power of attorney to sign necessary documents on that Owner's behalf as necessary for the agreement, amendment, or correction.

The Management Committee may, without the approval of the Owners, agree to any boundary agreement on any Common Area boundary of the Association.

15.5 Amendment to Conform to Law. The Management Committee may, without the approval of the Owners, amend this Declaration to conform the Declaration to any applicable legal requirements otherwise applicable to the Association, but only to the extent necessary to eliminate any conflict with the law, to add provisions required by law, or to add provisions that embody rights or obligations otherwise binding on the applicable parties as a matter of law. This procedure may also be used to change the Declaration to add or conform to any requirements necessary for Owners to obtain government insured or guaranteed financing such as through the Department of Veterans Affairs, the Department of Housing and Urban Development or FNMA, or similar programs or to comply with any directive of any federal, state, or local government agency. The following procedures and requirements must be complied with for any such amendment:

- (a) The Association must obtain from an attorney who has significant experience and a regular practice in the area of Community Association law and who may be the Association's current counsel, a written opinion explaining in detail and opining that the proposed amendment may be sought pursuant to this Section 15.5;
- (b) A majority of the members of the Management Committee must agree to the Amendment at the time it is recorded;
- (c) The Management Committee must provide to the Owners:
 - (1) the proposed amendment instrument;
 - (2) the language of this Section 15.5 of the Declaration;
 - (3) the law that conflicts with the existing Declaration language or the provisions that must be complied with to permit owners to obtain financing;
 - (4) the attorney opinion letter required for the amendment; and
 - (5) a notice in which the Association:
 - (i) notifies the Owner that it intends to amend the Declaration pursuant to this Section 15.5,

- (ii) provides the Owner a right to object to the amendment within thirty (30) days, and
- (iii) provides instructions on how, when, and where to properly make the objection.

The Management Committee may include further explanation, information, and recommendations regarding the proposed amendment in the information provided to the Owners;

- (d) Within forty-five (45) days after providing Owners the notice and information required by this Section 15.5, unless Owners holding more than thirty percent (30%) of the Undivided Interests have objected to the amendment in a written notice to the Association, the Management Committee is authorized to sign and record the amendment; and
- (e) Having otherwise complied with all of the requirements of this Section 15.5, the Management Committee Members shall each sign the amendment instrument verifying that this Section 15.5 has been complied with to the best of their knowledge and that Owners holding no more than thirty percent (30%) of the Undivided Interest have received the notice required in this Section 15.5. The amendment shall then be effective upon the recording of the instrument in the office of the County Recorder of Salt Lake County.

15.6 Consent of Two-Thirds Owners to Alter Undivided Interests. Notwithstanding anything to the contrary herein, the consent of sixty-seven percent (67%) of the Owners' Undivided Interest shall be required to alter any Undivided Interest.

Article 16:

Interpretation, Construction and Application of Declaration

- 16.1 No Waiver.** Failure by the Association or by any Owner to enforce any Term and Condition in any certain instance or on any particular occasion shall not be deemed a waiver of such right of enforcement as to that breach and any such future breach of the same or any other Term and Condition.
- 16.2 Conflicting Provisions.** In the case of any conflict between the Governing Documents, the order of priority from the highest to the lowest shall be the Declaration, the Articles, the Bylaws, and then the Rules. The Declaration shall take priority over the Plat.
- 16.3 Interpretation of Declaration and Applicability of the Act.** The Condominium Complex shall be governed by the Act, except where (in compliance with the Act) the Association has included specific provisions in this Declaration that legally vary, supersede, or supplement the Act, in which event such specific provisions of this Declaration that are contrary to the Act shall govern the Condominium Complex to the extent allowed by the Act. In the case of any conflict between this Declaration and the Act, to the extent the Act does not legally allow this Declaration to contain provisions contrary to the Act, the Act shall control, and this Declaration shall be deemed modified accordingly, but only to the extent necessary to come into compliance with the Act.
- 16.4 Cumulative Remedies.** All rights, options, and remedies of the Association and the Owners in the Governing Documents are cumulative, and none shall be exclusive of any other, and the Association and the Owners shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief that may be provided by law simultaneously, consecutively, or alternatively.
- 16.5 Severability.** Invalidation of any one or a portion of the Terms and Conditions by judgment or court order shall in no way affect any other Terms and Conditions, all of which shall remain in full force and effect.
- 16.6 Construction.** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a residential community and for the maintenance of the Condominium Complex. The article and section headings have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction. References

in this Declaration to article and section numbers, unless otherwise expressly provided, are to the article and section in this Declaration. To the extent permitted by law, the provisions of the Governing Documents shall not be interpreted for or against or strictly for or against the Association, any Owner, or any other Person subject to their terms.

16.7 Applicable Law. This Association is specifically made subject to the Act and the law as it is constituted and exists at the time this Declaration is recorded. Amendments to the Act after the date of recording of this Declaration shall not be applicable to the Association or the Condominium Complex unless they are applicable as a matter of law, this Declaration expressly states that such amendments shall be applicable, or the Association makes those amendments applicable by amendment to the Declaration.

16.8 Gender and Number. Whenever the context of the Governing Documents requires, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and the neuter, and vice versa.

16.9 Effect of Declaration. This amended Declaration and any subsequent amendments shall become effective on the date of their recording with the Salt Lake County, Utah, Recorder. This Declaration is made for the purposes set forth in the recitals in this Declaration, and the Association makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances, regulations and the like applicable thereto. The Association shall have no liability whatsoever if any Term and Condition is determined to be unenforceable in whole or in part for any reason.

16.10 Joint and Several Liability. To the fullest extent allowed by the Governing Documents and the law, the Occupants and Tenants of an Owner's Unit are bound and governed by the Association's Governing Documents to the same extent as the Owner and they can be held jointly and severally liable with the Owner for all assessments; for violations of the Governing Documents, including without limitation any resulting fines, penalties, attorney's fees, costs of suit, and loss of Common Area use privileges; and, for all other damages the Association is caused to incur because of the Owner, Occupant, or Tenant's violation of the Association's Governing Documents. An Occupant or Tenant's violation of the Association's Governing Documents may also subject the Owner to the loss of voting privileges. An Owner shall notify his Unit's Occupants and Tenants of his joint and several liability for any violation of the Governing Documents and Owner's use or rental agreement must contain a provision that notifies and obligates the Unit Owner's Occupants and Tenants accordingly.

Article 17: Notice

17.1 Notices. Any notice to be given to an Owner, a Lender, or the Association under the provisions of the Governing Documents shall be in writing and shall be delivered as follows:

(a) Notice to an Owner from the Association.

- (1)** Notice to an Owner shall be effective upon the satisfaction of any of the following delivery methods:
 - (i)** By a written notice delivered personally to the Owner, which shall be effective upon delivery.
 - (ii)** By a written notice placed in the first-class United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Association for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Owner's Unit. Unless otherwise provided by law, such as provided in Utah Code Ann. § 16-6a-

103(4), any notice so deposited in the mail shall be deemed effective five (5) days after such deposit.

(iii) By Electronic Transmission to an Owner which requires at least two of the following:

(A) An email that is sent to an email address provided by the Owner for the purpose of Association communications; or an email sent to an email address from which the Owner has communicated related to Association matters, and so long as no indication is received that the email may not have been delivered. Unless otherwise provided by law, any notice sent by email shall be deemed effective when received or five (5) days after it is sent, whichever occurs first;

(B) By facsimile (whether to a machine or to an electronic receiving unit) to an Owner that is sent to a facsimile number provided by the Owner for the purpose of Association communications and so long as no indication is received that the facsimile may not have been delivered. Unless otherwise provided by law, any notice sent by facsimile shall be deemed effective when received or five (5) days after it is sent, whichever occurs first; or

(C) By text message to a phone number provided by the Owner for the purpose of Association communications; or a phone number from which the Owner has communicated related to Association matters, and so long as no indication is received that the text message may not have been delivered. Unless otherwise provided by law, any notice sent by text message shall be deemed effective when received or five (5) days after it is sent, whichever occurs first.

(iv) By any other method that is fair and reasonable as provided in the Act or otherwise provided for by law.

(2) Notwithstanding subsection (1) of this Section 17.1(a), the Association shall send all notices by U.S. Mail if an Owner, in writing, demands that the Association send all notices by mail.

(3) In the case of co-Owners, notice to one of the co-Owners is effective as notice to all such co-Owners. The Association shall not be required to give more than one notice per Unit, whether electronic or not. In case any two (2) co-Owners send conflicting notice demands, notice shall be proper and effective if mailed by first-class mail to the Unit.

(4) In the case of posting a notice on the Unit, when permitted, such posting is effective when posted on the front or primary access door to the Unit and any such posting may be removed by the Association the sooner of either two (2) days after the event or action for which notice was given or ten (10) days after the posting.

(b) Special Notice Prior to Association Entry into a Unit.

(1) In the case of an emergency involving the potential loss of life, the Association's agent or representative may enter the Unit immediately and without any notice.

(2) In the case of any emergency involving immediate and substantial damage to the Common Areas or to another Unit, before entering a Unit the Association shall:

(i) knock on the door and attempt to obtain permission to enter from an Occupant or Owner in the Unit;

- (ii) if no one answers the knocking, loudly identify who is knocking and state that the Person identified is going to enter the Unit on behalf of the Association, then wait one minute; and
 - (iii) where practicable under the circumstances, attempt to call the Owner or any Occupant prior to entry to inform them of the entry.
- (3) If the Association enters a Unit for any purpose permitted in this Declaration other than those identified in the prior two paragraphs, before entering a Unit the Association shall:
 - (i) give notice to the Owner that an entry is required at least two (2) weeks in advance with such notice stating:
 - (A) that the Association or its authorized Persons will enter the Unit,
 - (B) the date and time of the entry,
 - (C) the purpose of entering the Unit,
 - (D) a statement that the Owner or Occupant can be present during the time the Association is in the Unit,
 - (E) the full names of any Person who will be entering into the Unit, and the phone numbers and addresses of the Persons entering the Unit or of the company for whom the Persons entering the Unit are employed for the purpose of entering the Unit, and
 - (F) any other information the Association deems appropriate to include; and
 - (ii) post the written notice described above on the front door to the Unit at least seven (7) days prior to entry into the Unit.
- (c) Notice to a Lender. Notice to a Lender shall be delivered by certified or registered mail to the most recent address furnished by such Lender in writing to the Association for the purpose of notice or, if no such address shall have been furnished, to any office of the Lender. Any address for a Lender that is found on a recorded document evidencing a security interest in a Unit shall be deemed an office of the Lender. Any notice so deposited in the mail shall be deemed effective when received, or five (5) days after such deposit.
- (d) Notice to Association from an Owner. An Owner's notice to the Association shall be effective upon the satisfaction of any of the following delivery methods:
 - (1) by a written notice delivered personally to the Manager, which shall be effective upon delivery;
 - (2) by a written notice placed in the first-class United States mail, postage prepaid, to the current registered business address of the Association. Any notice so deposited in the mail shall be deemed effective when received, or five (5) days after such deposit, whichever occurs first;
 - (3) by Electronic Transmission to the Association:
 - (i) that is sent to an e-mail address provided by the Association in the prior twelve (12) months for the purpose of Association communications, or
 - (ii) that is emailed to an e-mail address from which the Manager or the Chairperson of the Management Committee has communicated related to Association

matters, and so long as no indication is received that the e-mail may not have been delivered or received.

Any notice sent by e-mail shall be deemed effective when received, or five (5) days after it is sent, whichever occurs first; or

- (4) by facsimile (whether to a machine or to an electronic receiving unit) to the Association that is sent to a facsimile number provided by the Association for the purpose of Association communications and so long as no indication is received that the facsimile may not have been delivered or received. Any notice sent by facsimile shall be deemed effective when received, or five (5) days after it is sent, whichever occurs first.

Article 18: Attorney Fees and Costs

18.1 Legal Costs Associated with Disputes with Owners.

- (a) Right to Recovery in Lawsuit. In any lawsuit related to the Association or the enforcement of Governing Documents that occurs between an Owner and the Association or between any Owner and any other Owner, the prevailing party shall be entitled to recover all reasonable attorney fees and costs.
- (b) Owners Liable for Fees Incurred in Dispute. If an Owner has failed to comply with the Governing Documents and the Association utilizes legal counsel to enforce any of those provisions after notice to the Owner that it intends to enforce, or after the Owner communicates or demonstrates an intent not to comply with a provision of the Governing Documents, the Association may assess all reasonable attorney fees and costs associated with such enforcement to the Owner, regardless of whether a lawsuit is initiated or not.
- (c) Costs. The term “costs” as used in this section shall include all costs including copying costs, deposition costs, expert witness fees, investigative costs, service costs, and filing fees paid to courts. “Costs” is specifically defined in this Declaration to be broader and to include costs that are not included in costs, as the term is used in the Utah Rules of Civil Procedure.
- (d) Exception to Owner’s Liability for Fees and Costs. If, related to:
 - (1) any dispute with an Owner;
 - (2) any challenge by an Owner to a position of the Association on the interpretation of a provision of the Governing Documents; or
 - (3) a request of an Owner for direction on the application of a provision of the Governing Documents, the Association incurs legal fees or costs related to the interpretation and application of such provision that:
 - (i) the Association could not establish an initial position on without having incurred the fees and costs; or
 - (ii) results in a material modification to a prior position taken by the Association;

then those fees or costs incurred to establish the initial or revised position shall not be assessed to any Owner and instead shall be paid by the Association. This exception shall not apply if a lawsuit is currently pending in which the Owner is a party and the issues arise as part of the lawsuit.

Article 19: Reserves

19.1 Requirement for Reserves. The Association shall obtain a reserve analysis and maintain a reserve fund for the maintenance, repair, and replacement of the Common Area and Limited Common Area, in the amount determined by the Management Committee annually, pursuant to the following provisions:

- (a) Collection. Reserve funds may be collected as part of Annual or Special Assessments, as determined by the Management Committee.
- (b) Amount. In formulating the Association's yearly budget, the Association shall include a reserve fund line item in an amount the Management Committee determines, based on the reserve analysis, to be prudent. A reserve fund line item means the line item in the Association's annual budget that identifies the amount to be placed into the reserve fund.
- (c) Owner Veto. Within forty-five (45) days after the day on which the Association adopts the annual budget, the Owners may veto the reserve fund line item by a fifty-one percent (51%) vote of the Undivided Interests in the Association at a special meeting called by the Owners for the purpose of voting whether to veto a reserve fund line item. If the Owners veto a reserve fund line item and a reserve fund line item exists in a previously approved annual budget of the Association that was not vetoed, the Association shall fund the reserve account in accordance with that prior reserve fund line item.
- (d) Surplus Monies Applied to Reserves. The Association may retain surplus Association money as additional reserves rather than refund it to the Owners or credit it to future Assessments.
- (e) Segregation of Reserves. The Association shall segregate money held for reserves from regular operating and other accounts and shall keep all reserve funds in an account, or accounts, in the name of the Association. The Association may elect to prudently invest money held in the reserves fund in a low-risk investment or high-yield saving account. All investments must be approved by the Management Committee. Investments must be made with caution in order to ensure that all Reserve Funds are protected from loss of principal. Certificates of deposit are appropriate for a reasonable percentage of reserve funds, as determined by the Management Committee, with no more than a three (3) year maturity. Reserve funds are not to be placed in high-risk, high-reward investments. The remainder of the funds should be placed in liquid savings or money market accounts with a positive annual yield, net of any bank fees. The Management Committee may determine by resolution the maximum amount of reserves that may be invested. The Association may not commingle reserve funds with the funds of any other person.
- (f) Use of Reserves. The Management Committee may not use funds in the reserve fund for any purpose other than the purposes for which the reserve fund was established. Unit Owners may approve a new purpose by a vote of fifty-one percent (51%) of the total undivided interest.
- (g) Reserve Analysis. The Association shall cause a reserve analysis by a qualified agency with an onsite evaluation to be conducted no less frequently than every six (6) years. The Association shall review and, if necessary, update a previously conducted Reserve Analysis no less frequently than every three (3) years. The reserve analysis shall include, at a minimum:
 - (1) a list of the components identified in the reserve analysis that will reasonably require reserve funds;
 - (2) a statement of the probable remaining useful life, as of the date of the reserve analysis, of each component identified in the reserve analysis;
 - (3) an estimate of the cost to repair, replace, or restore each component identified in the reserve analysis;
 - (4) an estimate of the total annual contribution to a reserve fund necessary to meet the cost to repair, replace, or restore each component identified in the reserve analysis during the component's useful life and at the end of the component's useful life; and

- (5) a reserve funding plan that recommends how the Association may fund the annual contribution set forth in the reserve analysis.

The reserve analysis and updates shall project out a minimum of thirty (30) years into the future.

- (h) Qualifications for Person Preparing Reserve Analysis. The reserve analysis report shall be prepared by a Person who satisfies the law, who may be a Person or Persons with either the RS (Reserve Specialist) designation available through the Community Association Institute (CAI), the PRA (Professional Reserve Analyst) designation offered through the Association of Professional Reserve Analysts (APRA), or other designations by similar associations establishing that the Person has some formal training related to preparing a reserve analysis. The foregoing notwithstanding, if provided for in the Act, the Management Committee may conduct a level 1 or level 2 reserve analysis for the Association.
- (i) Disclosure and Approval at Annual Meeting. If required by law, annually, at a special meeting or at the annual meeting of Owners, the Association shall present the most recent reserve analysis and any updates to the reserve analysis and provide an opportunity for Owners to discuss reserves and to vote on how to fund the reserves and in what amount. The Association shall prepare and keep minutes of each meeting held under this Section 19.1(i) and indicate in the minutes any decision relating to funding a reserve fund.
- (j) Summary and Copies of Reserve Analysis. The Association shall annually provide Owners a summary of the most recent reserve analysis or update. The Association shall provide a copy of the complete reserve analysis or update to an Owner who requests a copy.

Article 20:

Leasing and Non-Owner Occupancy

20.1 Declaration and Rules Governing Non-Owner Occupancy. Notwithstanding anything to the contrary in this Declaration or in the Bylaws, any leasing and non-Owner occupancy of a Unit shall be governed by this Article 20 and by Rules and procedures adopted as allowed in this Article 20.

20.2 Definitions. For the purpose of this Article 20:

- (a) **“Non-Owner Occupied”** means:
- (1) For a Unit owned in whole or in part by an individual or individuals, the Unit is occupied by someone when no individual Owner occupies the Unit as the individual Owner’s primary residence; or
 - (2) For a Unit owned entirely by one or more entities or trusts, the Unit is occupied by anyone other than the person for whom the entity or trust was created or anyone other than the owners of the entity.
- (b) **“Family Member”** means the parent, sibling, or child of an Owner; or, if the Unit is owned by a trust or entity created for estate planning purposes, if the estate planning trust or entity was created for the estate of the person currently occupying the Unit, or the parent, child, or sibling of the current occupant of the Unit.
- (c) **“Non-Owner Occupant”** means the Person(s) occupying the Non-Owner-Occupied Unit.

20.3 Limitation on Non-Owner Occupancy. Subject to the provisions in this Article 20, the number of Units permitted to be Non-Owner Occupied within the Association at any one given time is limited to a maximum of ten percent (10%), or twenty-three (23) of the two hundred and thirty-two (232) Units in the Complex. So long as there are less than 23 total Non-Owner-Occupied Units within the Condominium Complex, any other Unit Owner may apply for approval for his/her/its Unit to become Non-Owner Occupied as long as such Non-Owner occupancy complies with the provisions of this Article 20 and other applicable provisions of the Declaration and Act. The 23 Unit maximum shall be

calculated by including any Units that are permitted to be Non-Owner Occupied pursuant to the exemptions in Section 20.4 and the grandfathering provision below.

Units that were Non-Owner Occupied before the date of the recording of this Declaration with the Salt Lake County Recorder, may continue to be Non-Owner Occupied until: an Owner of the Unit occupies the Unit; an officer, owner, member, trustee, beneficiary, director, or Person holding a similar position of ownership or control of an entity or trust that holds an ownership interest in the Unit, occupies the Unit; or the Unit is transferred. Upon either of these occurrences, the Unit's qualification for this exception irrevocably terminates.

For purposes of this Section, a Unit is transferred when one or more of the following occurs:

- (a) the conveyance, sale, or other transfer of a Unit by deed, as evidenced by the records at the Salt Lake County Recorder;
- (b) the granting of a life estate in the Unit; or if the Unit is owned by any type of a business entity, then the sale or transfer of more than seventy-five percent (75%) of the business entity's share, stock, membership interest or partnership interest occurs during a twelve-month period.

20.4 Units Exempt from the Limitation on Non-Owner-Occupied Units. The following Unit Owners and Units are exempt from the limitation on Non-Owner-Occupied Units in this Article 20:

- (a) A Unit Owner in the military for the period of the Unit Owner's deployment;
- (b) A Unit occupied by the Unit Owner's Family Member;
- (c) A Unit Owner whose employer has relocated the Unit Owner for a period of two (2) years or less;
- (d) A Unit owned by an entity that is occupied by an individual who:
 - (1) has voting rights under the entity's organizing documents; and
 - (2) has a twenty-five percent (25%) or greater share of ownership, control, and right to profits and losses of the entity; or
- (e) A Unit owned by a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for the estate of: a current resident of the Unit; or the parent, child, or sibling of the current resident of the Unit.

A written lease or rental agreement between the Owner and the Occupant is required.

20.5 Permitted Rules. The Management Committee may adopt Rules requiring:

- (a) Reporting and procedural requirements related to Non-Owner-Occupied Units and the Occupants of those Units including requiring informational forms to be filled out by Owners and/or residents identifying Non-Owner Occupants, the age of Non-Owner Occupants, vehicles, phone numbers, etc.;
- (b) Reasonable fees related to the administration of leased and Non-Owner-Occupied Units, to the extent otherwise allowed by law;
- (c) Limitations on notices and advertisements identifying the Unit as available to be leased; and
- (d) Other reasonable administrative provisions consistent with and as it deems appropriate to enforce the requirements of this Declaration.

20.6 Required Rules. The Management Committee shall adopt Rules, resolutions, or procedures to:

- (a) determine and track the number of Non-Owner-Occupied Units in the Condominium Complex, including those grandfathered under Section 20.5 and exempt under Section 20.4, and

- (b) ensure consistent administration and enforcement of the restrictions on Non-Owner-Occupied Units in this Declaration, including the maintenance of a "waiting list" once the 23 Non-Owner-Occupied Unit maximum is reached.

20.7 Requirements for Leasing and Non-Owner Occupancy. The Owners of all Units must comply with the following provisions:

- (a) If required in the Rules or requested by the Management Committee, a copy of any lease or other agreement for Non-Owner Occupancy shall be delivered to the Association within the time period provided for in the Rules or by the Management Committee.
- (b) No Owner shall be allowed to lease or rent the Owner's Unit unless and until the Unit has been occupied by the Owner for a period of at least six (6) months; however, if any of the exemptions identified in Section 20.4 apply to the Owner or Unit then the time period of such non-Owner occupancy under the Section 20.4 exemptions shall count towards satisfying the Unit Owner's six (6) months occupancy requirement.
- (c) Any lease or agreement for Non-Owner Occupancy must be in writing, must be for an initial term of at least twelve (12) months, and shall provide as a term of the agreement that the resident shall comply with the Association's Governing Documents, and that any failure to comply shall be a default under the lease or agreement. If a lease or agreement for non-Owner occupancy (whether in writing or not) does not include these provisions, they shall nonetheless be deemed to be part of the lease or agreement and binding on the Owner and the Non-Owner Occupant.
- (d) Short-Term Rentals are prohibited. Daily or weekly rentals are prohibited, and no Unit may be occupied by a Non-Owner or Owner for transient, short-term (less than 12 months) rentals or a hotel, resort, vacation, or seasonal use of any kind whether for pay or not. This prohibition includes Short-Term Rentals through Airbnb, VRBO, and similar websites and services. Except as a non-paying guest of an Owner, daily and weekly occupancy by a Non-Owner Occupant is prohibited.
- (e) No Owner may subdivide a Unit or lease individual rooms to separate Persons, or lease less than the Owner's entire Unit.
- (f) Any Owner who shall lease the Owner's Unit shall be responsible for assuring compliance by the Non-Owner Occupant(s) with the Governing Documents. Failure by an Owner to take legal action, including the institution of a forcible entry and unlawful detainer proceeding against the Owner's Non-Owner Occupant who is in violation of the Governing Documents within ten (10) days after receipt of written demand to do so from the Management Committee, shall entitle the Association to take any and all such action including the institution of proceedings in forcible entry and unlawful detainer on behalf of such Owner against his Non-Owner Occupant. Neither the Association, the Management Committee, nor any Manager shall be liable to the Owner or Non-Owner Occupant for any eviction under this Section that is made in good faith. Any expenses incurred by the Association related to an eviction, including attorney fees, service fees, storage fees, constable or sheriff fees, and costs of suit, shall be charged as an Assessment to such Owner.

20.8 Joint and Several Liability of Owner and Non-Owner Occupants. The Owner of a Unit shall be responsible for the Non-Owner Occupant's or any guest's compliance with the Governing Documents. The Owner and the Non-Owner Occupant, or similarly situated individual, shall be joint and severally liable for any violations of the Governing Documents. In addition to any other remedy for noncompliance with the Governing Documents, the Association shall have the right to initiate a forcible entry and unlawful detainer action, or similar such action, with the purpose of removing the Non-Owner Occupant. The Association, the Management Committee, the Manager, and any agent of the Association shall not have any liability for any action taken pursuant to this Section 20.8 and the Owner shall indemnify against all losses and liabilities and pay the defense costs of the Association (with the

Association's choice of counsel), the Management Committee, and the Manager arising from any claim related to any action taken in good faith by any of them pursuant to this Section 20.8.

Article 21: Rights of Lenders

- 21.1 Notice to Lender.** Each Lender may request to receive the notices provided in this Declaration by written request to the Management Committee which request shall set forth the name and address and Unit number for the Unit secured by its mortgage. Only those Lenders requesting notice pursuant to this Section 21.1 shall be entitled to receive the notices required in this Declaration. A Lender requesting notice pursuant to this Section 21.1 is referred to herein as an "Eligible Lender".
- 21.2 Books and Records.** A Lender shall have the right to examine the books and records of the Association. A Lender may also require that a copy of the annual financial statement of the Association be made available to it within one hundred twenty (120) days after the end of the Association's fiscal year.
- 21.3 Damage or Condemnation.** In the event of damage to or destruction of any Unit or any part of the Common Areas, which equals the current amount of the Association's Master Policy deductible, and provided written request has been made by the institutional holder of any first mortgage on a Unit for notice, the Association shall notify the Lender of any such damage or destruction which exceeds the current amount of the Association's Master Policy deductible. No Unit Owner or other party shall be entitled to priority over a Lender as to the distribution to such Unit of any insurance proceeds or condemnation award regardless of the amount of loss.
- 21.4 Notice of Default, Lapse, or Action.** Each Eligible Lender is entitled to written notification from the Management Committee of any default by the Owner of the Unit to which its mortgage pertains in the performance of any obligation under the Declaration which is not cured within sixty (60) days of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and of any proposed action which requires the consent of a specified percentage of Eligible Lenders.
- 21.5 Consent of Lenders.** Unless at least seventy-five percent (75%) of Eligible Lenders consent in writing or by operation of law, pursuant to the Act, neither the Management Committee nor the Association shall be entitled to do any of the following by either action or inaction:
- (a) Seek to abandon or terminate the Condominium Complex, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of condemnation or eminent domain;
 - (b) Make a material amendment to this Declaration which would change the Undivided Interest appurtenant to a Unit for the purposes of levying assessments or charges, the allocation or distribution of hazard insurance proceeds or condemnation awards, the Rate of Assessment, or the Undivided Interest of the Unit Owners in the Common Area;
 - (c) Seek to amend, partition, subdivide, encumber, sell, or transfer the Common Areas, but the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas shall not be deemed a transfer within the meaning of this Section 21.5(c); and
 - (d) Use hazard insurance proceeds for losses to any Condominium Complex property (whether to Units or to the Common Areas) for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or Common Areas.
- 21.6 Relationship with Assessment Liens.**
- (a) In accordance with Utah Code § 57-8-44, the lien provided for in Article 8 for the payment of Assessments shall be subordinate to:

- (1) a lien or encumbrance recorded before the Enabling Declaration was recorded;
 - (2) a first or second security interest on the Unit by Lender which was recorded prior to the recordation of any notice of lien by, or on behalf of, the Association; or
 - (3) a lien for real estate taxes or other governmental assessments or charges against the Unit.
- (b) If any Unit which is subject to a monetary lien created by this Declaration is also subject to the lien of a Lender, then:
- (1) the foreclosure of any lien created by this Declaration shall not operate to affect or impair the lien of such Lender with a superior lien, and
 - (2) the foreclosure of the lien of a Lender or the sale under a power of sale included in a mortgage or deed of trust shall not operate to affect or impair the lien hereof, except that any Person who obtains an interest thereafter shall take title free of any lien created by this Declaration for any Assessments which became due after the recordation of the mortgage or deed of trust, or any personal obligation for such charges, but such Person shall remain subject to the lien hereof for all charges that shall accrue subsequent to such foreclosure.
- (c) Without limiting the provisions of Section 21.6(b), any Lender who obtains title to a Unit by reason of any foreclosure, or any Person who obtains title at a private or judicial foreclosure sale, shall take title to such Unit free of any lien or claim for unpaid Assessments against such Unit which accrued prior to the time such Lender or purchaser takes title to such Unit, except for liens or claims for a share of such Assessments resulting from a pro rata reallocation of such Assessments to all Units within the Condominium Complex.
- (d) Nothing in this Section 21.6 shall be construed as releasing any Person from the personal obligation to pay for any Assessments levied pursuant to this Declaration during the period such Person is an Owner.

Article 22: General Provisions

- 22.1 Enforcement.** The Association or any Owner shall have the right to enforce, by proceedings at law or in equity, all Terms and Conditions including the right to prevent the violation of any such Terms and Conditions and the right to recover damages and other sums for such violation.
- 22.2 Non-liability of Officials.** To the fullest extent permitted by applicable law, neither the Management Committee, nor any of its members, nor any officer of the Association shall be liable to any Owner or the Association for any damage, loss, or prejudice suffered or claimed on account of any decision, approval or disapproval, course of action, act, omission, error or negligence.
- 22.3 Use of Funds Collected by the Association.** All funds collected by the Association, including Assessments and contributions to the Association paid by the Owners, if any, shall be held by the Association in a fiduciary capacity to be expended in their entirety for nonprofit purposes of the Association in managing, maintaining, caring for and preserving the Common Area and for other permitted purposes as set forth in this Declaration. No part of said funds shall inure to the benefit of any Owner (other than as a result of the Association managing, maintaining, caring for and preserving the Common Area and other than as a result of expenditures made for other permitted purposes as set forth in this Declaration).
- 22.4 Owner Liability and Indemnification.** Each Owner shall be liable to the remaining Owners and to the Association for any damage to the Common Area that may be sustained by reason of the negligent or intentional act of that Owner or that Owner's guest or Occupant, to the extent such losses and damages are either under the Deductible of the Association or not covered by the Association's insurance. Each Owner, by acceptance of a deed to a Unit, agrees personally to indemnify against all losses and

liabilities and to defend each and every other Owner and Occupant against any claim of any Person for personal injury or property damage occurring within the indemnifying Owner's Unit, including Limited Common Area, if any, except to the extent that:

- (a) such injury, damage, or claim is covered and defended by the Association's insurance; or
- (b) the injury or damage occurred by reason of the intentional act of the Association.

22.5 Consent, Power of Attorney, Waiver. By acceptance of a deed, lease, or other conveyance of an interest in a Unit, each Owner or Occupant consents to the rights reserved to the Association in this Declaration, including but not limited to, the right to prepare, execute, file, process, and record necessary and appropriate documents and other items to establish and grant easements and to make necessary and appropriate amendments of this Declaration, the Plat and the Bylaws. By such acceptance, each Owner or Occupant agrees to execute all documents and to do all other things as may be necessary or convenient to effect the same; and such acceptance shall be deemed an appointment of the Association, with full right of substitution, as the attorney-in-fact of such Owner or Occupant to execute such documents and to do such things on such Owner's or Occupant's behalf; and such appointment, being coupled with an interest, shall be irrevocable for the specific period of the Association's reserved rights as set forth in this Declaration and shall not be affected by the disability of any such Owner or Occupant.

22.6 Security. The Association shall in no way be considered an insurer, guarantor, or provider of security from criminal conduct within or relating to the Condominium Complex, including any Common Area that the Association may have an obligation to maintain. The Association shall not be held liable for any loss or damage by reason of criminal conduct arising for any reason including any failure to provide security or any ineffectiveness of security measures undertaken. Each and every Owner or Person entering the Condominium Complex acknowledges that the Association has no duty to any Owner, guest, or Occupant related to security or criminal conduct and expressly acknowledges that no duty is owed to anyone such as that of a landlord or retail business. By purchasing a Unit in this Condominium Complex and/or residing in this Condominium Complex, Owners and Occupants agree that the Association and the Management Committee are not insurers of the safety or well-being of Owners, guests, or Occupants or of their personal property as it relates to criminal conduct, and that each Owner, guest, or Occupant specifically waives any such claim and assumes all risks for loss or damage to Persons or property resulting from criminal conduct, to the extent any such damages are not covered by insurance.

22.7 Reasonable Accommodations. Notwithstanding anything to the contrary in this Declaration, the Association, upon receipt of a written opinion from its counsel that such action is required, may make or permit reasonable accommodations or modifications to the Condominium Complex that are otherwise prohibited by the Governing Documents, as required under Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act) as amended, to accommodate a Person with a handicap (as defined by Federal law at the time the accommodation is requested) or disability (as defined by state law at the time the accommodation is requested). Reasonable accommodations or modifications may include modifications to a Unit, the Common Area, the Limited Common Area, or the Building, or deviations from provision of the Governing Documents. Any such modification and accommodation made under this section shall not act as a waiver of the provisions of the Governing Documents with regard to anyone else.

22.8 No Representations and Warranties. Each Owner and/or Occupant understands, agrees, and acknowledges through taking title or entering or residing in the Condominium Complex, that the Association and the Management Committee have not made any representations or warranties of any kind related to the Condominium Complex and that each Owner or Occupant has not relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to the Condominium Complex.

SIGNATURE PAGE FOLLOWS

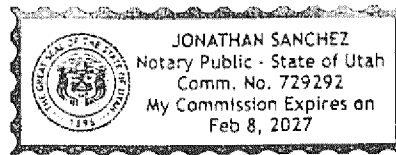
IN WITNESS WHEREOF, and execution of the same, the undersigned Committee Member of the Management Committee and/or duly authorized Officer of the Fairmeadows Condominium Homeowners Association hereby certifies that the vote required for this Declaration has occurred and the same was approved by Owners holding at least sixty-seven percent (67%) of the Undivided Interest of the Association and has not been opposed by the requisite number of first Lenders, and the Declaration is therefore and hereby adopted, including all exhibits hereto.

Dated this 16 day of AUGUST, 2024.

FAIRMEADOWS CONDOMINIUM HOMEOWNER'S
ASSOCIATION

By: Kathleen S. Tauber
Signature
KATHLEEN S. TAUBER
Printed
Its: CHAIRPERSON
Title

STATE OF UTAH)
) ss.
COUNTY OF UTAH)



The foregoing instrument was acknowledged before me this 16th day of August, 2024 by Kathleen S. Tauber, as a Member of the Management Committee for Fairmeadows HOA.

[Signature]
Notary Public

Percent of Ownership Interest

Exhibit A

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

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

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

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

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

Totals 272312.0 100.0000

SUMMARY BY TYPE

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

EXHIBIT B
PROPERTY DESCRIPTION BY CONSTRUCTION PHASE

BUILDING # 1	UNIT #	PARCEL #	BUILDING # 8	UNIT #	PARCEL #
PHASE III	1	22-20-380-002-0000	PHASE I	57	22-20-354-002-0000
COVENTRY	2	22-20-380-003-0000	4-PLEX	58	22-20-354-003-0000
	3	22-20-380-004-0000		59	22-20-354-004-0000
				60	22-20-354-005-0000
BUILDING # 2	UNIT #	PARCEL #	BUILDING # 9	UNIT #	PARCEL #
PHASE III	4	22-20-380-005-0000	PHASE I	61	22-20-354-006-0000
COVENTRY	5	22-20-380-006-0000	4-PLEX	62	22-20-354-007-0000
	6	22-20-380-007-0000		63	22-20-354-008-0000
	7	22-20-380-008-0000		64	22-20-354-009-0000
	8	22-20-380-009-0000			
	9	22-20-380-010-0000			
BUILDING # 3	UNIT #	PARCEL #	BUILDING # 10	UNIT #	PARCEL #
PHASE III	10	22-20-380-011-0000	PHASE I	65	22-20-354-010-0000
COVENTRY	11	22-20-380-012-0000	4-PLEX	66	22-20-354-011-0000
	12	22-20-380-013-0000		67	22-20-354-012-0000
				68	22-20-354-013-0000
BUILDING # 4	UNIT #	PARCEL #	BUILDING # 11	UNIT #	PARCEL #
PHASE VI	13	22-20-359-002-0000	PHASE I	69	22-20-354-014-0000
COVENTRY	14	22-20-359-003-0000	4-PLEX	70	22-20-354-015-0000
	15	22-20-359-004-0000		71	22-20-354-016-0000
				72	22-20-354-017-0000
BUILDING # 5	UNIT #	PARCEL #	BUILDING # 12	UNIT #	Parcel #
PHASE VI	16	22-20-359-005-0000	PHASE I	73	22-20-354-018-0000
COVENTRY	17	22-20-359-006-0000	4-PLEX	74	22-20-354-019-0000
	18	22-20-359-007-0000		75	22-20-354-020-0000
	19	22-20-359-008-0000		76	22-20-354-021-0000
BUILDING # 6	UNIT #	PARCEL #	BUILDING # 13	UNIT #	PARCEL #
PHASE VIII	20	22-20-361-002-0000	PHASE I	77	22-20-354-022-0000
COVENTRY	21	22-20-361-003-0000	4-PLEX	78	22-20-354-023-0000
	22	22-20-361-004-0000		79	22-20-354-024-0000
	23	22-20-361-005-0000		80	22-20-354-025-0000
BUILDING # 7	UNIT #	PARCEL #	BUILDING # 14	UNIT #	PARCEL #
PHASE VIII	24	22-20-361-006-0000	PHASE I	81	22-20-354-026-0000
COVENTRY	25	22-20-361-007-0000	4-PLEX	82	22-20-354-027-0000
	26	22-20-361-008-0000		83	22-20-354-028-0000
	27	22-20-361-009-0000		84	22-20-354-029-0000

EXHIBIT B
PROPERTY DESCRIPTION BY CONSTRUCTION PHASE

BUILDING # 15	UNIT #	PARCEL #	BUILDING # 21	UNIT #	PARCEL #
PHASE I	85	22-20-354-030-0000	PHASE VII	107	22-20-360-006-0000
4-PLEX	86	22-20-354-031-0000	COVENTRY	108	22-20-360-007-0000
	87	22-20-354-032-0000		109	22-20-360-008-0000
	88	22-20-354-033-0000		110	22-20-360-009-0000
				111	22-20-360-010-0000
BUILDING # 16	UNIT #	PARCEL #	BUILDING # 22	UNIT #	PARCEL #
PHASE III	28	22-20-380-014-0000	PHASE IX	112	22-20-362-002-0000
COVENTRY	29	22-20-380-015-0000	COVENTRY	113	22-20-362-003-0000
	30	22-20-380-016-0000		114	22-20-362-004-0000
	31	22-20-380-017-0000		115	22-20-362-005-0000
BUILDING # 17	UNIT #	PARCEL #	BUILDING # 23	UNIT #	PARCEL #
PHASE III	32	22-20-380-018-0000	PHASE IX	116	22-20-362-006-0000
COVENTRY	33	22-20-380-019-0000	COVENTRY	117	22-20-362-007-0000
	34	22-20-380-020-0000		118	22-20-362-008-0000
	35	22-20-380-021-0000		119	22-20-362-009-0000
	36	22-20-380-022-0000		120	22-20-362-010-0000
	37	22-20-380-023-0000			
BUILDING # 18	UNIT #	PARCEL #	BUILDING # 24	UNIT #	PARCEL #
PHASE IV	94	22-20-381-002-0000	PHASE I	121	22-20-354-034-0000
COVENTRY	95	22-20-381-003-0000	4-PLEX	122	22-20-354-035-0000
	96	22-20-381-004-0000		123	22-20-354-036-0000
	97	22-20-381-005-0000		124	22-20-354-037-0000
BUILDING # 19	UNIT #	PARCEL #	BUILDING #25	UNIT #	PARCEL #
PHASE V	98	22-20-382-002-0000	PHASE I	125	22-20-354-038-0000
COVENTRY	99	22-20-382-003-0000	4-PLEX	126	22-20-354-039-0000
	100	22-20-382-004-0000		127	22-20-354-040-0000
	101	22-20-382-005-0000		128	22-20-354-041-0000
	102	22-20-382-006-0000			
BUILDING # 20	UNIT #	PARCEL #	BUILDING # 26	UNIT #	PARCEL #
PHASE VII	103	22-20-360-002-0000	PHASE I	129	22-20-354-042-0000
COVENTRY	104	22-20-360-003-0000	4-PLEX	130	22-20-354-043-0000
	105	22-20-360-004-0000		131	22-20-354-044-0000
	106	22-20-360-005-0000		132	22-20-354-045-0000

EXHIBIT B
PROPERTY DESCRIPTION BY CONSTRUCTION PHASE

BUILDING #27	UNIT #	PARCEL #	BUILDING # 33	UNIT #	PARCEL #
PHASE I	133	22-20-354-046-0000	PHASE I	161	22-20-354-074-0000
4-PLEX	134	22-20-354-047-0000	8-PLEX	162	22-20-354-075-0000
	135	22-20-354-048-0000		163	22-20-354-076-0000
	136	22-20-354-049-0000		164	22-20-354-077-0000
				165	22-20-354-078-0000
				166	22-20-354-079-0000
				167	22-20-354-080-0000
				168	22-20-354-081-0000
BUILDING # 28	UNIT #	PARCEL #			
PHASE I	137	22-20-354-050-0000			
4-PLEX	138	22-20-354-051-0000			
	139	22-20-354-052-0000			
	140	22-20-354-053-0000			
BUILDING # 29	UNIT #	PARCEL #	BUILDING # 34	UNIT #	PARCEL #
PHASE I	141	22-20-354-054-0000	PHASE I	169	22-20-354-082-0000
4-PLEX	142	22-20-354-055-0000	8-PLEX	170	22-20-354-083-0000
	142	22-20-354-056-0000		171	22-20-354-084-0000
	144	22-20-354-057-0000		172	22-20-354-085-0000
				173	22-20-354-086-0000
				174	22-20-354-087-0000
				175	22-20-354-088-0000
				176	22-20-354-089-0000
BUILDING # 30	UNIT #	PARCEL #			
PHASE I	145	22-20-354-058-0000			
4-PLEX	146	22-20-354-059-0000			
	147	22-20-354-060-0000			
	148	22-20-354-061-0000			
BUILDING # 31	UNIT #	PARCEL #	BUILDING # 35	UNIT #	PARCEL #
PHASE I	149	22-20-354-062-0000	PHASE I	177	22-20-354-090-0000
4-PLEX	150	22-20-354-063-0000	8-PLEX	178	22-20-354-091-0000
	151	22-20-354-064-0000		179	22-20-354-092-0000
	152	22-20-354-065-0000		180	22-20-354-093-0000
				181	22-20-354-094-0000
				182	22-20-354-095-0000
				183	22-20-354-096-0000
				184	22-20-354-097-0000
BUILDING # 32	UNIT #	PARCEL #	BUILDING # 36	UNIT #	PARCEL #
PHASE I	153	22-20-354-066-0000	PHASE I	185	22-20-354-098-0000
8-PLEX	154	22-20-354-067-0000	8-PLEX	186	22-20-354-099-0000
	155	22-20-354-068-0000		187	22-20-354-100-0000
	156	22-20-354-069-0000		188	22-20-354-101-0000
	157	22-20-354-070-0000		189	22-20-354-102-0000
	158	22-20-354-071-0000		190	22-20-354-103-0000
	159	22-20-354-072-0000		191	22-20-354-104-0000
	160	22-20-354-073-0000		192	22-20-354-105-0000

EXHIBIT B
PROPERTY DESCRIPTION BY CONSTRUCTION PHASE

BUILDING #37	UNIT #	PARCEL #	BUILDING # 41	UNIT #	PARCEL #
PHASE II	193	22-20-353-002-0000	PHASE II	225	22-20-353-034-0000
8-PLEX	194	22-20-353-003-0000	8-PLEX	226	22-20-353-035-0000
	195	22-20-353-004-0000		227	22-20-353-036-0000
	196	22-20-353-005-0000		228	22-20-353-037-0000
	197	22-20-353-006-0000		229	22-20-353-038-0000
	198	22-20-353-007-0000		230	22-20-353-039-0000
	199	22-20-353-008-0000		231	22-20-353-040-0000
	200	22-20-353-009-0000		232	22-20-353-041-0000

BUILDING # 38	UNIT #	PARCEL #	BUILDING # 42	UNIT #	PARCEL #
PHASE II	201	22-20-353-010-0000	PHASE 1	233	22-20-354-106-0000
8-PLEX	202	22-20-353-011-0000	8-PLEX	234	22-20-354-107-0000
	203	22-20-353-012-0000		235	22-20-354-108-0000
	204	22-20-353-013-0000		236	22-20-354-109-0000
	205	22-20-353-014-0000		237	22-20-354-110-0000
	206	22-20-353-015-0000		238	22-20-354-111-0000
	207	22-20-353-016-0000		239	22-20-354-112-0000
	208	22-20-353-017-0000		240	22-20-354-113-0000

BUILDING # 39	UNIT #	PARCEL #	BUILDING # 43	UNIT #	PARCEL #
PHASE II	209	22-20-353-018-0000	PHASE II	241	22-20-353-042-0000
8-PLEX	210	22-20-353-019-0000	8-PLEX	242	22-20-353-043-0000
	211	22-20-353-020-0000		243	22-20-353-044-0000
	212	22-20-353-021-0000		244	22-20-353-045-0000
	213	22-20-353-022-0000		245	22-20-353-046-0000
	214	22-20-353-023-0000		246	22-20-353-047-0000
	215	22-20-353-024-0000		247	22-20-353-048-0000
	216	22-20-353-025-0000		248	22-20-353-049-0000

BUILDING # 40	UNIT #	PARCEL #	BUILDING # 44	UNIT #	PARCEL #
PHASE II	217	22-20-353-026-0000	PHASE II	249	22-20-353-050-0000
8-PLEX	218	22-20-353-027-0000	8-PLEX	250	22-20-353-051-0000
	219	22-20-353-028-0000		251	22-20-353-052-0000
	220	22-20-353-029-0000		252	22-20-353-053-0000
	221	22-20-353-030-0000		253	22-20-353-054-0000
	222	22-20-353-031-0000		254	22-20-353-055-0000
	223	22-20-353-032-0000		255	22-20-353-056-0000
	224	22-20-353-033-0000		256	22-20-353-057-0000

BYLAWS

Exhibit C

Fairmeadows Homeowners Association, Inc

A Utah Nonprofit Association
Approved by the Management Committee

Introduction

Fairmeadows Homeowners Association, Inc., is a Utah nonprofit corporation in good standing, established, as required, pursuant to the Utah Revised Nonprofit Corporation Act, UCA 16-6A, *et. seq.* To make this set of Bylaws read consistent with Fairmeadows Homeowners Association's Amended and Restated Covenants, Conditions, and Restrictions (its "Declaration") and its historical nomenclature, the term

Association is used in place of Corporation,
Management Committee or Committee in place of Board of Directors,
Members in place of Directors and Trustees
Chairperson in place of President
Vice Chairperson in place of Vice President
Owner(s) in place of Shareholder(s).

These titles and terms are intended to have the same definition as those given them in the Declaration. Any discrepancy found between these Bylaws and the Declaration shall be resolved in favor of the Declaration.

All Unit Owners (Owners) belong to the Association and along with their respective Units, own an undivided interest in the Association's Common Areas. Owners and all mortgagees, lessees and occupants of their Units and their employees and invitees, and any other persons who may use the facilities owned by the Association in any manner, are subject to the terms of and shall abide by the Declaration, Articles of Incorporation, these Bylaws, and all rules and regulations made pursuant thereto and any amendment thereof (the Governing Documents). The acceptance of a deed of conveyance or the entering of a permitted lease or the act of occupancy of a Unit shall constitute an agreement that the provisions of the Governing Documents, as they may be amended from time to time, are accepted, ratified, agreed to and will be complied with.

Article 1 Association Offices

- 1.1 **Business Office.** The principal office of the Fairmeadows Homeowner's Association, Inc. (the Association) is presently located at 6880 South 775 East, Midvale, Utah 84047 but may be situated at such other place within the State of Utah as designated from time to time by the Management Committee.
- 1.2 **Registered Office.** The registered office of the Association is presently located at 3783 South 500 West, Suite 8, Salt Lake City, UT 84103 and may also be situated at such other place within the State of Utah as designated from time to time by the Management Committee.
- 1.3 **Contact Information.** Current Contact information for the Association and its Management Committee is available online at the Homeowner Associations Registry maintained on the Utah Department of Commerce Website.

Article 2 Owners

- 2.1 **Annual Meeting of the Owners.** An annual meeting of Owners shall be held each year. The annual meeting will be held during the first fifteen (15) days of February of each year, or at such other date and time determined by the Management Committee duly noticed to the Owners. At the meeting, Members shall be elected, and any other proper business may be transacted. If the election of Members is not held on the day designated herein for the annual meeting of the Owners, or at any adjournment thereof, the Management Committee shall cause the election to be held at a special meeting of the Owners as soon

thereafter as may be convenient. At or prior to the annual meeting, the Management Committee shall furnish to the Owners:

- a. the annual operating budget for the coming fiscal year that shall itemize the estimated Common Area Maintenance and Service Assessments for the coming fiscal year with the Owners' estimated proportionate share thereof, and
- b. a statement of the Common Area Maintenance and Service Assessments itemizing receipts and disbursements for the previous and current fiscal year. Within ten (10) days after the annual meeting, the budget statement shall be posted to the Association's website and delivered to the Owners who were not present at the annual meeting but who requested in writing a copy of the budget statement prior to the annual meeting.

- 2.2 **Special Meeting of Owners.** Special meetings of the Owners may be called at any time by the Chairperson or by the Management Committee. Special meetings of the Owners may also be called by written notice signed by not less than thirty-five (35) Owners stating the issues proposed to be considered at the proposed special meeting and/or the purpose for which said special meeting is to be held, dated and delivered to the Association's secretary and all Owners not less than fifteen (15) days prior to the date fixed for said special meeting. No business shall be transacted at a Special Meeting except as stated in the notice.
- 2.3 **Place of Meetings.** Meetings of the Association shall be held at the principal office of the Condominium Complex or at such other suitable place as may be designated by the Management Committee.
- 2.4 **Notice of Meetings.** Except as otherwise provided herein, written, printed, or electronic notice stating the place, date and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than twenty (20) nor more than forty (40) days before the date of the meeting, either personally or by regular U.S. mail, postage pre-paid, if the Owner has requested the same in writing which states the mailing address to be used, or electronically at the electronic address on record with the Association; all under the direction of the Chairperson, the Secretary or the officer or persons calling the meeting. Notice shall be delivered to each Owner of record entitled to vote at such meeting or to any other Owner entitled by the Utah Nonprofit Association and Condominium Association Act or Governing Documents to receive notice of the meeting. Notice shall be deemed to be effective at the earlier of: when deposited in the U.S. mail as shown by the postmarked affixed, plus three (3) days; when received; or the date of the electronic delivery affixed to the transmission.
- 2.5 **Owners Quorum for Meeting.** The presence in person or by proxy at any meeting of at least thirty-five (35) of the Owners qualified to vote in response to notice of all Owners of record properly given, as provided above, shall constitute a quorum. If at least thirty-five (35) of all qualified Owners are not present in person or by proxy, a second meeting shall be called, at which time it shall reconvene, and any number of Owners present at such subsequent meeting will constitute a quorum.
- 2.6 **Conduct of Meeting.** The Management Committee shall preside over all meetings of the Association and the Association Chairperson or other person delegated by the Management Committee shall conduct the meetings. The Association's Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and the business conducted at the meetings.
- 2.7 **Order of Business.** The order of business at all meetings of the Association shall be as follows:
 - a. Annual Meeting: Determination that a quorum is present (see Section 2.5); proof of notice of meeting; approval of minutes of preceding meeting; reports by Officers and Manager; report(s)

by subcommittee(s), if applicable; selection of inspectors of election, if applicable; election of Management Committee Members, if applicable; unfinished business; and new business.

- b. Special Meeting: Determination that quorum is present; proof of notice of meeting; report(s) by subcommittee(s), if applicable; and/or purpose for which the meeting is called.

2.8 **Adjournment of Meeting.** If any Owners' meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, and place, if the new date, time, and place is announced at the meeting before adjournment and if the meeting is to take place within 30 days.

- 2.9 **Waiver of Notice /Objection of Meeting.** An Owner may waive notice of the meeting (or any notice required by the Act, or Governing Documents) by a writing signed by the Owner entitled to the notice, which is delivered to the Association (either before or after the date and time stated in the notice) for inclusion in the minutes or filing with the Association records. An Owner's attendance at a meeting:
- a. waives objection to lack of notice or defective notice of the meeting, unless the Owner at the beginning of the meeting objects to holding the meeting or the transaction of any business at the meeting for lack of notice; and
 - b. waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Owner objects to considering the matter when it is presented.

2.10 **Special Requirements for Notice of Meeting.** If a purpose of any Owner meeting is to consider:

- a. a proposed amendment to the Declaration;
- b. the sale, lease, exchange or other disposition of all, or substantially all, of the Association's property;
- c. the dissolution of the Association; or
- d. the removal of a Committee member,

the notice must so state and be accompanied by respectively a copy or summary of the:

- a. the proposed amendments to the Declaration; and/or
- b. a description of the transaction for disposition of all, or substantially all, of the Association's property;

depending on the purpose for which the meeting is called and noticed.

2.11 **Fixing of Record Date of Meeting.** To Owners entitled to notice of or to vote at any meeting of Owners, or Owners, entitled to take action without a meeting, or in order to make a determination of Owners for any other proper purpose, the Management Committee may fix in advance a date as the record date. Such record date shall not be more than 70 days prior to the date on which the particular action, requiring such determination of Owners, is to be taken. If no record date is so fixed by the Committee, the record date for determination of such Owners shall be at the close of business:

- a. with respect to an annual Owners' meeting or any special Owners' meeting called by the Committee or any person specifically authorized by the Committee or these Bylaws to call a meeting, the day before the first notice is delivered to Owners;
- b. with respect to a special Owners' meeting demanded by the Owners, the date the first Owner signs the demand; and

- c. with respect to actions taken in writing without a meeting (pursuant to Article 2, Section 2.15), the date the first Owner delivers to the Association a writing upon which the action is to be taken.

When a determination of Owners entitled to vote at any meeting of Owners has been made as provided in this section, such determination shall apply to any adjournment thereof unless the Management Committee fixes a new record date which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

- 2.12 **Voting List.** The Management Committee shall prepare a list of the names of all the Owners who are entitled to be given notice of the meeting. The list must show the address of each Owner. The Owners' list must be available for inspection by any Owner, beginning on the earlier of ten (10) days before the meeting for which the list was prepared or two business days after notice of the meeting is given and continuing throughout the meeting and any meeting adjournments, at the Association's principal office. An Owner or Owner's agent or attorney is entitled on written demand to the Association and, subject to requirement of any other section of these Bylaws or by any applicable sections of the Utah Nonprofit Association and Condominium Association Acts to inspect and copy the list, during regular business hours and during the period it is available for inspection. The Association shall make the Owners' list available at the meeting, and any Owner, or any Owners' agent or attorney, is entitled to inspect the list at any time during the meeting or any adjournment, for any purposes germane to the meeting. If the reason an Owner is not on the Voting List is because of non-payment of any assessment(s) by the Owner, said Owner will be allowed to vote if the Owner becomes current in the Owner's outstanding assessment obligations at any time prior to the meeting.

- 2.13 **Voting.** The following shall apply with regard to voting:

- a. Unit Representation. If a Unit is owned by more than one Owner, the Owner present at the meeting may cast the vote attributed to that Unit on behalf of all of that Unit's Owners. If more than one of that Unit's Owners are present, the vote appertaining to that Unit shall be cast by majority vote of those Owners present, or by agreement between them if only two are present. The vote of the majority or agreement of those Owners present shall be conclusive.
- b. Percent Interest. The following applies to all matters requiring a specific vote by Percent Interest as spelled out in the Articles of Incorporation, the Declaration, or these Bylaws: The total number of votes in the Association shall be one hundred (100), and each Unit shall be entitled to the number of votes (or portion of one vote) proportionate to the Percent Interest assigned to such Unit in the Declaration.
- c. Simple Majority Vote. Only a simple majority vote of Owners present at a meeting is required for any other matter addressed at the annual or special meeting not requiring a minimum percentage vote to pass.
- d. Proxies. At all meetings of Owners, an Owner may vote in person, by mail-in ballot if permitted, or by proxy provided the proxy is executed in writing by the Owner, or by his duly authorized attorney-in-fact. Such absentee ballot or proxy shall be filed with the secretary of the Association or other person authorized to tabulate votes before or at the time of the meeting. No proxy shall be valid after three (3) months from the date of its execution unless otherwise provided in the proxy.
- e. Ballot Voting. Any action that may be taken at any annual or special meeting of the Owners may be taken without a meeting provided the Association causes to be delivered a written ballot to every Owner entitled to vote on the matter at least 30 days prior to the date on which the

ballots must be received by the Association in order to be counted. The notice and ballot must set forth each proposed action to be voted upon, the required voting percentage for approval and the ballot must provide a way to vote for or against the proposed action. Approval by written ballot is valid only when the number of votes cast by ballot equals or exceeds the applicable quorum and voting percentage requirements. Ballot vote notices must also specify the time by which a ballot must be received to be counted and a description of the action to be voted upon sufficient for the Owner to make an informed decision regarding the proposed action. Actions approved by ballot voting shall have the same effect as such actions approved and taken at any meeting. The Management Committee may also elect to conduct the ballot vote using a procedure reasonably calculated to protect the privacy and validity of the vote.

- f. Eligibility. An Owner or Owner proxy shall be deemed to be in “good standing” and “entitled to vote” at any annual or special meeting of the Association, or to submit a ballot vote or mail-in ballot, as the case may be, if the Owner is current and fully paid on all assessments and fines made or levied against the Owner or the Owner’s Unit or tenant by the Management Committee, together with all interest, costs, attorney’s fees, penalties and other expenses due, at least 3 business days prior to the date set for such annual or special meeting or the deadline for the ballot vote.
- 2.14 **Association's Acceptance of Votes.** If the name signed on a vote or proxy appointment corresponds to the name of an Owner, the Association, if acting in good faith, is entitled to accept the vote or proxy appointment and give it effect as the act of the Owner. The Association is entitled to reject a vote or proxy appointment if the secretary or other Officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Owner. The Association and its Officer or agent who accepts or rejects a vote or proxy appointment in good faith and in accordance with the standards of this section are not liable in damages to the Owner for the consequences of the acceptance or rejection. The Association’s action based on the acceptance or rejection of a vote or proxy appointment under this section is valid unless a court of competent jurisdiction determines otherwise.
- 2.15 **Owner Action Without a Meeting.** Any action which may be taken at any annual or special meetings of the Owners may be taken without a meeting and without prior notice, if one or more consents in writing, setting forth the actions so taken, shall be signed by the number of Owners that will be necessary to constitute a Quorum and authorize or take the action in a meeting at which all Owners entitled to vote thereon were present and voted. Unless the written consents of all of the Owners entitled to vote have been obtained, notice of any Owner approval without a meeting shall be given at least ten days before the consummation of the action authorized by the approval to: those Owners entitled to vote who have not consented in writings; and those Owners not entitled to vote and to whom the Utah Nonprofit Association and Condominium Association Act requires a notice of the above action be given. The notice must contain or be accompanied by the same material that would have been required to be sent in a notice of a meeting at which the proposed action would have been submitted to the Owners for action.
- 2.16 **Owner's Right to Inspect Association Records.** The Association shall keep the records of its Meetings, actions taken and finances it is required to keep by applicable law. If an Owner gives the Association written notice of his or her demand pursuant to applicable law, the Owner or his or her authorized attorney or agent has the right to inspect and copy, during regular business hours, any of the following records, all of which the Association is required to keep at its principal office:
- a. the Articles or restated Articles of Incorporation and all amendments to them currently in effect;
 - b. the Bylaws or restated Bylaws and all amendments to them currently in effect;

- c. the minutes of all Owners' meetings, and records of all action taken by Owners without a meeting, for the past three years;
- d. all written communications to Owners generally within the past three years, including the financial statements furnished for the past three years to the Owners;
- e. a list of the names and addresses of its current Committee Members and Officers; and,
- f. the most recent annual report delivered to the Secretary of State.

If an Owner gives the Association a written demand made in good faith and for a proper purpose at least five business days before the date on which he or she wishes to inspect and copy the below described records; and if the Owner describes with reasonable particularity his or her purpose and the records the Owner desires to inspect; and the records are directly connected with his or her purposes; the Owner (or his agent or attorney) is entitled to inspect and copy, during regular business hours and at a reasonable location specified by the Association, any of the following records of the Association:

- a. excerpts from minutes of any meeting of the Management Committee, records of any action of a subcommittee of the Management Committee on behalf of the Association, minutes of any meeting of the Owners, and records of action taken by the Owners or Management Committee without a meeting, to the extent not subject to inspection hereunder;
- b. accounting records of the Association; and
- c. the record of Owners.

The right to copy records includes, if reasonable, the right to receive copies made by photographic, xerographic, or other electronic means. The Association may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the Owner. The charge may not exceed the estimated cost of production or reproduction of the records.

- 2.17 **Financial Statements.** The budget statement from the most recent annual meeting and any quarterly or annual financial statements of the Association made during the year shall be maintained on the Association's website.

Article 3 Management Committee

- 3.1 **General Powers.** Management Committee authority shall be exercised by or under the authority of, and the business and affairs of the Association managed under the direction of, the Management Committee, subject to any limitation set forth in the Articles of Incorporation. The Management Committee shall have all the powers, duties, and responsibilities as are or may hereafter be provided by the Utah Nonprofit Association and Cooperative Association Act (the Act), the Articles of Incorporation, the Declaration, and these Bylaws. Among other things and in discharge of these general powers, without limiting the generality of the foregoing, the Committee shall have authority, as follows:

- a. Rules and Regulations. To adopt and amend from time to time, by affirmative vote of a majority of the Members of the Committee, appropriate Rules and Regulations governing the occupancy, use, maintenance, and operation of all Units, Common Areas and facilities comprising the Association for any reasonable purpose, and to make such other rules as permitted by the Articles of Incorporation and these Bylaws including, without limitation, provision and restrictions upon pets, charges and interest to be collected on delinquent assessment accounts and to enforce such rules by action authorized by the Articles of Incorporation, these Bylaws and Utah law. With the adoption of Rules and Regulations by the Committee, all Owners and

future Owners of the Association shall be bound by said Rules and Regulations. The Rules and Regulations promulgated by the Committee shall also be binding upon all lessees and future lessees of the Owners. The Committee shall have all authority and rights to initiate legal action or otherwise enforce the Rules and Regulations.

- b. Insurance. The Committee shall have authority to enter insurance contract(s) or policy(ies) to protect the Association and the Owners so far as their interest in the Common Areas of the Association are concerned against loss by fire or any other insurable hazard and shall have the power to fix the amount of such insurance. The Committee shall have the power to secure all necessary insurance covering public liability risks and other risks and to set the amount of said policies. In the event of any loss covered by insurance secured by the Association, the Committee shall make claim for such loss and shall take all legal steps to enforce payment for such loss from the insurance company(ies). It shall have the power to determine damage and make necessary adjustments as required by the situation. However, any appraisal of damage or adjustment concerning loss shall not prejudice the rights of individual Owners as to any loss suffered by such individual Owner.
- c. Assessments. Establishing and implementing a notification procedure and a system for the assessment of fines for violations of the requirements set forth in the Declaration and Rules and Regulations.
- d. Manager. The Committee shall engage the services of a manager or managing company. The Committee shall employ a professional Manager at a compensation established by the Committee, to perform such services as the Committee shall authorize. The term of any contract for a manager shall not exceed one (1) year and any such contract shall provide that such agreement may be terminated by either party without cause or a termination fee upon thirty (30) days written notice. The Manager's contract for the following year should be executed prior to the annual meeting. The Committee shall also engage accountants, consultants, attorneys, or other employees or agents and to pay to said persons a reasonable compensation therefor.
- e. Management. To operate, maintain, repair, improve and replace the Common Areas and facilities, to determine and pay the common expenses, to prepare an annual operating budget, and to assess and collect the proportionate share of common expenses from the Owners.
- f. Paying for Services. Paying the cost of all services rendered to the Complex and not billed to Owners of individual Units;
- g. Contracts. To enter contracts, deeds, leases, or other written instruments or documents and to authorize the execution and delivery thereof by the Management Committee.
- h. Bank Account. To open bank accounts on behalf of the Association and to designate the signatures therefore.
- i. Records and Books. 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.

- j. Attorney-in-Fact Actions. To purchase, hold, sell, convey, mortgage, or lease any one or more Units in the name of the Association or its designee. See Section C.2.f. of the CC&Rs for more information on this subject.
 - k. Fidelity Bonds. The Committee shall require that all Officers, agents (including the Manager and his employees) and employees of the Association handling or responsible for funds be adequately covered by fidelity bonds providing fidelity insurance coverage as required by the CC&R's. The expense of such fidelity bonds shall be a common expense.
 - l. Legal Actions. Enforcing by legal means the provisions of the Declaration, including these Bylaws, and the Rules and Regulations adopted by the Committee and implementing any proceedings which may be instituted on behalf of the Owners;
 - m. Borrowing Funds. To borrow funds and enter promissory notes and to approve and sign checks and issue payment vouchers.
 - n. Sale of Common Area. To sell portions of the Common Areas and facilities, and to create exclusive rights for Owners in certain Limited Common Areas.
 - o. Other Acts. To do all other acts incident to the discharge of the duties imposed on the Committee under the Articles of Incorporation, these Bylaws and the Act and necessary for the operation and maintenance of the Association and its property, including the maintenance and repair of any Unit if the same is necessary to protect or preserve the Association's property or another Owner's property; provided, however, that the Committee shall operate no other business for profit.
- 3.2 **Number of Committee Members and Qualification.** The Management Committee shall consist of five (5) Committee Members, each of whom shall be an Owner in good standing, current on all assessments, and with no outstanding or unremedied penalties or violations of these Bylaws or any of the Governing Documents of the Association.
- 3.3 **Member Election and Term of Office.** Management Committee Members shall, as necessary, be elected at each annual meeting of Owners to hold office for a period of three (3) years until the annual meeting in the third year of each respective Member's term of service. The Members shall be so elected that the terms of three of the Members will expire in the odd years and the remainder in the even years. However, Members shall hold office until their successors have been qualified and elected. The Members are elected by a vote of the Owners (not by percent interest) who are present and qualified to vote in person or by proxy.
- 3.4 **Regular Meetings of the Committee.** The Management Committee may provide by resolution any reasonable date, time and place within the State of Utah, for the holding of regular meetings without notice other than such resolution.
- 3.5 **Special Meetings of the Committee.** Special meetings of the Management Committee for any purpose may be called at any time by or at the request of the Chairperson of the Committee or any two

(2) **Members.** The person or persons authorized to call special meetings of the Management Committee may fix any reasonable date, time and place within the Salt Lake County, State of Utah, as the place for holding any special meeting of the Management Committee.

- 3.6 **Notice of Meeting.** Notice of the date, time and place of any special meeting shall be delivered personally or by telephone to each Committee Member or sent by e-mail. If the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. If the notice is delivered personally or by telephone or other electronic means, it shall be delivered personally or by telephone or electronically at least forty-eight (48) hours before the meeting begins. Any oral notice given personally or by telephone may be communicated either to the Member or to a person at the office or home of the Member who the person giving notice has reason to believe will promptly communicate it to the Member. Any Member may waive notice of any meeting by delivering written waiver with the Association to file in its meeting records, and attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except where the Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and does not thereafter vote for or consent to action taken at the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meetings of the Management Committee needs to be specified in the notice or waiver of notice of such meeting.
- 3.7 **Quorum of Committee Meeting.** A majority of the authorized number of Members, as stated in these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Management Committee, but if less than a majority is present at a meeting, a majority of the Members present may adjourn the meeting from time to time without further notice.
- 3.8 **Manner of Acting.** The act of a majority of the Members present at a meeting at which a quorum is present shall, unless the act of a greater number of Members is required by the Articles of Incorporation of the Association or these Bylaws, be the act of the Management Committee.
- 3.9 **Vacancies and Newly Created Members.** Any vacancy occurring in the Management Committee may be filled by the affirmative vote of a majority of the remaining Members, or by the affirmative vote of the majority of Owners entitled to vote for Members. A Member elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.
- 3.10 **Resignations.** A Committee Member may resign at any time by giving a written notice of resignation to the Chairperson of the Committee. Unless otherwise provided in the resignation, the resignation shall become effective when the notice is received by the Chairperson. If the resignation is effective at a future time, the Management Committee may elect a successor to take office when the resignation becomes effective.
- 3.11 **Action by Written Consent.** Any action required to be taken at a meeting of the Management Committee or any other action which may be taken at a meeting of the Management Committee or of a subcommittee, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the Members of the Management Committee or members of a subcommittee. Such consent shall have the same legal effect as a unanimous vote of all the Members of the Management Committee or members of the subcommittee and may be described as such in any document. Action taken in this section is effective at the time the last Member (or subcommittee member) signs a writing describing the action taken unless the Management Committee establishes a different effective date.
- 3.12 **Meetings by Telephone Conference Call or by Virtual.** Members of the Management Committee, or any member of a subcommittee designated by the Management Committee, may participate in a meeting of the Management Committee or subcommittee by means of conference telephone or similar

communication equipment by which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at such meeting.

- 3.13 **Removal of Members.** 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 the proxy votes. As with the election of Members, voting by 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 their assigned responsibilities and duties, and for abusing their authority as a member of the Committee.

- 3.14 **No Liability.** Members of the Management Committee, the Officers and employees of the Association shall:
- a. not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or gross negligence;
 - b. have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument, or transaction entered into by them on behalf of the Association in their capacity as such;
 - c. have no personal liability in tort to any Owner or any person or entity, direct or imputed, by virtue of acts performed by them, or acts performed for them in their capacity as such; and
 - d. have no personal liability arising out of the use, misuse, or condition of the Association's property, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

- 3.15 **Indemnification.** The Association shall indemnify and hold harmless, any person, his heirs and personal representatives, from and against all personal liability and all expenses including counsel fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative instituted by any one or more Owners, or any other persons or entities, to which he/she shall be, or shall be threatened to be, made a party by reason of the fact that he/she is or was a Member of the Management Committee or an Officer, an agent or an employee of the Association, other than to the extent, if any, that such liability or expense shall be attributable to his/her willful misconduct or bad faith.

Article 4 Officers

- 4.1 **Designation of Officers.** The Officers of the Association shall be the same as the Officers of the Management Committee and may only be comprised of Members of the Management Committee. The Officers shall be a Chairperson, Vice Chairperson, Secretary, Treasurer, and Member at Large. The offices of Chairperson and Secretary may not be held by the same person. Two offices may be held by one person except the Chairperson shall not hold any other office. No Officer shall receive compensation for serving as such. An Officer may hold an office for as many terms as the Committee may determine. The Committee may, in its discretion, require that Officers (and employees of the

Association) be subject to fidelity bond coverage. The role of the Member at Large shall be as defined in the Rules and Regulations.

- 4.2 **Resignation of a Member.** Any Member may resign at any time by delivering a written resignation to the Management Committee or Chairperson. Unless otherwise specified therein, such resignation shall take effect upon such delivery of the resignation; and, unless otherwise specified in the resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.
- 4.3 **Removal of a Member.** Any Member may be removed by the Management Committee by a majority vote of the Committee whenever in its judgment the best interest of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.
- 4.4 **Vacancies and Newly Created Offices.** A vacancy in any office by reason of death, designation, removal, disqualification, the creation of a new office or otherwise, may be filled by the Management Committee at any regular or special meeting or by the unanimous written consent of the Members.
- 4.5 **Chairperson.** Unless the Management Committee shall otherwise determine, the Chairperson shall be the chief executive officer of the Association, and shall, subject to the control of the Management Committee, have general supervision, direction and control of the business, Officers, employees, and agents of the Association. The Chairperson shall, when present, preside at meetings of the Owners and at all meetings of the Management Committee except as provided otherwise by the Management Committee. The Chairperson shall have the general powers and duties of management usually vested in the office of Chairperson of an Association and shall have such other powers and duties as may be prescribed by the Management Committee or these Bylaws.
- 4.6 **Vice Chairperson.** In the absence of the Chairperson or in the event of his death, inability or refusal to act, the Vice Chairperson shall perform the duties of the Chairperson, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairperson. If there is no Vice Chairperson, then the Treasurer shall perform such duties of the Chairperson. Any Vice Chairperson shall perform such other duties as from time to time may be assigned to him by the Chairperson or by the Management Committee.
- 4.7 **Secretary.** The Secretary shall keep or cause to be kept at the principal office of the Association or such other place as the Management Committee may direct, all the records required to be kept by the Association pursuant to applicable law as set forth in Section 2.16 above. The Secretary shall cause all notices of meetings to be duly given in accordance with the provisions of these Bylaws and as required by applicable law. The Secretary shall see that the books, reports, statements, and other documents and records required by law are properly kept and filed. The Secretary shall have charge of the records of the Association, including the records showing the names of each Owner and the undivided percentage interest each has in the Association, which shall be kept in such manner as to show at any time the alphabetically arranged names and the addresses of Owners of record thereof. The Ownership record shall be maintained at the principal office of the Association for the purposes provided by law and these Bylaws. The Secretary shall perform all duties incident to the office of Secretary and such other duties as are given to him or her by law or these Bylaws or as, from time to time, may be assigned by the Management Committee.
- 4.8 **Treasurer.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital reserve account, etc., which shall at all reasonable times be open to inspection by any Owner. The Treasurer shall deposit

all money and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Management Committee. The Treasurer shall disburse the funds of the Association as may be ordered by the Management Committee, shall render to the Chairperson and Members, whenever they request it, an account of all of transactions taken as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Management Committee or these Bylaws.

- 4.9 **Member at Large.** The Member at Large receives authority and specific responsibilities from the Chairperson of the Association, for project oversight, and completion as deemed necessary. The Member at Large holds the same fiduciary duties and responsibilities as other Committee Members and has equal authority to operate within the Association's approved governing documents. The Member at Large may fill the role of subcommittee chair of multiple subcommittees at the same time, as needed. A Member at Large is a person who is able to manage a wide variety of projects and assignments. This may include leading several subcommittees that are independent of other Committee Members or the property manager.

Article 5

Execution of Instruments, Borrowing of Money and Deposit of Association's Funds

- 5.1 **Instruments.** The Management Committee may authorize any Officer, agent, or agents, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Association, and such authority may be general or confined to specific instances.
- 5.2 **Loans.** No loan or advance shall be contracted on behalf of the Association, no negotiable paper or other evidence of its obligation under any loan or advance shall be issued in its name, and no property of the Association shall be mortgaged, pledged, hypothecated, transferred, or conveyed as security for the payment of any loan, advance, indebtedness, or liability of the Association, unless and except as authorized by the Management Committee. Any such authorization may be general or confined to specific instances.
- 5.3 **Deposits.** All monies of the Association not otherwise employed shall be deposited from time to time to its credit in such banks or trust companies or with such bankers or other depositories as the Management Committee may select.
- 5.4 **Checks, Drafts, etc.** All checks, drafts, acceptances, notes, endorsements, and, subject to the provisions of these Bylaws, evidence of indebtedness of the Association shall be signed by the Chairperson or Vice Chairperson and one other Officer of the Association or in such other manner as the Management Committee from time to time may determine. Endorsements for deposit to the credit of the Association in any of its duly authorized depositories shall be in such manner as the Management Committee from time to time may determine.

Article 6

Transfer of Ownership

- 6.1 **Transfer of Ownership.** Transfers of Ownership(s) in the Association shall be made only upon records of the Association kept at the office of the Association.
- 6.2 **Restrictions on Transfer of Ownership.** The Management Committee and/or the Owners may, as they may deem expedient, impose restrictions on the transfer of Ownership in the Association. The restriction shall affect all Owners as of the date said restriction is adopted without regard to whether a particular Owner voted in favor of the restriction or otherwise consented to the restriction.

Article 7
Notices, Waiver of Notice

Except as expressly provided to the contrary in the Articles of Incorporation or these Bylaws, any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered upon being deposited in the United States mail, postage prepaid, except as may be provided by law. Notice to Owners shall be addressed to each Owner at the address, physical or electronic, given by such Owner to the Management Committee for the purpose of service of such notice or to the Unit of such Owner if no such address is given to the Committee. Such address may be changed from time to time by notice in writing to the Committee. Notice to the Committee shall be addressed to its current presiding Officer. Any Owner may at any time waive any notice required to be given under these Bylaws, or by statute or otherwise. The presence of an Owner in person at any meeting of the Owners shall be deemed such a waiver.

Article 8
Maintenance and Inspection of Books and Records

The Association shall keep correct and complete books and records of account and shall keep minutes of the meetings of its Owners and Management Committee; and shall keep at its registered office or principal place of business a record of its Owners, giving the names and addresses of all Owners and the percentage interest in the Association held by each. Any Owner shall have the right to examine in person the Association's books and records as provided for in these Bylaws and Utah law.

Article 9
Miscellaneous

- 9.1 **Conflict with the Code and CC&Rs.** The Bylaws are subordinate and subject to all provisions of the Covenants, Conditions and Restrictions (CC&Rs) and to the provisions of the Act. All of the terms herein shall have the same meaning as they are defined in the CC&Rs of this Declaration or in the Act. In the event of any conflict between these Bylaws and the CC&Rs, the provisions of the Definitions or CC&Rs shall control; and in the event of any conflict between the CC&Rs and the Act, the provisions of the Act shall control.
- 9.2 **Manner of Notices.** All notices, demands, bills, statements or other communications provided for or required under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered or if sent by U.S. Mail as follows:
- a. To an Owner at the address of his Unit or at such other address as the Owner may have designated by notice in writing to the office secretary;
 - b. To the Committee or the Manager at the principal office of the Condominium Complex or at such other address as shall be designated by notice in writing to the Owners.
- 9.3 **Waiver.** The failure of the Management Committee, or its agents or designees, to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of the Articles of Incorporation, these Bylaws or any rules and regulations promulgated hereunder, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or relinquishment, for the future, of such term, covenant, condition, or restriction; but such term, covenant, condition, or restriction shall remain in full force and effect. The receipt and acceptance by the Committee or its agents or designees of the payment of any assessment from an Owner, with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Committee. Whenever any notice is required to be given under the provisions of the statutes or the Declaration, a waiver thereof, in writing, signed by the person

or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provision of the Act.

- 9.4 **Amendment.** These Bylaws may be amended by the vote of Owners holding at least a majority of the Undivided Interests at a meeting of the Owners duly called for such purpose regarding the following Articles and sections (Article 2: 2.1, 2.3, 2.8, 2.11, 2.12, 2.13, 2.14, 2.15, 2.16; Article 3: 3.2, 3.3, 3.14; Article 9: 9.2); OR, as to these same Articles, a unanimous vote of the Management Committee at an open Management Committee meeting duly called for such purpose. All other provisions in these Bylaws may be amended by a majority vote of the Management Committee at an open Management Committee meeting duly called for such purpose. Upon such an affirmative vote, the Committee shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote and the amendments shall be effective upon recording.
- 9.5 **Fiscal Year.** The fiscal year of the Association shall consist of the twelve-month period commencing on January 1 of each year and terminating on December 31 of the same year. The fiscal year herein established may be changed by the Committee should it be deemed advisable or in the best interests of the Association.
- 9.6 **Gender and Number.** Whenever the context of the Governing Documents requires, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and the neuter, and vice versa.
- 9.7 **Severability.** The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provisions hereof.
- 9.8 **Headings.** The headings herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws nor the intent of any provision hereof.

Approved by Unanimous Vote of the Committee this 31 day of July, 2024

Kathy Jones
(signature)

KATHY TALFER Chairperson
(printed name)

Annette Naccarato
(signature)

Annette Naccarato Secretary
(printed name)