

BYLAWS
OF
HOMEOWNERS ASSOCIATION OF
BRIAN HEAD VILLAGE RESORT CONDOMINIUMS

PHASES
I, II, & III

ARTICLE I
PLAN OF APARTMENT OWNERSHIP

Section 1. Condominium Ownership: The project located at Brian Head Ski Resort on Highway 143, County of Iron, State of Utah, known as BRIAN HEAD VILLAGE. Resort Condominiums, Phases I, II, and III, are submitted to the provisions of the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code Annotated 1953).

Section 2. Bylaws Applicability: The provisions of these Bylaws are applicable to the Project (the term "Project" as used herein shall include the land and physical structures).

Section 3. Personal Application: All Owners, tenants, or their employees, or any other persons that might use the facilities of the Project in any manner, are subject to the regulations as set forth in these Bylaws and to the *Department of Housing and Urban Development Federal Housing Administration, Exhibit D, Regulatory Agreement* (August 25, 1970) and to the recorded *Enabling Declaration Establishing a Plan for Condominium Ownership* (CCRs – Covenants, Conditions, and Restrictions), August 25, 1970 (separate documents). By request, a copy of these documents and the Bylaws will be made available to condo Owners at any time by the Property Manager.

The mere acquisition or rental of any of the family condominiums (hereinafter referred to as "condos") of the Project or the mere act of occupancy of any said condos will signify that these Bylaws and the provisions of the Regulatory Agreement are accepted, ratified, and will be complied with.

ARTICLE II
VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Voting: The voting shall be on a one (1) vote per condo basis.

Section 2. Majority of Owners: As used in these Bylaws the term "Majority of Owners" shall mean those Owners holding 51% of the eligible votes.

Section 3. Quorum: The presence in person or by proxy of Owners having 50% plus one (1) of the total votes shall constitute a Quorum.

1) A Quorum shall be a Natural Quorum or a Quorum Attained Through Proxy. See "Terms and Definitions" in these Bylaws for an explanation of Quorum subcategories.

- 2) Notice: As prescribed in Section 5, "Notice of Meetings," a notice will be mailed at least thirty (30) days, but not more than sixty (60) days prior to each annual or special meeting.
 - a) Said notice will contain an agenda containing those items submitted within the applicable timeframe, to be contemplated and discussed at the scheduled meeting.
- 3) Proxy: All proxy forms shall contain a listing of those items listed within the meeting agenda for consideration by those contemplating the consent to Proxy.
 - a) The proxy form shall provide a designated space for each agenda item wherein the voting member can place a Yes or No vote for the individual items contained therein.
 - b) The designated proxy shall be required to vote in accordance with the prescribed preferences of the proxy grantor.
 - c) A voting member may rescind said Proxy up to twenty-four (24) hours prior to the scheduled commencement of the annual meeting.
 - i. Said cancellation can be done by either email or documented text to any of the current Board of Directors.
 - d) Proxy grantors shall still have the ability to provide said proxy without designating their preference on the agenda items.
- 4) Those items contained in the predesignated meeting agenda are subject to a vote by either: 1) a Natural Quorum, or; 2) a Quorum Attained Through Proxy.
- 5) Any items considered new that are raised during the actual annual meeting can be voted on only if there is a Natural Quorum.
- 6) Any items raised during the actual meeting wherein a Natural Quorum does not exist shall be tabled for inclusion within the official agenda for the next scheduled meeting.
 - a) These items are subject to discussion but excluded from a vote until such time as either a Natural Quorum or placement within a subsequent meeting agenda is attained.

Section 4. Proxies: Votes may be cast in person or by proxy. Proxies must be in writing, signed by the Owner, and must be filed with the Secretary before the appointed time of each meeting. The proxy will only last for the duration of that meeting. The proxy representing a Board member must be present. Voting for any project costing \$50,000 or more requires a vote of the Association unless in an emergency. In that case, the Board will vote.

Any designation of an agent to act for an Owner may be revoked at any time by written notice to the Secretary, and shall receive actual notice of the death or judicially declared incompetence of such Owner or of the conveyance by such Owner of their condo.

Where there is more than one (1) recorded condo Owner, any or all such persons may attend any meeting of the Owners. Only one vote per condo will be counted.

ARTICLE III ADMINISTRATION

Section 1. Association Responsibilities: The Owners of the condos will constitute the Association of Owners (hereinafter referred to after as "Association") who will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments, and arranging for the management of the Project pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the Property Manager. Except as otherwise provided the decisions and resolutions of the Association shall require approval by a majority of the Owners.

Section 2. Place of Meetings: Meetings of the Association shall be held at the principal office of the Project or such other suitable place convenient to the Owners as may be designated by the Board of Directors (Board).

Section 3. Annual Meeting: The annual meeting of the Association shall be held on that weekend (Saturday or Sunday) proximate to the Fourth of July as designated by the Board. At such meeting, there shall be elected by ballot of the Owners a Board in accordance with the requirements of Article IV, Section 5 of these Bylaws. At the annual meeting, the Board shall present an accounting of the common expenses, itemizing receipt and disbursements for the preceding fiscal year, the allocation thereof to each Owner, and the estimated common expenses for the coming fiscal year. Within ten (10) days after the annual meeting, said statement shall be delivered to the Owners not present at said meeting. The Owners may also transact such other business of the Association as may properly come before them. Any condo Owner can be given additional details, in writing, about the financials upon request from the Treasurer. Condo Owners must make the request in writing two (2) weeks prior to the next Board meeting.

Section 4. Special Meeting: It shall be the duty of the Board President to call a special meeting of the Owners as directed by resolution of the Board or upon a petition signed by Owners having one-third (1/3) of the total votes and having been presented to the Board Secretary, or at the request of the Federal Housing Commissioner or his duly authorized representative. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be translated at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the Owners present, either in person or by proxy.

Section 5. Notice of Meetings: It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held to each Owner of Record, at least 30 days, but not more than 60 days prior to such meeting. The mailing of a notice in the manner provided in this section shall be considered notice served. Notices of all meetings shall be mailed to the Director of the local insuring office of the Federal Housing Administration. A notification will also be sent to the Owners one month or earlier prior to the meeting, via email and/or in a newsletter.

Section 7. Order of Business: The order of business at all meetings of the condo Owners shall follow *Robert's Rules of Order*.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Number and Qualifications: The affairs of the Association shall be governed by a Board composed of no fewer than seven (7) and no more than nine (9) persons, all of whom must be condo Owners in the Project. An Owner may not hold a seat on the Board if he or she is more than 90 days in arrears on dues or has his or her condo up for sale.

Section 2. Powers and Duties: The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may perform all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the Owners.

Section 3. Other Duties:

- 1) Authority of the Board. The Board, for the benefit of the condos and the Owners, shall enforce the provisions hereof and shall acquire and shall pay for out of the Common Expense Fund hereinafter provided for, the following:
 - a) Water, sewer, garbage collection, electrical, telephone and gas and other necessary utility service for the Common Area (and to the extent not separately metered or charged, for the condos);
 - b) A policy or policies of fire insurance as the same are more fully set forth in paragraph L of the *Enabling Declaration* (CCRs) with extended coverage endorsement, for the full insurable replacement value of the Units and Common Area, payable as provided in paragraph I of the *Enabling Declaration*, or such other fire and casualty insurance as the Board shall determine gives substantially equal or greater protection to the Owners, and their mortgages, as their respective interests may appear, which said policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgages of each condo, if any;
 - c) A policy or policies as the same are more fully set forth in paragraph L of the *Enabling Declaration* (CCRs) insuring the Board, the Owners and the Property Manager against any liability to the public or to the Owners (of condos and of the Common Area, and their invitees or tenants), incident to the ownership and/or use of the Project, and including the personal liability exposure of the Owners. Limits of liability under such insurance shall not be less than Three Hundred Thousand Dollars (\$300,000.00) for any one (1) person injured for any one (1) accident, and shall not be less than One Hundred Thousand Dollars (\$100,000.00) for property damage each occurrence (such limits and coverage to be reviewed at least annually by the Board and increased in its discretion). Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects their action against another named insured;
 - d) Workman's Compensation insurance to the extent necessary to comply with any applicable laws;
 - e) The services of persons or firms to manage its affairs (herein called "Property Manager") to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine is necessary or proper for the operation of the Common Area, whether such personnel are employed directly by the Board or are furnished by the Property Manager;

- f) Legal and accounting services necessary or proper in the operation of the Common Area or of the enforcement of the *Enabling Declaration* (CCRs);
- g) Maintenance and repair of all Common Area utilities including:
 - i) Electrical service, whether above or underground.
 - ii) All on-site water pipes serving the Project and all plumbing serving common walls in the condos.
 - iii) Septic system and/or sewer systems including pumping out of septic tanks and maintenance and repair of existing or any additions to the absorption fields in and around the Common Area.
- h) Painting, maintenance, repair and all landscaping of the Common Area, and such furnishings and equipment for the Common Area as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the Common Area, provided that the interior surfaces of each condo shall be painted, maintained and repaired by the Owners thereof, all such maintenance to be at the sole cost and expense of the particular Owner;
- i) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, snow removal, taxes or assessments which the Board is required to secure or pay for pursuant to the terms of the *Enabling Declaration* (CCRs) or by law, or which, in its opinion shall be necessary or proper for the operation of the Common Area or for the enforcement of the *Enabling Declaration*, provided that if any such materials, supplies, labor services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for particular condos, the cost thereof shall be specially assessed to the Owners of such condos;
- j) Maintenance and repair of any condo, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Area or preserve the appearance and value of the Project, and the Owner(s) of said condo have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Owner(s), provided that the Board shall levy a special assessment against the condo Owner(s) for the cost of said maintenance or repair;
- k) The Board's power hereinafter enumerated shall be limited in that they shall have no authority to acquire and pay for, out of the common expense fund, capital additions and improvements (other than for purposes of replacing portions of the Common Area, subject to all the provisions of the *Enabling Declaration*) having a cost in excess of Fifty Thousand (\$50,000.00) Dollars, except as expressly provided herein;
- l) The Board shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the Common Expense Fund.

The Board shall not be liable for any failure of water supply or other service to be obtained and paid for by the Board hereunder, or for injury or damage to persons or property caused by the elements or by another Owner or person in the Project, or resulting from electricity, water, rain, dust, or sand which may leak or flow from outside or from any parts of the buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless caused by gross negligence of the Board. No diminution or abatement of common expense assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the

Common Area or from any action taken to comply with any law, ordinance or orders of a governmental authority.

Each member of the Board shall be indemnified by the Owners against all expenses and liabilities including attorney's fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of their being or having been a member of the Board, or any settlement thereof, whether or not they are a member of the Board at the time such expenses are incurred except in such cases wherein the member of the Board is judged guilty of willful misfeasance of malfeasance in the performance of their duties; provided that in the event of a settlement, the indemnification shall apply only if the Board approves such settlement and reimbursement as being for the best interests of the Board.

Section 4. Property Manager: The Board may employ for the Association a Property Manager at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Article IV, Section 3.

Section 5. Election and Term of Office: At the annual meeting of the Association, the term of office of the Board shall serve for two years. Half of that Board will be reelected annually. If a member resigns from the Board, the Board shall appoint a replacement. Should a Board member place their condo up for sale, they must immediately resign from the Board.

Section 6. Vacancies: Vacancies in the Board caused by any reason other than the removal of a Director by vote of the Association shall be filled by vote of the majority of the remaining Directors for the remainder of the election period. If a vacancy should occur, notification of said vacancy will be mailed or emailed to all Owners with a request to fill the empty position(s). Subsequently, voting ballots will be mailed to all Owners which must be filled out and returned to the Board. The Board will then determine who fulfills which position(s) based on the voting results.

Section 7. Removal of Directors: At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

Section 8. Organization Meeting: The newly-elected Board members shall meet with the current or outgoing Board members immediately following the annual meeting.

Section 9. Regular Meetings: Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Board member personally, by email, text message, or telephone at least three (3) days prior to the day named for such meeting. Expenses for Board members or condo Owners assigned to special committees, alternates, or proxies who must attend meetings outside the annual members' meeting will be reimbursed for mileage and hotel room.

Section 10. Special Meetings: Special meetings of the Board may be called by the President on a three-day-notice to each Director, given personally by email, text message, or telephone, which notice shall state the time, place (as hereinafter provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and like notice as a written request by at least three (3) Board members.

Section 11. Waiver of Notice: Before or at any meeting of the Board, any Board member may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by them of the time and place thereof. If all the Directors are present at any meeting of the Board; no notice shall be required, and any business may be transacted at such meeting.

Section 12. Board of Director's Quorum: At all meetings of the Board, a majority of the Directors shall constitute a Quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a Quorum is present shall be the acts of the Board. If at any meeting of the Board there are fewer than a Quorum of Board members present, the majority of those present may adjourn the meeting. A majority of Board members must be present to conduct a meeting (a 50 percent plus one (1) requirement for a Quorum). As stated in Article IV, Section 1, "Number and Qualifications," the total number of Board members shall be no fewer than seven (7) and no more than nine (9). Therefore, a Quorum shall be deemed present when there is one (1) more than 50 percent of the previously established number of Board members. A Quorum of the Board must be present in a meeting for business transactions to occur.

Section 13. Fidelity Bonds: The Board shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds provided by the then current insurance policy. The premiums on such bonds shall be paid by the Treasurer.

ARTICLE V OFFICERS

Section 1. Designation: The principal officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Board. The Board members may appoint an assistant Treasurer, an assistant Secretary, a Member-at-Large, and such other officers as in their judgment may be necessary.

Section 2. Election of Officers: The incoming officers of the Association shall be elected annually by the current Board at the organizational meeting held immediately after the annual meeting. The Board shall consist of a minimum of seven (7) members and a maximum of nine (9) members (including alternates or members at large). The number of members will be an odd number (ex: 7, 9).

Section 3. Removal of Officers: Upon an affirmation vote of a majority of the Board members, an officer may be removed, with or without cause, and their successor shall be

elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose, as defined in Article IV, Section 10 of these Bylaws.

Section 4. President: The President shall be the Chief Executive Officer of the Association and of the Board. He or she shall possess all of the general powers and duties which are usually vested in the office of President of the Association, including but not limited to the power to appoint committees from among the condo Owners from time to time, as they may, in their discretion, decide what is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President: The Vice President shall take the place of the President and performs his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President are able to act, the Treasurer shall perform the President's duties on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon them by the Board.

Section 6. Secretary: The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he or she shall maintain such books and papers as the Board may direct; and shall, in general, perform all duties incident to the office of Secretary. The Secretary shall post the meeting minutes on the Brian Head Village web page, if available, or mail/email them to the Owners. If the Secretary is not available, the President shall assign an alternate member to capture the minutes and post them.

Section 7. Treasurer: The Treasurer shall be responsible for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board.

Section 8. Nominations: Any Owner delinquent in dues more than 90 days or has their condo up for sale cannot run for the Board. The candidate will be voted on by the current Board in attendance at the annual meeting. Proxy votes can be used by any Association member to vote for a candidate.

ARTICLE VI OBLIGATIONS OF THE OWNERS

Section 1. Assessments: All condo Owners are obligated to pay monthly assessments imposed by the Association to meet all project communal expenses, which may include a liability insurance policy premium and an insurance premium for a policy to cover repairs and reconstruction work in case of hurricane, fire, flood, earthquake or other hazards. The assessments shall be prorated according to the size of the condo. Such assessments shall include monthly payments to a General Operating Reserve and a Reserve Fund for Replacements as required in *Exhibit D Regulatory Agreement* to the *Enabling Declaration* (CCRs).

- 1) Within 30 days prior to the beginning of each fiscal year, the Board shall estimate the net charges to be paid during such year (including a reasonable provision for contingencies and replacements, less any expected income and any surplus from the prior year's fund). Said "estimated cash requirement" shall be assessed to the Owners pursuant to the following assessment schedule:

Square Footage	HOA Dues
500	\$300
524	\$301.20
698	\$309.90
727	\$311.35
779	\$313.95
821	\$316.05
835	\$316.75
922	\$321.10
923	\$321.15
1353	\$342.65
1585	\$354.25
1588	\$354.40

If said sum estimated proves non-payment of any Owner's inadequate for any reason, including assessment, the Board may, at any time, levy a further assessment by adjusting the sliding charges portion of the assessment total which shall be assessed to the Owners in like proportions, unless otherwise provided herein. The sliding charges portion of the assessment may be increased or decreased depending on the financial reserves. Each Owner shall be obligated to pay assessments made pursuant to this paragraph to the Board in equal monthly installments on or before the first day of each month during such year, or in such other reasonable manner as the Board shall designate;

- 2) All funds collected hereunder shall be expended for the purposes designated herein.
- 3) Each Owner is obligated to pay assessments (dues) monthly. Each Owner delinquent in payment of monthly assessments by 90 days or more shall lose their vote on all Association business until past-due assessments are again completely current. The loss of any Owner's vote under the provisions of this section shall not affect the percentage needed to constitute a Quorum under Article II, Section 3 of these Bylaws. Owners must be 100% current with their assessment in order to have their voting rights reinstated. All services to condos whose Owners are delinquent in payment of monthly assessments by 90 days or more will be discontinued to the fullest extent possible. Current liens will be filed and recorded by the Attorney by 90 days or more. Interest plus a ten (\$10.00) dollar per month charge will be levied against all accounts 90 days or more delinquent. All dues are due and payable by the 15th day of each month. Should dues be late, the first month's late fees will be assessed at a flat fee of \$25.00. After 30 days, delinquent fees will be calculated at 10% of the then current dues. Condo Owners will be responsible for all attorney fees and court costs in conjunction with any past due amounts. When a payment is made, the late fees must and will be processed first. Any additional monies will be applied to the delinquent dues.
- 4) The omission by the Board before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in

any respect of the provisions herein, or a release of the Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this paragraph shall be effective only upon unanimous written consent of the Owners and their mortgagees. No Owner may exempt himself from liability for this contribution towards the common expenses by waiver of the use or enjoyment of any of the Common Area or by abandonment of their condo.

The Property Manager and the accounting firm shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Area, specifying and itemizing the maintenance and repair expenses of the Common Area and any other expenses incurred. Financial records of the Association are available for review during normal business hours upon written request to the Treasurer of the Association.

Section 2. Maintenance and Repair:

- 1) Every Owner must perform promptly all maintenance and repair work within their own condo, including maintenance and repair work that an Owner's renter causes, which, if omitted, would affect the Project in its entirety or in a part belonging to other Owners, being expressly responsible for the damages and liabilities that his failure to do so may cause.
- 2) All the repairs of internal installations of the condo, such as water, lights, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the condo shall be at the Owner's expense. Exceptions are outlined in the *Enabling Declaration* (CCRs).
- 3) An Owner shall reimburse the Association for all expenditures incurred in repairing or replacing any Common Area and facility damaged through said Owner's fault.

Section 3. Use of Family Units - Internal Changes:

- 1) All condos shall be utilized for residential purposes only.
- 2) An Owner shall not make structural modifications or alterations inside their condo or installations located therein without previously notifying the Association in writing, through the Property Manager, if any, or through the President of the Board if no management agent is employed. The Association shall have the obligation to reply within 60 days; failure to do so within the stipulated time shall mean that there is no objection to the proposed modifications or alteration.
- 3) No on-site leasing or Property Management Agent is allowed.

Section 4. Use of Common Areas and Facilities:

- 1) Except for personal balconies and patios, an Owner shall not place or cause to be placed in the lobbies, vestibules, stairways, landings, exterior closets, and other project areas and facilities of a similar nature both common and restricted, any furniture, packages or objects of any kind. Such areas shall be used for no other purpose than for normal transit through them.
- 2) An Owner, tenant or guest will not park motor bikes, snowmobiles, and/or any other gasoline operated equipment or vehicles in or near any condo other than approved

parking areas. These vehicles will not be operated in any Common Area except for entering or exiting approved parking areas.

Section 5. Right of Entry:

- 1) An Owner shall grant the right of entry to the Property Manager for entry into a condo. The Property Manager or the Board will make every attempt to notify the condo Owner prior to an authorized person(s) entering the Owner's condo.
- 2) An Owner shall permit other Owners, or their representatives, when so required, to enter their condo for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of an emergency, such right of entry shall be immediate. The Owner does not need to be present for any repairs or installations that need to be made by the Property Manager or authorized repair/inspection person(s).

Section 6. Rules of Conduct:

- 1) No Owner shall occupy or use their condo or permit the same or any part thereof to be occupied or used for any purpose other than as a private residence of the Owner and the Owner's family or the Owner's leasees or guests.
- 2) There shall be no obstruction of the Common Area. Nothing shall be stored in the Common Area without the prior consent of the Board.
- 3) Nothing shall be done or kept in any condo or the Common Area which will increase the rate of insurance on the Common Area without the prior written consent of the Board. No Owner shall permit anything to be done or kept in their condo or in the Common Area which will result in the cancellation of insurance on any condo or any part of the Common Area, or which would be in violation of any law.
- 4) No sign of any kind shall be displayed to the public view on or from any condo or the Common Area except a suitable sign advertising the existence of said condos without the prior consent of the Board.
- 5) No animals, livestock or poultry of any kind shall be raised, bred, or kept in any condo or in the Common Area except for dogs, cats or other household pets, subject to the rules and regulations adopted by the Board. Dogs outside and in the Common Areas must be kept under the supervision or control of their Owner and their Owner must clean theirs or their guest's pet excrement in Common Areas. Failure to clean up after any pet or animal will result in a first offense, warning; second offense, \$25 fine; third offense, \$100 fine; and fourth offense, \$400 fine imposed on the condo Owner.
- 6) Nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Board.
- 7) There shall be no violation of rules for the use of the Common Area adopted by the Board and furnished in writing to the Owners, and the Board is authorized to adopt such rules.
- 8) Modification of any kind to the exterior of any building in the Project, either to the structure or the appearance thereof, including but not limited to awnings, sun shades, balcony covers, balcony enclosure, fences, air conditioning, service fans, window guards, flags, or landing may not be made without the approval of the Board.

- 9) No clothes or other materials may be hung from the windows or any part thereof, draped from a balcony, railing, or fence.
- 10) Tools, sporting goods, cooking equipment, bicycles and other personal articles and equipment must be kept within the condo, or inside the Owner's private storage area.
- 11) Owners may have planter boxes on their balconies for the purpose of growing flowers. However, no hanging vines are permitted outside the balcony area.
- 12) All signs of any kind within the condo displayed to public view in any way must be approved by the Property Manager. In general, approval will only be given to individual Owners for signs identifying their condos. The size, type and colors must be approved by the Property Manager and mounted in accordance with Property Management specifications.
- 13) All television and radio antennae are not to be permanently attached to the building. All television and radio antennae to be mounted must be approved by the Property Manager and mounted in accordance with Property Management specifications. If there is a master television antennae or community type system installed (cable, etc.) or otherwise provided, all Owners will remove all temporary antennae regardless of whether there is a charge for hookup and/or utilization of a community antennae system.
- 14) There shall be no use of common green areas except for uses which do not injure or scar the Common Area or the vegetation thereon; increase the maintenance thereof; or cause unreasonable embarrassment, disturbance, or annoyance to Owners in their enjoyment of the common green areas.
- 15) There shall be no fires for any purpose whatsoever on any part of the designated Common Areas. There shall be no large outdoor barbecues (Hibachis accepted) used without express consent of the Property Manager except for the Annual Meeting barbecue and in designated areas where outdoor barbecues are permanently installed. See the *Traveler's Insurance* guidelines for use of outdoor barbecues.
- 16) Common green areas may be used for such temporary outdoor activities such as dining, skating, art shows, exhibits, etc., but shall require prior approval from the Board, and such use cannot permanently alter or materially injure the landscape or appearance of the common green area. Such activities need to be proposed to the Board for approval.
- 17) Owners shall be held responsible for the actions of their children and guests.
- 18) Each condo Owner is entitled to one (1) parking space in close proximity to the building. All other cars will park in parking lots adjacent to the condo area.
- 19) All boats, trailers, and campers are to be parked in areas designated by the Property Manager and are not allowed in parking spaces directly in front of the Owner's condo. These types of vehicles can be parked elsewhere with the Board's approval.
- 20) All vehicles shall be restricted to designated roads, service areas, and parking areas.
- 21) No condos shall be used for any business or commercial purpose.
- 22) None of the rights and obligations of the Owners created herein, or by the Deed creating the condos shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist,

provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner(s) if said encroachment occurred due to the willful conduct of said Owner(s).

- 23) Any Owner may delegate, subject to the above restrictions, their right to enjoyment of the Common Area and facilities to the members of their family, their tenants, or contract purchasers who reside on the property.
- 24) No on-site leasing or Property Management Agents or agencies are allowed. Conducting any rental business on site so the project is construed as a "condo motel" is strictly forbidden.

The failure of the Board or Property Manager to insist in any one (1) or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of these Bylaws 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 a 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 by the Board or Management 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 Board or Property Manager of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board or by the Property Manager.

ARTICLE VII AMENDMENTS TO PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Bylaws: These Bylaws may be amended by the Association in a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by Owners representing at least 60 percent plus one of the total voting power.

ARTICLE VIII MORTGAGES

Section 1. Notice to Association: An Owner who mortgages their condo shall notify the Association through the Property Manager, if any, or the Principals of the Board, the name and address of the mortgagee, and the Association shall maintain such information.

Section 2. Notice of Unpaid Assessments: The Association shall, at the request of a mortgagee of a condo, report any unpaid assessments from the Owner of each condo.

Section 3. Default on Mortgage: In the event any default on the part of any Owner under any first mortgage made in good faith and for value, which entitled the holder thereof to foreclosure same, any sale under such foreclosure, including delivery of a Deed for the first mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of this section, and the purchaser (or grantee under such deed in lieu of foreclosure) of such condominium shall be thereupon and thereafter subject to the provisions of the *Enabling Declaration* (CCRs). If the purchaser following such foreclosure sale (or grantee under Deed given in lieu of foreclosure) shall then be holder of the first mortgage, or its nominee, the said holder or nominee may thereafter sell and convey the

condo free and clear of the provisions of this section but it's grantee shall thereupon and thereafter be subject to all of the provisions thereof.

Section 4. Joint Tenant Interest Transfer: The transfer of a deceased joint tenant's interest to the surviving joint tenant or the transfer of a deceased's interests to a devisee by will or his heirs at law under intestacy laws shall not be subject to the provisions of this section.

Section 5. Proof of Transfer: If an Owner of a condo can establish to the satisfaction of the Board that a proposed transfer is not a sale or lease, then such transfer shall not be subject to the provisions of paragraph 21.

ARTICLE IX COMPLIANCE

Section 1. Compliance: These Bylaws are set forth to comply with the requirements of the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code Annotated 1953).

In case any of these Bylaws conflict with the provisions of said state, it is herein agreed and accepted that the provisions of the state will apply.

TERMS AND DEFINITIONS

Association. All condo Owners of Brian Head Village condos.

Board. The elected Board of Directors who represent and oversee the management of Brian Head Village.

Common Area. The outside areas surrounding the Brian Head Village buildings, including the Spa, meeting room, and laundry room.

Common Expense Fund. Monies accumulated from dues to pay for Brian Head Village expenses.

Condominium. The Brian Head Village condos that individuals own.

Deed. The legal paperwork that shows the Owner(s) of a Brian Head Village condo.

Director. A member of the Board of Directors (Board).

Enabling Declaration. The *Enabling Declaration Establishing a Plan for Condominium Ownership*. Also known as the CCRs (Covenants, Conditions, and Restrictions).

Exhibit D Regulatory Agreement. Also known as the *Department of Housing and Urban Development Federal Housing Administration Exhibit "D" Regulatory Agreement* document.

Natural Quorum. The presence of 50% plus one (1) Physical Voting Owners in attendance at a scheduled meeting.

Owner. The Owner of a Brian Head Village condo.

Project. The Brian Head Village land and structures.

Property Manager. The person who manages and maintains the exterior and interiors (as needed for inspections, repairs, etc.) of the Brian Head Village buildings, grounds, etc.

Proxy. An individual who represents another condo Owner for voting purposes.

Quorum. A set number of condo Owners who attend meetings and have voting rights. A Quorum shall be defined as (1) Natural Quorum, or; (2) Quorum Attained Through Proxy.

Quorum Attained Through Proxy. The presence in person or by proxies of Voting Owners having 50% plus one (1) of the total votes.

Residential. The condominiums at Brian Head Village for residential rather than commercial use.