

**BY-LAWS
OF
Alpha I Townhome Association**

ARTICLE 1: IDENTITY

These are the By-Laws of Alpha I Townhome Association hereinafter referred to as the "Association." The principal office of the Association shall be located at 1015 South River Road, St. George, Utah 84790, or such other place as may be subsequently designated by the Board of Trustees.

ARTICLE 2: DEFINITIONS

The terms used herein shall have the meaning stated as follows unless the context otherwise requires:

- 2.1 Homeowners Association, (hereinafter "Association"), shall mean that certain non-profit Utah association formed or to be formed which is comprised of each and all of the Owners, acting as a group in accordance with this Declaration and the By-Laws, which group shall collectively own all Common Area property.
- 2.2 Lot shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, with the exception of the Common Area.
- 2.3 Owner shall mean and refer to any person or entity, including the Declarant, at any time owning a Lot including an undefined interest in the Common Areas as defined herein. "Owner" shall not refer to a Mortgagee as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure, or any proceeding in lieu of foreclosure. Any reference to either gender shall be inclusive of both or either gender as context may require.
- 2.4 Board of Trustees shall mean and refer to those persons duly elected thereto by the Owners in accordance with the provisions of the Articles and of these By-Laws. The terms "Board of Trustees" and "Board of Directors" shall be used interchangeably.
- 2.5 Common Areas shall mean and refer to all real property (including improvements thereto) now owned by the Homeowners Association or hereafter acquired for the common use and

enjoyment of the members and not dedicated for use and enjoyment by the general public, specifically exempting therefrom all lots as hereafter defined which shall be deeded to grantees of Declarant. The Common Area to be owned by the Association at the time of conveyance is described as follows:

The West 727.40 feet of the North ½ of Lots Four (4) and Five (5), in Block One (1), of the St. George Valley Irrigation Company Survey, as platted on the Official Map of said Survey on file in the Office of the Recorder of Washington County, State of Utah, embraced with Section 32, Township 42 South, Range 15 West, SLB&M; Excepting, lots 1-21, 23-31, 33-44.

- 2.6 Limited Common Area shall mean and refer to Common Areas designated on the subdivision plat or in the Declaration as reserved for the use of a certain Owner or Owners to the exclusion of other Owners.
- 2.7 Property shall mean and refer to the land above described including all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith which have become subject to this Declaration.
- 2.8 Common Expenses or Assessments shall mean and refer to all items, things and sums which are lawfully assessed against Owners, under the Declaration, these By-Laws, or such Rules and Regulations pertaining to the Property as the Board of Trustees may from time to time adopt.
- 2.9 Mortgagee shall mean and refer to any person named as the Mortgagee or beneficiary under any Deed of Trust under which the interest of any Owner is encumbered.
- 2.10 Articles shall mean and refer to the Amended and Restated Articles of Incorporation of the Alpha I Townhome Association as accepted by the Secretary of State.
- 2.11 Declaration shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Properties recorded in the Office of the Recorder of Washington County, State of Utah.
- 2.12 Declarant shall mean and refer to the Alpha I Limited Partnership, its successors and assigns, if such successors and assigns shall acquire more than one undeveloped Lot from Declarant for the purposes of development.

- 2.13 Conveyance shall mean and refer to actual conveyance of fee title to any Lot to any Owner by a warrantee deed or other document of title and shall not mean the mere execution of an installment sales contract.

ARTICLE 3: APPLICATION

All Owners, tenants, or any other person(s) who might use the facilities of "Alpha I Townhome Association" in any manner are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the Lots or the Common Areas will signify that these By-Laws are accepted, ratified, and will be complied with by such persons.

ARTICLE 4: ADMINISTRATION

- 4.1 Place of Meetings. Meetings of the Owners shall be held at such place within the State of Utah as the Board may specify by notice, except as herein otherwise specified.
- 4.2 Annual Meetings. The first annual meeting of the Owners shall be held on the first Tuesday of the month following the filing of the Articles of Incorporation at such place as the Board of Trustees shall specify. Thereafter, the annual meeting shall be held on such day of each succeeding year; provided, however, that whenever such date falls on a legal holiday, the meeting shall be held on the next succeeding business day, and provided further, that the Board of Trustees may by resolution fix the date of the annual meeting on such date and at such place as the Board of Trustees may deem appropriate.
- 4.3 Special Meetings. Special meetings of the Owners may be called at anytime by written notice served by the Board of Trustees, or by Owners having twenty-five percent (25%) of the total votes, delivered not less than seven (7) days prior to the date fixed for such meeting. Such meeting shall be held on the Property or such other place as the Board of Trustees may specify and the notice thereof shall state the place, date, time and matters to be considered.
- 4.4 Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail at least fifteen (15) days before such meeting. If delivery is by mail, it shall be deemed to have been delivered 24 hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each Owner

at the address given by such person to the Board of Trustees or Manager, for the purpose of service of such notice. Such address may be changed from time to time by notice in writing to the Board of Trustees or Manager. Such notice shall set forth the place, date, and time of the meeting.

4.5 Quorum. At any meeting of the Owners, the owners of more than sixty percent (60%) of the aggregate ownership shall constitute a quorum for any and all purposes, except where by express provisions a greater vote is required, in which event a quorum shall be the number required for such vote. In the absence of a quorum the Chairman of the meeting may adjourn the meeting from time to time, without notice other than by announcement at the meeting, until holders of the amount of interest requisite to constitute a quorum shall attend. At any such adjourned meeting a lesser quorum requirement is set forth in Article 4, Section 6, of the Declaration, and upon fulfilling the requirement set forth therein, the modified quorum shall be present to transact any business which might have been transacted at the meeting as originally notified.

4.6 Voting. When a Quorum, is present at any meeting, the vote of Owners representing at least fifty-one percent (51%), or more, of the ownership present in person or represented by proxy, shall decide any question of business brought before such meeting, including the election of the Board of Trustees, unless the question is one upon which, by express provision of the statutes of the State of Utah, the Declaration, or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast either in person or by proxy. All proxies shall be in writing, and in the case of proxies for the annual meeting, they shall be delivered to the Secretary at least three days prior to said annual meeting. Proxies for special Owners meeting must be of record with the Secretary at least three days prior to said special meeting.

4.7 Waivers of Notice. Any Owner may at any time waive any notice required to be given under these By-Laws, or by statutes or otherwise. The presence of a Owner in person at any meeting of the Owners shall be deemed such waiver.

4.8 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and

shall cease upon conveyance by the member of his/her Lot.

ARTICLE 5: BOARD OF TRUSTEES

- 5.1 Purpose and Powers. The business, property and affairs of the Property shall be managed and governed by the Board of Trustees of not less than three (3) and not more than seven (7) members and pursuant to the Articles. The Board of Trustees, as it deems advisable, may enter into such management agreement or agreements with a third person, firm, or corporation to act as the Manager of the Property. The Board of Trustees shall have the powers and duties necessary for administration of the affairs of the Property and may do all such acts and things except as by law or by the Declaration or by these By-Laws may be delegated to the Manager by the Owners. Such powers and duties of the Board of Trustees or Manager shall include, but shall not be limited to, the following:
- 5.1.1 Operation, care, upkeep and maintenance of the Common Areas.
 - 5.1.2 Fix the amount of the annual assessment against each lot at least thirty days in advance of each annual assessment period. Then to collect said Assessments from the Owners after sending notice of the assessment to each Owner.
 - 5.1.3 File a lien against any property for which assessments are not paid within forty-five (45) days after due date or to bring an action at law against the owner personally obligated to pay the same.
 - 5.1.4 Suspend the voting rights and right to use of the Common Areas of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations.
 - 5.1.5 Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive meetings of the Board.
 - 5.1.6 Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Areas.
 - 5.1.7 Obtaining insurance for the Property, pursuant to the provisions of the Declaration.

- 5.1.8 Enforce the obligations of each Owner to properly insure the individual Lot and improvements thereon and/or to indemnify the Association and its members from any loss caused therefrom as set forth in the Declaration.
- 5.1.9 Making repairs, additions and improvement to or alteration of the Property and repairs to and restoration of the Property in accordance with the provisions of the Declaration and these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- 5.1.10 Determination of the common expenses required for the affairs of the development, including, without limitation, operation and maintenance of the Property.
- 5.1.11 Adoption and amendment of rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.
- 5.1.12 Opening of bank accounts on behalf of the Property and designating the signatories required therefore.
- 5.1.13 Purchasing or leasing or otherwise acquiring in the name of the Board of Trustees, Manager, or its designee, corporate or otherwise, on behalf of all Owners, Lots offered for sale or lease or surrendered by their owners to the Board of Trustees or Manager.
- 5.1.14 Selling, leasing, mortgaging, voting the votes appurtenant to, or otherwise dealing with Lots acquired by, and subleasing Lots leased by, the Board of Trustees or its designee, corporate or otherwise, on behalf of all Owner(s).
- 5.1.15 Organizing a corporation to act as designees of the Board of Trustees in acquiring title to or leasing of Lots on behalf of all Owner(s).
- 5.1.16 Levying sanctions against Owner(s) for violation of these By-Laws, any rules or regulations established by the Board of Trustees to govern the conduct of the Owner(s).
- 5.1.17 Controlling the use of all common elements adjoining the spaces therein for the use of the respective Owner(s) and the lease of such common elements to third parties, provided, however, that no lease or other legal transaction shall be entered into

without the approval of the majority of the Owner(s).

- 5.1.18 Taking all other necessary and proper actions for the sound management of the Property and fulfillment of the terms and provisions of the Articles, Declaration and By-Laws.
- 5.2 Election of the Board. Election of the Board shall be held as follows:
- 5.2.1 Election of the Board of Trustees shall be held at the annual meeting.
- 5.2.2 Nominations for Board Members at the meeting shall be made from the floor.
- 5.2.3 The election shall be by secret ballot (unless dispensed with by unanimous consent of the Owners) and by plurality of the votes cast, each person voting being entitled to cast his/her vote for each of as many nominees as there are vacancies to be filled. The persons receiving the largest number of votes shall be elected. There shall be no cumulative voting.
- 5.2.4 Except as to vacancies created by removal of Board Members by Owners, vacancies in the Board of Trustees occurring between annual meetings of the members shall be filled by the remaining Board Members.
- 5.2.5 Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his/her predecessor.
- 5.3 Term. The term of each Board Member's service shall be the two years following his/her election and subsequently until his/her successor is duly elected and qualified or until he is removed.
- 5.4 Regular Meetings. A regular meeting of the Board of Trustees shall be held immediately after the adjournment of each annual Owner(s) meeting. Regular meetings, other than the annual meeting, shall or may be held at regular intervals at such places and at such times as either the President or the Board of Trustees may from time to time designate.
- 5.5 Special Meetings. Special meetings of the Board of Trustees shall be held whenever called by the President, the Vice President or by twenty-five percent (25%) of all the Owners. By unanimous consent of the Board of Trustees, special meetings may be held without call or

notice at any time or place.

- 5.6 Quorum. A quorum for the transaction of business at any meeting of the Board of Trustees shall consist of a majority of the Board of Trustees then in office.
- 5.7 Compensation. Members of the Board of Trustees, as such, shall not receive any stated salary or compensation; provided that nothing herein contained shall be construed to preclude any member of the Board of Trustees from serving the Property in any other capacity and receiving compensation therefore. When a member of the Board of Trustees is to receive compensation for any purpose he shall excuse him/herself from voting as to the resolutions approving and enabling his/her employment, furthermore at least one bid will be invited on the work in question in addition to the bid submitted by the Board member and said bid shall become a permanent record of the Board's proceedings.
- 5.8 Waiver of Notice. Before or at any meeting of the Board of Trustees, any member thereof, may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Trustees at any meeting thereof shall be a waiver of notice by him/her of the time and place thereof.
- 5.9 Adjournments. The Board of Trustees may adjourn any meeting from day to day or for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty (30) days.
- 5.10 Joinder in Meeting by Approval of Minutes. The joinder of a Board Member in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Board Member for the purpose of determining a quorum.
- 5.11 The Presiding Officer of Board of Trustees Meetings. The Chairman of the Board of Trustees if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer the Board Members present shall designate one of their number to preside.
- 5.12 The Order of Business. Board of Trustees's Annual Meetings and, except for the election of officers, at other Board of Trustees meetings, shall be:
- 1) Calling of roll
 - 2) Proof of due notice of meeting.
 - 3) Reading and disposal of any unapproved minutes.

- 4) Reports of officers and Committees.
- 5) Election of officers.
- 6) Unfinished business.
- 7) New business
- 8) Adjournment.

5.13 Fidelity Bonds. The Board of Trustees may require that all officers and employees of the Board of Trustees handling or responsible for funds shall require adequate fidelity bonds. The premium on such fidelity bonds shall be paid by the Association.

5.14 Action Without a Meeting. The Board shall have the right to take any action in the absence of a meeting upon obtaining the unanimous written approval of all of the Board Members.

ARTICLE 6: OFFICERS

6.1 Designation of Election. The Officers of the Association shall consist of a President, a Vice President, and a Secretary/Treasurer, all of whom shall be elected from the Board of Trustees by the Board of Trustees of the Association. Such election shall regularly take place at each annual meeting of the Board.

6.2 Other Officers. The Board of Trustees may appoint such other officer, in addition to the officers hereinabove expressly named, as it shall deem necessary, who shall have authority to perform such duties as may be prescribed from time to time by the Board of Trustees.

6.3 Removal of Officers and Agents. All officers and agents shall be subject to removal, with or without cause, at any time by the affirmative vote of the majority of the members of the Association.

6.4 President. The President shall be the chief executive of the Board of Trustees, and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Property all instruments and contracts of material importance to its business, shall do and perform all acts and things which the Board of Trustees may require of him/her. He shall preside at all meetings of the Owner(s) and Board of Trustees. He shall have all of the general powers or duties which are normally vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members from time to time as he may, in his/her discretion, decide is appropriate to assist in

the conduct of the affairs of the Property.

- 6.5 Vice-President. The Vice-President shall take the place of the President and perform his/her duties whenever the President shall be absent, or unable to act. If neither the President nor the Vice-President is able to act, the members of the Association, at a special meeting, shall elect some other member thereof to perform the duties of the President on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be prescribed by the Board of Trustees.
- 6.6 Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes of all meetings of the Board of Trustees and of the Owner(s); he shall have charge of the books and papers as the Board of Trustees may direct; and he shall in general, perform all the duties incident to the office of Secretary. He shall also have the responsibility for the funds and securities of the Board of Trustees and shall be responsible for keeping full and accurate accounts of all receipts and of all disbursements in books belonging to the Board of Trustees. He shall be responsible for the deposit of all monies and all other valuable effects in the name, and to the credit of, the Board of Trustees in such depositories as may from time to time be designated by the Board of Trustees. This office may, at the discretion of the Board of Trustees, be divided into two offices with one trustee serving as Secretary and another as Treasurer.
- 6.7 Compensation. No compensation shall be paid to the officers for their services as officers. No remuneration shall be paid to an officer for services performed by him/her for the Board of Trustees in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Trustees before the services are undertaken.
- 6.8 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.
- 6.9 Committees. The Board shall act as architectural control committee initially, as provided in the Declaration. However, the Board shall have power to appoint an architectural committee consisting of a chairman, who shall be a member of the Board, and two or more members of the Association. The Board shall also have the power to appoint a nominating committee, as provided in these By-Laws. In addition, the Board shall appoint other committees as

deemed appropriate in carrying out its purpose.

ARTICLE 7: ACCOUNTING

- 7.1 Books and Accounts. The books and accounts of the Board of Trustees shall be kept under the direction of the Treasurer and in accordance with general accounting procedures.
- 7.2 Report. At the close of each accounting year, the books and records of the Board of Trustees shall be reviewed by a person or firm approved by the Owner(s). A report of such review shall be prepared and submitted to the Owner(s); provided, however, that a certified audit by a certified public accountant approved by the Owner(s) shall be made if at least ninety percent (90%) of the owners determine to do so.
- 7.3 Inspection of Books. Financial reports, such as are required to be furnished, shall be available at the principal office of the Board of Trustees or the Manager for inspection upon request at any reasonable time by any Owner(s).
- 7.4 Fiscal Calendar. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE 8: DUTIES OF OWNERS

- 8.1 Delegation of Use. As permitted under the Declaration, any member may designate his/her right to enjoyment of the Common Areas and facilities. Any member who does so shall cause the designated party to know and follow all requirements set forth in these By-Laws, the Articles, the Declaration, and any other rules and regulations as adopted from time to time by the Board.
- 8.2 Insurance. The Association shall carry an overall insurance policy for those risks deemed appropriate by the Board of Trustees. This Association policy ("Umbrella Policy") shall be considered a secondary policy which first requires any primary policy held by any Owner to pay up to its policy limits. The Umbrella Policy is experience rated and raises in premiums to the Association will occur based on actual claims submitted under the policy. The Umbrella Policy shall cover loss or damage which may be incurred on the part of the

Association or its members, to the following:

- 8.2.1 All Common Areas and facilities dedicated to common use.
- 8.2.2 Structure of the individual units or townhomes including:
 - 8.2.2.1 Exterior surfaces of walls and roofs.
 - 8.2.2.2 Structural components including but not limited to framing, trusses, subfloor (i.e. cement slab or floor joists and decking).
 - 8.2.2.3 Utility, conduit and plumbing lines within the walls.
- 8.2.3 Losses to a structure due to fire and smoke.
- 8.3 Claims. Any claim filed for payment under the Umbrella Policy shall first be submitted to the Board of Trustees. The Board of Trustees in their sole discretion shall submit said claim to the underwriter.
- 8.4 Indemnity. All members shall be responsible for any loss or damage not defined above and shall further indemnify the Association and its Board of Trustees from any and all claims, demands, causes of action including attorney's fees, arising out of any insurance matter; and the Owner shall be personally responsible for any loss or damage including but not limited to the following:
 - 8.4.1 Any loss or damage not specified in Article 8.2 above which is attributable to an individual unit or townhome.
 - 8.4.2 Any deductible on the overall policy which is paid out on a loss attributable to an individual unit even where paid out on any loss set forth in Article 8.2.
 - 8.4.3 Any loss of personal property, fixtures, or nonstructural improvements within an individual unit including but not limited to carpets or floor coverings, furnishings, cabinetwork, wall coverings, window dressings, decoration of any type and paint.
 - 8.4.4 Any loss incurred inside the exterior unfinished walls of an individual unit except those specified in Article 8.2 above.
 - 8.4.5 Any loss due to flooding or other water damage, earthquake, volcanic eruption or other disaster not specifically covered in the overall policy held by the Association.
 - 8.4.6 All losses or damage due to acts of war, nuclear disaster.

