

**BY-LAWS
OF
THE COLONIES HOMEOWNERS ASSOCIATION**

AS REVISED DECEMBER 17, 2002,
as AMENDED JANUARY 5, 2012,
and as AMENDED APRIL 17, 2012.

ARTICLE I

NAME AND LOCATION. The name of the Corporation is The Colonies Homeowners Association, hereinafter referred to as the "Association." The principle office of the corporation shall be located at 783 North 480 West, Orem Utah, 84057, but meetings of members and directors may be held at such places within the State of Utah, County of Utah, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to The Colonies Homeowners Association, its successors and assigns.

Section 2. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 3. "Declarant" shall mean and refer to The Colonies Planned Development Homeowners Association, Inc., by and through its Board of Directors, and their successors and assigns.

Section 4. "Declaration" shall mean and refer to the Revised Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Utah County Recorder.

Section 5. "Member" shall mean and refer to those persons entitled to membership as provided in the Revised Declaration.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit which is a part of the Project, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 8. "Unit" shall mean and refer to the elements of the Project which are not used in common

with Owners of other Units. The boundaries of a Unit shall be the exterior surfaces of its perimeter walls, floors, ceilings and the exterior surfaces of the balconies and/or terraces appurtenant to the Unit, together with any rear or side yard area included in the legal description of such Unit. The Unit shall include both portions of the Building so described and the airspace so encompassed.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. Each annual meeting of the members shall be during the month of January of each year, at the hour of 7:00 p.m.

Section 2. Special Meetings. Special meetings of the members may be called any time by the president or by the Board of Directors, or (1/4) of all the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 30 days but not more than 60 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. For those actions authorized under Sections 6.5 and 6.6 of the Revised Declaration of Covenants, Conditions and Restrictions, the presence of a quorum will be determined in accordance with the provisions of Sections 6.7 and 6.8 of said Revised Declaration.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing on a proxy statement form approved by the Board of Directors and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance of a written revocation to a Director by the member who issued the proxy statement, or by that member's attendance at the meeting for which the proxy statement was issued. All default proxies as provided for in Section 6.8(b) of the Declaration shall be voted by the Board of Directors on the same pro rata basis as the votes cast by the members present or represented by proxy at the meeting.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) Directors, who shall be members of the Association.

Section 2. Term of Office. The term of office for each director will be three (3) years. Terms shall be staggered so that the terms of no more than forty percent (40%) of the directors will end in the same year.

Section 3. Removal. 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 or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor. Such selection shall be made from the currently elected alternates, if any.

Section 4 Compensation. The annual assessment which is paid monthly by the unit owners, shall be waived for all officers and board members while such board members are acting in good faith. Any director may also be reimbursed for his or her actual and necessary expenses incurred in the performance of his or her duties as a director. The Board of Directors as a body shall determine, in its sole discretion, whether an expense was actual and necessary.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association, who may also be directors. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations must be made from among members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Revised Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Alternates. In each position to which a new director is elected an Alternate may be also elected. If the Director is unable to serve the duration of the term to which he or she was elected, an Alternate shall serve the remaining portion of the term. The President may chose to have the 2nd place finisher serve as Alternate or may chose to hold a separate election.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. The Board of Directors shall meet monthly, without notice, at such place and hour as may be fixed from time to time by the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. Three Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of Directors present at a duly held meeting when a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules 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;
- (b) suspend the voting rights and right to use of the recreational facilities 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 60 days for infraction of published rules and regulations;
- (c) require any tenant residing in a unit within The Colonies[®] to pay future rents to the Association when a non-resident member is delinquent in the payment of any assessment, pursuant to the provisions and requirements of Section 57-8a-310 of the Utah Community Association Act, as the same may be amended from time to time.
- (d) exercise for the Association all powers, duties and authority vested in or delegated to this

Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Revised Declaration;

(e) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

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

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

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

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

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period.

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Areas to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and two vice-presidents, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may create by resolution from time to time.

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

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one(1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may determine from time to time.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

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

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

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments.

Vice-President

(b) One vice-president shall be responsible for the landscaping of the Common Areas of the Project. The other vice-president shall be responsible for the physical facilities of the Project, including the roadways,

lighting, and trash removal. The vice-president with the greater seniority as a member of the Board of Directors shall act in the place and stead of the president in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.

Secretary

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

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an audit of the Association books to be made by a public accountant at the end of each term of office for the Treasurer; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at each regular annual meeting and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Board of Directors may appoint an Architectural Control Committee, as provided in the Declaration, and shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE X

BOOKS AND RECORDS

The Books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI

ASSESSMENTS

Section 1. As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall be subject to a late penalty as determined by the Board of Directors, by resolution, not to exceed 20% of the amount due, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of his Unit.

Section 2. The annual assessment will be due and payable on a monthly basis.

Section 3. Notice of any change in the amount of the annual assessment must be made to the members, in writing, and such change will become effective only after such notice and upon approval of the members, when necessary, as provided in Section 6.5 of the Declaration.

Section 4. The annual assessment which is paid monthly by the Unit Owners shall be waived for all officers and board members while such officers and board members are acting in good faith. A majority vote of board members can reinstate the assessment of any officer or board member who is not fulfilling his or her obligations.

Section 5. The Board of Directors shall designate Twenty Per Cent (20%) of the annual assessment actually collected to be placed into a capital account from which funds may be expended only pursuant to the following terms and conditions:

- a. Funds in the Capital Account may be used only for capital expenditures.
- b. Expenditures from the Capital Account must be approved by a majority vote at an Annual Meeting or Special Meeting of the members of the HOA held after the 30 day written notice required by Section 6.7 of the Declaration.

ARTICLE XII

LANDSCAPING MINIMUM REQUIREMENTS

The board of Directors shall contract only with landscapers who agree to provide the following minimum services:

- Termination notice for either party not exceeding 30 days
- Spring aeration of all common area lawns.
- Spring sprinkler inspection, adjustment and repair.
- Sprinkler system inspected monthly and adjusted periodically as needed or requested.

- Mowing provided weekly during main growing season, bi-weekly during spring and fall.
- Grass cut to maximum 2 inches.
- Grass adjacent trees, shrubs, beds, and buildings trimmed to maintain manicured appearance.
- Hard-blade edging along sidewalks biweekly.
- Beds weeded, cultivated and deep cut edges biweekly.
- Weeds sprayed in sidewalk, curb, and patio cracks.
- Gutters, sidewalks, patios, etc. swept or blown clean biweekly.
- Trees pruned and bushes trimmed once in spring and fall.
- Fall clean up of leaves, flowers, and cultivating of beds.
- Backup and waste valves closed, manual drains opened, timers turned off by November 15.
- Trees, bushes, flowers and shrubs fertilized once per year.
- Lawn fertilized four times per year.
- Insect control for turf applied once per year.
- Post emergent herbicide application once per year on all lawn areas.
- Pre-emergent herbicides in shrub and tree areas applied 3 times per year.
- Trees requiring wrapping done each fall.

ARTICLE XIII

MISCELLANEOUS

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 XIV

AMENDMENTS; ORDER OF PRIORITY OF GOVERNING DOCUMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy. A quorum shall be determined in accordance with the provisions of Paragraphs 6.7 and 6.8 of the Declaration, and shall be subject to the Right of Challenge contained in Paragraph 6.9 of the Declaration.

Section 2. In the event of a conflict in any of the provisions of the governing documents, the documents shall govern or control in the following order or preference: (a) the Utah Nonprofit Corporation and Cooperative Association Act; (b) the Declaration; (c) the Articles of Incorporation of the Association; (d) the By-Laws of the Association; and (e) the Rules.

IN WITNESS WHEREOF, we, being all of the Directors of The Colonies Planned Development Homeowners Association, Inc., have hereto set our hands this 17th day of December, 2002.

The Colonies Planned Unit Development
Homeowners' Association, Inc.

/S/ K. Allan Zabel
President

/S/ Alan C. Tull
Vice-President

/S/ Amy K. Green
Vice-President

/S/ Mark O. Peterson
Treasurer

/S/ L. Randa Wells
Secretary

[This page is intentionally blank.]