SWAINS CREEK PINES LOT OWNERS ASSOCIATION
PROPERTY RENTAL POLICY

RESOLUTION OF THE BOARD OF THE DIRECTORS

WHEREAS the Board of Directors of the Association is charged with the responsibility of managing and controlling the facilities to provide the owners of lots in the designated subdivisions with those services desirable and necessary to the health, safety and well-being of such owners and to the enhancement and preservation of the recreational and scenic values essential to the proper enjoyment of such subdivision lots by such owners.

WHEREAS the Board shall administer the enforcement of the protecting conditions, covenants, reservations and restrictions, and to this end shall have the power to adopt and enforce reasonable rules and regulations governing the use of lots and any other properties and facilities under its jurisdiction.

WHEREAS the several Covenants, Conditions and Restrictions (CC&Rs) of Swains Creek Pines include:
(a) Declarations of Establishment of Protective Conditions, Covenants, Reservations and Restrictions affecting the Real Property known as "Swains Creek Pines Unit No. 1" recorded in the records of the Kane County Recorder's Office 8-4-1969, sometimes referred to as Swains Creek Pines 1A";
(b) Declarations of Establishment of Protective Conditions, Covenants, Reservations and Restrictions affecting the Real Property known as "Swains Creek Unit No. 1" recorded in the records of the Kane County Recorder's Office 10-28-1976;
(c) Declarations of Establishment of Protective Conditions, Covenants, Reservations and Restrictions affecting the Real Property known as "Swains Creek Pines Unit No.2" recorded in the records of the Kane County Recorder's Office 6-12-1974;
(d) Declarations of Establishment of Protective Conditions, Covenants, Reservations and Restrictions affecting the Real Property known as "Swains Creek Pines Unit No. 3" recorded in the records of the Kane County Recorder's Office 5-17-1977; and
(e) Declarations of Establishment of Protective Conditions, Covenants, Reservations and Restrictions affecting the Real Property known as "Harris Spring Ranches" recorded in the records of the Kane County Recorder's Office 4-17-1978.

WHEREAS the several CC&Rs of Swains Creek Pines require lots to be used for single-family residential purposes.

WHEREAS according to the Developer Declarant (See Exhibit 1), the intent and purpose for all the Declarations was to prohibit the utilization of the residential cabins for business purposes and that utilizing a residential cabin for short-term, nightly or weekly rental is a business purpose and is prohibited by the Declarations listed above.

WHEREAS the Board finds that short-term rentals (rentals for periods of less than thirty consecutive days) of residential cabins constitutes a business and/or commercial use and utilizing residential cabins for commercial and/or business purposes is also restricted.

WHEREAS the several CC&Rs of Swains Creek Pines do not set a term for rentals and do not prohibit the Board from setting such a term by rule, Utah Code 57-8a-218 allows the Board to set a minimum lease term by rule.

WHEREAS the Board deems it is in the best interest of the Association to adopt a uniform and systematic procedure for dealing with violations of governing documents in a fair and timely manner.

NOW THEREFORE, BE IT RESOLVED that, based upon one or more of the foregoing, the rental of a cabin for a period of less than thirty (30) consecutive days is prohibited.

The Board of Directors of the Association adopts the following policy and practice effective May 11, 2015:

A fine may be assessed by the Board against an owner for any violation in a thirty (30) consecutive day period that the rule is violated. In addition, the Board may bring an action to recover the fine and/or to seek all other remedies available at law and in equity, including injunctive relief. The lot owner shall be responsible for attorneys' fees and costs incurred by the Association in any action brought to enforce this rule.

If any provision of this Policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.

This resolution of the Board of Directors has been duly adopted at the May 11, 2015 meeting of the Board of Directors.

Signed: s/s Charles Costa
Chairman

Signed: s/s Cheryl Case
Secretary

EXHIBIT 1

AFFIDAVIT
of
Keith Christensen

I, Keith Christensen, hereby aver under oath as follows:

1. I am confident to testify as to the facts contained in this Affidavit.
2. I have personal knowledge of the facts contained in this Affidavit, or have become personally aware of the information stated in this Affidavit.
3. J.B. Investment Company, a Utah corporation, was the Declarant under the following Declaration of Restrictive Covenants:
   (a) Declarations of Establishment of Protective Conditions, Covenants, Reservations and Restrictions affecting the Real Property known as "Swains Creek Pines Unit No. 1" recorded in the records of the Kane County Recorder's Office 8-4-1969 (attached hereto as Exhibit A), sometimes referred to as "Swains Creek Pines 1A";
   (b) Declarations of Establishment of Protective Conditions, Covenants, Reservations and Restrictions affecting the Real Property known as "Swains Creek Unit No. 1" recorded in the records of the Kane County Recorder's Office 10-28-1976 (attached hereto as Exhibit B);
   (c) Declarations of Establishment of Protective Conditions, Covenants, Reservations and Restrictions affecting the Real Property known as "Swains Creek Pines Unit No. 2" recorded in the records of the Kane County Recorder's Office 6-12-1974 (attached hereto as Exhibit C);
   (d) Declarations of Establishment of Protective Conditions, Covenants, Reservations and Restrictions affecting the Real Property known as "Swains Creek Pines Unit No. 3" recorded in the records of the Kane County Recorder's Office 5-17-1977 (attached hereto as Exhibit D); and
   (e) Declarations of Establishment of Protective Conditions, Covenants, Reservations and Restrictions affecting the Real Property known as "Harris Spring Ranches" recorded in the records of the Kane County Recorder's Office 4-17-1978 (attached hereto as Exhibit E).
4. At all times relevant to the execution of the above described Declarations, L. Derral Christensen was the president of J.B. Investment Company.
5. At all times relevant to the creation and execution of the above described Declarations, I was an officer in J.B. Investment Company.
6. As an officer of J.B. Investment Company, I am familiar of the purpose and intent for which the Declarations were created.

7. With respect to business and commercial purposes, each of the Declarations, in varying ways, express limitations and prohibitions on business and commercial purposes on all lots governed by the Declarations.
8. Specifically, as to (i) Swains Creek Pines Unit No. 1, sometimes referred to as "Swains Creek Pines 1A" and (ii) Swain's Creek Pines Unit No. 2, the Declarations address certain permitted commercial uses along Swains Creek Road and Lots 287, 288, and 317-323. However, all other lots are restricted to residential uses only and even lots 287, 288 and 317-323 are restricted to residential uses if the lots were sold as residential lots.
9. From the Declarations for Swains Creek Pines Unit No. 3, Swains Creek Unit No. 1 and Harris Spring Ranches, no commercial restrictions were identified simply because no commercial uses were allowed and therefore needed no further restrictions. In short, as specifically stated in the Declaration for Harris Spring Ranches "no commercial restrictions, as no commercial business is allowed." Such is the purpose and intent not only for Harris Spring Ranches but also Swains Creek Pines Unit No. 3 and Swains Creek Pines Unit No. 1.
10. Furthermore, it was the intent and purpose for all the Declarations to prohibit the utilization of the residential cabins for "business purposes."
11. As an initial Trustee/Chairman of the Swains Creek Pines Lot Owner's Association, a non-profit corporation, and as a principal in J.B. Investment Company, it was, and continues to be, my understanding and interpretation of the above Declarations that commercial and business uses of the residential cabins would not be permitted. It is my opinion and the Declarant's intention, that utilizing a residential cabin for short term, nightly or weekly rental is utilizing the cabin for a business purpose and is prohibited by the Declarations listed in paragraph 3.

Further, Affiant sayeth naught.

Dated this 10 day of April, 2015.

Keith Christensen

STATE OF UTAH)
: ss.
County of Salt Lake)

On the 10th day of April, 2015, personally appeared before me Keith Christensen, the signer of the foregoing instrument, who duly acknowledged before me that he executed the same.

JILL OZUR
Notary Public
State of Utah
Comm. No. 655407
My Comm. Expires May 4, 2016

NOTARY PUBLIC

15-02-19.OUT.4.Affidavit Christensen(ver 6.15-04-09bcj).SC.BR.S08836-002.jcs