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DECLARATION OF CONDOMINIUM

OF

PARKSIDE CONDOMINIUMS

**A Condominium Project
Salt Lake City, Utah**

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**DECLARATION OF CONDOMINIUM
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**A Condominium Project
Salt Lake City, Utah**

THIS DECLARATION is made this 2nd day of June 2008, by Dekimasho, LLC, a California limited liability entity, (hereinafter referred to as "Declarant"), pursuant to the provisions of the Utah Condominium Ownership Act.

RECITALS

A. Declarant is the owner of that certain real property situation in the City of Salt Lake City, County of Salt Lake, and more particularly described as:

Lots 1, 20, 21 and 22, Block 4, West Drive Subdivision, according to the official plat thereof on file and of record in the office of the Salt Lake County Recorder, being more particularly described as follows:

Beginning at the southeast corner of Lot 1, Block 4, West Drive Subdivision, thence South 89°56'40" West 163.75 feet; thence North 00°01'10" West 100.07 feet; thence North 89°56'40" East 163.75 feet to the west right of way line of West Temple Street; thence South 00°01'10" East 100.07 feet along said west right of way line of West Temple Street to the point of beginning.

Contains 16,386 sq. ft. OR 0.38 acres.

B. Declarant intends to construct improvements and units upon said real property in accordance with the plans and drawings contained in the Record of Survey Map filed for record contemporaneously herewith.

C. Declarant desires, by filing this Declaration and the Record of Survey Map, to submit said real property and all improvements now or hereafter constructed hereon to the provisions of the Utah Condominium Ownership Act the Condominium Project to be known as the Parkside Condominiums.

D. Declarant intends to sell to various purchasers the fee title to the Individual Units contained in the Project, together with the undivided percentage ownership interest in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, conditions, restrictions, limitations and easements herein set forth.

DECLARATION

NOW THEREFORE, for the foregoing purposes, Declarant hereby declares and certifies as follows:

ARTICLE I DEFINITIONS

When used in this Declaration (including that portion hereof captioned "Recitals" and in the By-laws hereinafter set forth) the terms used shall have the meaning stated in the Utah Condominium Ownership Act and as follows unless the context otherwise requires.

1.1 Act shall mean and refer to the Utah Condominium Ownership Act, Title 57, Chapter 8, Utah Code Annotated 1953 as the same may be amended from time to time.

1.2 Association of Unit Owners or the Association shall mean and refer to the Parkside Condominium Homeowners Association, Inc., a Utah non-profit corporation.

1.3 Building shall mean and refer to a structure containing Units and comprising a part of the project.

_____ 1.4 Bylaws shall mean and refer to the Bylaws of the Association.

_____ 1.5 Common Areas or the Common Areas and Facilities shall mean and refer to and include:

1.5.1 The real property which is submitted by this Declaration to the terms of the Act, including all easements and appurtenances.

1.5.2 Those Common Areas and Facilities and Limited Common Areas and Facilities specifically set forth and designated as such on the Map.

1.5.3 All exterior walkways, streets, yards, gardens, fences, open parking spaces, installation of central services such as power, light, gas, all apparatus and installations existing for common use, such as recreational and community facilities as may be provided for.

1.5.4 All other parts of the Project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management.

1.5.5 All Common Areas and Facilities as defined in the Act, whether or not expressly listed herein.

1.6 Common Expenses shall mean all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the By-laws, such rules, regulations, and other determinations and agreements pertaining to the Condominium Project as the Management Committee, the Unit Owners, or the Association as hereinafter mentioned, may from time to time adopt.

1.7 Condominium Project or Project shall mean and refer to the Parkside Condominiums Project as the same may exist from time to time.

1.8 Condominium Unit or Units means and refers to one of the living Units in the Project intended for independent use as defined in the Act and as shown in the map together with the undivided interest in and to the Common Areas and Facilities appertaining to the Unit. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only that Unit, such appliance, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, from the drywall in, floors and ceilings, windows and window frames, doors and door frames, and trim, consisting of, inter alia and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installation constituting a part of the Unit or serving only the Unit, and any structural members of any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

1.9 Declarant shall mean and refer to the Dekimasho, LLC, a California limited liability company, its successors and assigns.

1.10 Declaration shall mean and refer to this Declaration. This declaration has been drafted to comply with the requirements of the Utah Condominium Ownership Act, Title 57, Chapter 8, Utah Code Annotated 1953. Any ambiguities, omissions, and/or conflicts shall be construed with the provisions of said Act.

1.11 Limited Common Areas and Facilities or Limited Common Areas shall mean those Common Areas designated in the Declaration and shown on the Map as reserved for use of certain Unit or Units to the exclusion of other Units. Limited Common Areas include storage areas and parking space specifically assigned to a Unit Owner.

1.12 Management Committee or Committee shall mean and refer to the Committee as provided in the Declaration charged with and having the responsibility and authority to make and to enforce rules and regulations covering the operation and maintenance of the real property.

1.13 Map shall mean and refer to the Record of Survey Map filed herewith captioned Parkside Condominiums.

1.14 Member shall mean and refer to an Owner as a member of the Association.

1.15 Mortgage shall mean a recorded first mortgage, deed of trust or other security instrument by which a Unit of any part thereof is encumbered.

1.16 Mortgagee shall mean any person names as a Mortgagee or beneficiary under or holder of a Deed of Trust which is defined as a Mortgage hereunder.

1.17 Property shall mean and refer to the real property described above, the buildings, all improvements and the structures thereon, all easements, rights and appurtenances belonging thereto and all articles of person property intended for use in connection therewith, together with any other land annexed into the Project as provided in this Declaration.

1.18 Record of Survey Map, Survey Map or Map shall mean and refer to the Record of Survey Map filed concurrently herewith with the Salt Lake County Recorder entitled "Parkside Condominiums, Phase I, Salt Lake City, Salt Lake County, Utah executed and acknowledged by Declarant, prepared by a duly registered Utah land surveyor, as said Map may hereafter be modified, supplemented, or amended in accordance with law and the provisions hereof.

1.19 The Tract of Entire Tract shall mean and refer to the tract of land situated in Salt Lake County, State of Utah, together with all appurtenances thereto described above, together with any other property annexed into the Project as provided in the Declaration.

1.20 Unit Number shall mean and refer to the number, letter or combination thereof which designates a Unit on the Map.

1.21 Unit Owner or Owner shall mean and refer to the person or persons owning the fee simple interest in a Unit. The Declarant shall be deemed to be the Owners of all completed but unsold Units. In the event a Unit is the subject of an executory contract of sale, the buyer shall, unless the seller and the buyer have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for all purposes.

ARTICLE II
PROPERTY DESCRIPTION AND SUBMISSION

2.1 The Submission. Declarant hereby submits to the provisions of the Act the Property which is and shall be held, transferred, sold, conveyed and occupied subject to the provisions of this Declaration.

2.2 Reservation. Declarant reserves, however, such easements and rights of ingress and egress over, across, through, and under the above described Tract and any improvements (other than Buildings) now or hereafter constructed thereon as may be reasonably necessary for Declarant: (I) to construct and complete each of the Buildings and all of the other improvements described in this Declaration or in the Survey Map recorded concurrently herewith, and to do all things reasonably necessary or proper in connection therewith; (ii) to construct and complete on the Additional Land or any portion thereof such improvements as Declarant shall determine to building its sole discretion (and whether or not the Additional Land or any portion thereof has been or hereafter will be added to the Project); and (iii) to improve portions of the said property with such other additional improvements, facilities, or landscaping designed for the use and enjoyment of all other Owners as Declarant may reasonably determine to be appropriate. If, pursuant to the foregoing reservations, the above-described Tract or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the reservations hereby effected shall, unless sooner terminated in accordance with their terms, expire twenty (20) years after the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah.

2.3 Division into Condominium Units, Minimum and Maximum Ownership Interests. The Project is hereby divided into twelve (12) Condominium Units as set forth on the Map, each such Condominium Unit consisting of a Unit and an appurtenant undivided but equal interest in and to the Common Areas and Facilities. Such Units comprise the minimum number of Units in the Project and give each Owner a maximum of 8.333% undivided interest in the Common Areas and Facilities.

2.4 No Obligation to Annex or Develop. Declarant has no obligation hereunder to annex any Additional Land to the Project or to develop or preserve any portion of Additional Land in any particular time schedule. No land other than the tract, as defined on the date hereof, and land annexed thereto in accordance with the terms of this Article, shall be deemed to be subject to this Declaration, whether or not shown on any Map filed by Declarant or described or referred to in any documents executed or recorded by Declarant.

ARTICLE III
IMPROVEMENTS

3.1 Description of Improvements. The improvements included in the Project are now or will be located on the Tract, and all of such improvements are described on the Map. The Map indicates the number of Units which are to be contained in the Buildings which comprise a part of such improvements, the dimensions of the Units, and other significant facts relating to such Buildings and the Common Areas.

3.2 Descriptions of Buildings and Units. The Project initially consists twelve (12) Units. Each Unit has a living room/kitchen area, two (2) bedrooms and one (1) full bath. The Units are basically the same size and configuration. The Buildings use conventional wood frame construction with facades of brick, stucco and/or siding. The roofs are asphalt shingle hip roofs. Each Unit has one outside parking stalls. Such parking stalls are designated as a Limited Common Area to such Unit.

3.3 Descriptions of and Legal Status of Units. The Map shows the Unit Number of each Unit, its location, dimensions, from which its areas may be determined, the Limited Common Areas, if any, which are reserved for its use, and the Common Areas of the Project. The Units shall be legally designated and described by Unit number as follows:

- Unit 1: 1028 South West Temple, #1, Salt Lake City, Utah 84101
- Unit 2: 1028 South West Temple, #2, Salt Lake City, Utah 84101
- Unit 3: 1028 South West Temple, #3, Salt Lake City, Utah 84101
- Unit 4: 1028 South West Temple, #4, Salt Lake City, Utah 84101
- Unit 5: 1028 South West Temple, #5, Salt Lake City, Utah 84101
- Unit 6: 1028 South West Temple, #6, Salt Lake City, Utah 84101
- Unit 7: 1028 South West Temple, #7, Salt Lake City, Utah 84101
- Unit 8: 1028 South West Temple, #8, Salt Lake City, Utah 84101
- Unit 9: 1028 South West Temple, #9, Salt Lake City, Utah 84101
- Unit 10: 1028 South West Temple, #10, Salt Lake City, Utah 84101
- Unit 11: 1028 South West Temple, #11, Salt Lake City, Utah 84101
- Unit 12: 1028 South West Temple, #12, Salt Lake City, Utah 84101

3.4 Common and Limited Common Areas. The Common Areas will consist of stairways, landings, parking areas, sidewalks, pathways, and a landscaping strip. The Common Areas contained in the Project are described and identified in Article I hereof and in the Map. Neither the Ownership of undivided interests in the Common Areas nor the right of exclusive use of a Limited Common Area shall be separated from the unit to which it appertains; and even though not specifically mentioned in the instrument of conveyance, such percentage of undivided interest and such right of exclusive use shall automatically accompany the conveyance of the Unit to which they relate.

3.5 Legal Description of a Unit. Each conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the letter and number shown on the Map with the appropriate reference to the Map and to this Declaration, as such shall appear on the Records of the County Record of Salt Lake County, Utah and in substantially the following form:

Unit ____ shown in the Record of Survey Map for the Parkside Condominiums appearing in the Records of the County of Salt Lake, In Book ____ Page ____ of Plats, as defined and described in Declaration of Condominium, appearing in such Records in Book ____ Page ____ of Records. This conveyance is subject to the Provisions of the aforesaid Declaration of the Parkside Condominiums.

Such description will be construed to describe the Unit together with an undivided interest in and to the Common Areas as the same is established and identified in the Declaration and map referred to herein above, and to incorporate all the rights incident to Ownership of a Unit and all the limitations of such Ownership as described in this Declaration.

ARTICLE IV EASEMENTS

4.1 Easement for Encroachment. If any part of the Common Areas encroaches or shall hereafter encroach upon a Unit of Units, an easement for such encroachment and for the maintenance for the same, shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas or upon any adjoining Unit or Units, an easement for such encroachment and for maintenance shall and does exist. Such encroachment shall not be considered to be encumbrances either in the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the building(s) on the Tract, by error in the Map, by settling, raising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

4.2 Access for Repair of Common Areas. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of the other Units shall have the irrevocable rights, to be exercised by the Committee as their agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas located therein or accessible there from or for making emergency repairs therein necessary to prevent damage to the Common Areas of another Unit or Units. The Committee shall also have such rights independent of the agency relationship. Damage to the Interior of any part of the Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit at the instance of the Committee or of Unit Owners, shall be an expense of all the Unit Owners and

assessed proportionately; provided, that if such damage is the result of negligence of the Owner of the unit, then such Owner shall be financially responsible for all such damage. This provision shall be collected by the Committee by assessment pursuant to the Declaration.

4.3 Right of Ingress, Egress and Lateral Support. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas necessary for access to his or her Unit, and to the Limited Common Areas designated for use in connection with his or her Unit, and each Owner shall have the right to the horizontal and lateral support of a Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

4.4 Easement to Management Committee. The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

4.5 Easement for Utility Services. There is hereby created a blanket easement upon, across, over and under the Tract for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water, sewer, gas, telephone, electricity, and other utility services.

4.6 Reservation of Rights in Property. Declarant reserves, such easements and rights of ingress and egress over, across, through and under the Tract and any improvements (including Buildings or Units) now or hereafter constructed thereon as may be reasonably necessary for Declarants (a) to construct and complete each of the Buildings and Units and all of the other improvements, structures, utilities, and facilities described in this Declaration or in the map or which shall hereafter be recorded and all other things reasonably necessary in connection therewith; (b) to construct and complete on the Property, or any portions thereof, such other improvements, structures facilities or landscaping designed for the use and enjoyment of the Owners as Declarant may reasonably deem necessary or appropriate; and (c) such marketing, sales, management, promotional or other activities designed to accomplish or facilitate the management of the Common Areas or the sale of the Units hereof. With the exception of any easements also described in other sections of this Article, this reservation shall, unless sooner terminated in accordance with the terms hereof, expire three (3) years after the date on which this Declaration is filed for record with the County Recorder of Salt Lake County.

ARTICLE V NATURE AND INCIDENTS OF OWNERSHIP

5.1 Holding Title. Title to a Unit shall be in fee simple and may be held or owner by any person or entity and in any manner in which title to any other real property may be held or owned in the State of Utah, including, but without limitation, joint tenancy or tenancy in common.

5.2 No Separation. No part of a Unit or of the legal rights comprising ownership of a Unit may be separated from any other part thereof during the period of Condominium Ownership described herein, so that each Unit, the undivided interest in the Common Areas appurtenant to such Unit, and the exclusive right to use and occupy the Limited Common Areas appurtenant to each Unit, shall always be conveyed, devised, encumbered, and otherwise effected only together and may never be separated from one another. Every gift, devise, bequest, transfer, encumbrance or other disposition of a Unit or any part thereof, shall constitute a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Unit, together with all appurtenant rights created by law or by this Declaration.

5.3 Undivided Interest in Common Areas. Each Owner shall have, for each Unit owned, an equal undivided ownership interest in and to the Common Areas.

5.4 Membership in Association. Each Owner shall be a Member of the Association of Unit Owners. Membership in the Association shall be mandatory, shall be appurtenant to, and shall not be separated from the Unit to which it is appurtenant.

5.5 No Partition. The Common Areas shall be owned in common by all the Owners of Units, and no Unit Owner may bring action for partition thereof.

5.6 Use of Common Areas and Limited Common Areas. Subject to the limitations contained in the Declaration, each Unit Owners have the non-exclusive right to use and enjoy the Common Areas and shall have the exclusive right to use and enjoy the Limited Common Areas designated herein on the Map for exclusive use by such Unit.

5.7 Unit Maintenance. Each Owner shall at his or her own cost and expense maintain, repair, paint, re-paint, tile , wax, paper or otherwise refinish and decorate the interior walls, trim and interior surfaces of the walls, ceilings, floors and windows and doors forming the boundaries of his Unit and all walls, ceilings, floors, windows and doors within such boundaries (i.e. from the drywall in). In addition to decorating and keeping the interior of his or her Unit in good repair and in a clean and sanitary condition, he or she shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air conditioner, lighting fixtures, refrigerator, dishwasher, disposal equipment, range, or other appliances or fixtures that may be in, or connected with his Unit.

5.8 Maintenance of Limited Common Areas. Each Owner shall keep the Limited Common Areas designed for use in connection with a Unit in a clean and sanitary condition at all times. The Association shall be responsible for the repair and maintenance of the Limited Common Areas.

5.9 Duty of Owner to Pay Taxes on Unit Owned. Each Owner shall pay and discharge any and all real estate taxes and assessments which may be assessed against such Owner relative to his or her Unit.

5.10 Duty to Pay Association Assessments. Each Unit Owner is obligated to pay and discharge all assessments and charges levied by the Association as set forth herein.

ARTICLE VI RESTRICTIONS

6.1 Residential Use. Each of the Units in the Project is intended to be used for multiple residential use in accordance with the Salt Lake City Zoning Ordinances. Each unit may be rented or leased by the Unit Owner for the use and occupancy as herein stated and as legally allowed by code and/or zoning ordinance or any other applicable and/or governing law.

6.2 Restrictions Concerning Common Areas. There shall be no obstructions of the Common Areas by the Owners their tenants, guest or invitees without the prior written consent of the Management Committee. The Management Committee may by rules and regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Management Committee, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Areas except upon consent of the Management Committee.

6.3 Miscellaneous Restrictions. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would result in the cancellation of the insurance of the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof over what the Management Committee, but for such activity, would pay, without the prior written consent of the Management Committee. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Management Committee and other Owners harmless against all loss resulting from any such damage or waste caused by his or her invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owners. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

6.4 Animals. No livestock or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Areas, except that household pets may be kept in Units, subject to strict observances of rules and regulations adopted by the Management Committee.

6.5 No Violation of Rules and Regulations. No Owner shall violate the rules and regulations for the use of the Units and the Common Areas as adopted from time to time by the Management Committee.

6.6 Restrictions on Alterations. No structural alterations to any Unit shall be made by any Owner without the prior written consent of the Management Committee

6.7 Declarant's Right to Sell Units. Notwithstanding anything contained herein to the contrary, until the Declarant has completed and sold all of the Units, neither the Unit Owners who have purchased Units from the Declarant, the Management Committee, nor the Association shall interfere with the completion of the Units and Common Areas and the sale of the remaining Units, including but not limited to, the maintenance of a sales office, the showing of the Units, and the display of signs.

6.8 Signs. Except as provided in the preceding section, no signs or other advertising shall be displayed which are visible from the exterior of any Unit or on the Common Areas, including "For Sale" signs, except in conformity with the rules and regulations promulgated by the Management Committee.

6.9 Recreational Vehicle Parking. No recreational vehicles or boat parking is presently provided within the Project. The parking in the Project of such recreational vehicles or boats either by the Owners or their guests, invitees, lessees or assigns is expressly prohibited unless and until such time as parking specifically designated therefore is provided. Suitable off-site parking must be arranged by any recreational vehicle or boat owner, unless and until such time as parking, specifically designated for such personal property, is provided.

ARTICLE VII INSURANCE

7.1 Hazard Insurance. The Association shall procure and maintain, from a company or companies holding a general policyholder's rating of B or better or a financial rating of Class VI or better from Best's Insurance Reports, a policy or policies of hazard insurance in an amount or amounts equal to or exceeding the full replacement value (exclusive of the value of land, foundations, excavation and other items normally excluded from coverage) of the Units, Common Areas and Limited Common Areas, including any building service equipment, and any common personal property and supplies owned by the Association, with either a Replacement Cost Endorsement or a Guaranteed Replacement Cost Endorsement and an Agreed Amount Endorsement or its equivalent, an Inflation Guard Endorsement, if available, and such other endorsements as the Association shall deem necessary. Such policy or policies shall provide for deductibles which shall not be greater than the lesser of Ten Thousand Dollars (\$10,000.00) or one percent (1 %) of the face amount of the policy. Such insurance policy or policies shall name the Association as insured and shall afford protection against loss or damage by fire and other hazards that are normally covered by the standard extended coverage endorsement, and by vandalism, malicious mischief, and such other risks as are normally covered by the standard "all risk" or Cause of Loss-Broad Form policy of insurance. The Policy shall provide that it may not be canceled or substantially modified by the insurer unless it gives at least ten (10) days' prior written notice thereof to each insured.

7.2 Liability Insurance. The Association shall procure and maintain from a company or companies holding a general policyholder's rating of B or better or a financial rating of Class VI or better from Best's Insurance Reports a policy or policies (herein called the "Policy") of public liability insurance to insure the Association, the Board, the Manager and employees of the Association and the Owners against claims for bodily injury and property damage arising out of the operation, maintenance and use of the Common Areas, any activities thereon, and any conditions of the Common Areas under a Comprehensive General Liability form of policy. Such insurance shall be for such limits as the Association may decide, but not less than \$1,000,000 for personal injury and property damage arising out of a single occurrence which coverage shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for the property of others and such other risks as shall customarily be covered with respect to property similar in construction, location and use to the Common Areas. The Policy shall contain an endorsement which shall preclude the insurer from denying the claim of any Owner because of the negligent acts of the Association or other Owners and a cross-liability endorsement pursuant to which the rights of the named insureds, as between themselves, are not prejudiced. The Policy shall provide that it may not be canceled or substantially modified by the insurer unless it gives at least ten (10) days prior written notice thereof to each insured.

7.3 Fidelity Insurance. The Association shall procure and maintain from a company or companies holding a general policyholder's rating of B or better or a financial rating of Class VI or better from Best's Insurance Reports a policy or policies of blanket fidelity insurance to protect against dishonest acts on the part of any trustee, officer, manager, agent, employee or other person who administers, handles, or is otherwise responsible for the funds of the Association. Such policy or policies shall name the Association as the obligee, shall provide coverage for the, maximum sum of funds, including reserves, which will be in the possession or custody of the Association at any time the policy is in force, but in no event less than three (3) months assessment on all Lots, plus reserves. The policy or policies shall provide that they may not be cancelled or substantially modified by the insurer unless it gives at least ten (10) days prior written notice thereof to each insured. The policy shall contain a waiver of any defense for persons who serve without compensation. In the event the Association shall engage the services of a management agent who shall administer, handle or be responsible for the funds of the Association, then the Association shall require such management agent to provide a policy or policies of fidelity insurance which shall provide the same insurance coverage as required of the Association by this Section.

7.4 Worker's Compensation. The Association shall carry worker's compensation and employer's liability insurance and other similar insurance with respect to all employees of the Association in the amounts and in the forms now or hereafter required by law.

7.5 Additional Insurance. The Association may also procure such additional insurance which shall insure the Common Areas, the Association or the Owners and others against such additional risks as may be customarily insured against in connection with condominium projects similar in construction, nature and use to the Project or as the Association shall otherwise deem advisable.

7.6 General Requirements. Each policy of insurance obtained by the Association shall be written by insurers licensed in the State of Utah. If reasonably possible, each policy of insurance to be obtained by the Association shall provide:

7.6.1 a waiver of the insurer's right of subrogation against the Association, Owners, and their respective trustees, directors, officers, agents, employees, invitees and tenants;

7.6.2 that it cannot be cancelled, suspended or invalidated or otherwise prejudiced due to the conduct of any Owner or Owners, but only due to the conduct of the Association, and then only after the Association shall have failed to cure or correct the defect within a reasonable time after a written demand to so cure or correct; and

7.6.3 that any "no other insurance" clause shall not apply to any insurance maintained individually by any Owner.

7.7 Owners' Insurance. Each Owner shall obtain such insurance, at his or her own expense; providing coverage on Owner's personal property and Owner's personal liability and covering such risks as Owner may deem appropriate. Each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies of the Association, the other Owners, and the trustees, directors, officer, servants, employees, agents, invitees or tenants of any of them, if such insurance can be obtained in the customary practice without substantial additional premium charge for the waiver of rights of subrogation.

ARTICLE VIII DAMAGE AND DESTRUCTION

8.1 Damage to Project. In the event the damage to or destruction of art or all of the improvements in the Project, the following procedures shall apply:

8.1.1 If proceeds of the insurance maintained by the Management Committee are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out as soon as reasonably possible.

8.1.2 If less than seventy-five percent (75%) of the Project's improvements are destroyed or substantially damaged, and if the proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, then restoration shall be carried out as soon as reasonably possible, and upon approval of at least fifty percent (50%) of the affected Unit Owners, all affected Unit Owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the Common Areas and Facilities.

8.1.3 If seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged, and if the proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, and if, within one hundred (100) days after the destruction or damage, seventy-five percent (75 %) of the Unit

Owners elect to repair or reconstruct the affected improvements, then restoration shall be carried out as soon as reasonably possible, and all affected Unit Owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the Common Areas and Facilities.

8.1.4 If seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if, within one hundred (100) days after the destruction or damage, the Unit Owners do not and by a vote of at least 75 percent, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with Salt Lake County Recorder a notice setting forth such facts. Upon the recording of such notice, the provisions of Utah Code Annotated Section 57-8-31(1) through (4) shall apply and govern the rights of all parties having an interest in the project or any of the Units.

8.2 Any reconstruction or repair which is required to be carried out by this Article shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made regarding the extent of the damage to or destruction of Project's improvements, shall be made by three (3) qualified appraisers selected by the Management Committee. The decision of any two (2) such appraisers shall be conclusive.

PURSUANT TO THE PROVISIONS OF SECTION 57-8-15 OF THE ACT, THE PROVISIONS SET FORTH IN ARTICLES IX, X AND XI ARE THE BY-LAWS OF THE ASSOCIATION.

BY-LAWS
ARTICLE IX
THE MANAGEMENT COMMITTEE

9.1 Status and General Authority of Committee. Except as hereinafter provided, the Condominium Project shall be managed, operated and maintained by the Management Committee as agent for the Association of Unit Owners. The Committee shall, in connection with its exercise of any of the powers hereinafter provided, constitute a legal entity capable of dealing in the Committee's name. The Management Committee shall have, and is hereby granted, the following authority and powers:

9.1.1 The authority without the consent of the Unit Owners or of any other person(s), except Mortgagees, if required by the terms of their Mortgage, to grant or create on such terms as it deems advisable, utility and similar easements over, under, across and through the Common Areas.

9.1.2 The authority to execute and record, on behalf of all Unit Owners, any amendments to the Declaration or the Map which has been approved by the vote or consent necessary to authorize such amendment as hereinafter set forth.

9.1.3 The power to sue and be sued.

9.1.4 The authority to enter into contract relating to the Common Areas and other matters over which it has jurisdiction, so long as any vote or consent of the Unit Owners, as set forth herein, which is necessitated by the subject matter of the agreement has been obtained.

9.1.5 The power and authority to convey or transfer any interest in real property, so long as the vote or consent, as set forth herein, which is necessary under the circumstances have been obtained.

9.1.6 The power and authority to purchase, or otherwise acquire, and accept title to, any interest in real property so long as such action has been authorized by any vote or consent, as set forth herein, which is necessary under the circumstances.

9.1.7 The power and authority, to add any interest in real property obtained pursuant to Section 9.1.6 to the Project, so long as such action has been authorized by the necessary vote or consent as set forth herein.

9.1.8 The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out its function or to insure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners.

9.1.9 The power and authority to perform any other acts and to enter into any other transactions, subject to the rights of the Association, which may be reasonably necessary for the Management Committee to perform its functions as agent for the Unit Owners. Any instrument executed by the Management Committee relating to the Common Areas of the Project that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

9.2 Composition of Committee, Election, Vacancy.

9.2.1 Declarant's Control. Until the first to occur of (a) the expiration of four (4) months following the date that seventy-five percent (75%) of the Units have been conveyed to Unit Owners other than Declarant or (b) the date which is five (5) years after the first Unit is conveyed to a Unit Owner other than Declarant, the Management Committee shall be composed of three (3) members, none of whom need be Owners, selected by Declarant. Declarant may waive the foregoing right at any time prior to the occurrence of either or both of the aforesaid events by (I) notifying Unit Owners in writing of such waiver of the right, and (ii) filing for record in the Office of the Salt Lake County Recorder a written notice of waiver of the right, whereupon Unit Owners shall promptly hold a meeting to elect a new Management Committee, it being established hereby that the control of the Unit Owners in the Management Committee shall

automatically vest thirty (30) days following the date such waiver is recorded by Declarant. In the event a Committee seat which was filled by a Declarant becomes vacant, Declarant shall have the right to select a replacement member to sit on the Committee for the balance of the term associated with the vacant seat.

9.2.2 Subsequent to Declarant's Control. After the occurrence of either of the events described in Section 9.2.1, the Management Committee shall be composed of three (3) members, with one (1) Committee member elected for one year term, one (1) member for a two year term, and one member for a three year term. The terms for any successor member of the Management Committee shall be three (3) years. Members shall serve on the committee until their successors are elected. Only Unit Owners or spouses of Unit Owners and officers, directors, agents, and employees of Owners other than individuals shall be eligible for Committee Membership. At the annual meeting each Unit Owner may vote the number of Units owned by such Owner in favor of as many candidates or Committee Memberships as there are seats on the Committee to be filled. In the event of, a vacancy, the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected.

9.3 Manner of Action. The act of the majority of the members of the committee shall be the act of the Committee, unless the vote of a greater number is required by the Declaration, the Act, the Articles of Incorporation or these By-Laws.

9.4 Rights and Duties. The Management Committee, subject to the rights and duties of the Unit Owners, the Association, this Declaration, and By-laws regarding Project maintenance as provided herein shall be responsible for the general management of the Project. It is understood that the Committee has the obligation to maintain the Common Areas of the Project, including, without limitation, the exterior of the Buildings and Units.

9.5 Right of Delegation to Manager. The Management Committee may carry out any of its functions which are capable of delegation through a manager. The Manager so engaged shall be responsible for managing the Common Areas and shall, to the extent permitted by law and the terms of the agreement with the Management Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

9.6 Payment of Services, Etc. The Management Committee shall be entitled to compensation for its management in an amount that shall not exceed 25% of the gross annual assessments. The Management Committee may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Management Committee shall determine to be necessary or desirable for the proper operation of its function in the Project, whether such Committee or by any person or entity with whom it contracts. The Management Committee may obtain and pay for the operation of the Project or the enforcement of this Declaration. It is recognized that the committee may arrange with other persons to furnish snow removal, ground maintenance and other common

services to the Project whether such personnel are furnished or employed directly by the Management Committee.

9.7 Personal Property Ownership and Use. The Management Committee may acquire and hold for the use and the benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Areas. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Such interest shall not be transferable except with the transfer of a Unit, and such beneficial interest may in no event be reserved, by the transferor of a Unit.

9.8 Rules and Regulations. The Management Committee may make reasonable rules and regulations governing the operation and use of the Common Areas and other matters over which it has jurisdiction, which rules and regulations shall be consistent with the rights and duties established in this Declaration and By-laws. The Management Committee may suspend any Owner's voting rights at the meeting of Unit Owners, during any period or such periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owners under this Declaration. The Management Committee may also take judicial action against any Owner to enforce compliance with such, rules and regulations or other obligation or to obtain damages for noncompliance, all to the extent provided by law.

9.9 Capital Improvements. There shall be no structural alterations, capital additions to, or capital improvements of the Common Area, except such as are required to be made to comply with the initial approval of the condominiums by Salt Lake City, requiring expenditure in excess of \$5,000.00 without the prior approval of the Unit Owners holding a majority of the voting power.

9.10 Additional Management Committee Rights. The Management Committee may exercise any other right or privilege given to it expressly by this Declaration or by law and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

9.11 Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Association and the Unit Owners from and against any and all claims, judgments and liabilities to which such persons shall become subject by reason of having been a member of the Management Committee, or by reason of any action alleged to have been taken or omitted to have been taken as a member of such, Management Committee, and shall reimburse each such person for all legal and other expenses reasonably incurred in connection with any such claim or liability, including power to defend such person from all suits or claims; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his or her own fraudulent or criminal misconduct.

ARTICLE X
ASSOCIATION

10.1 Voting Rights. Each Unit Owner shall be entitled to one (1) vote for each Unit owned by such Unit Owner. As such, there shall be twelve (12) votes.

10.2 Multiple Owners of a Unit. In the event there is more than one Owner of a Unit, the vote relating to such Unit shall be exercised as such Owners may determine between or among themselves, but in no event shall more than the one (1) vote appurtenant to each Unit be cast with respect to any issue. A vote cast at any Association meeting or by written consent by any such Owners, whether in person or by proxy, shall be conclusively presumed to be the entire vote attributable to the Unit concerned unless an objection is made at the meeting or in writing by another Owner of the same Unit, in which event no vote will be counted with respect to such Unit except to determine the presence or absence of a quorum.

10.3 Annual Meeting. The first annual meeting of the Association shall be held on the earlier of (a) the first Tuesday of the fourth month following the date that seventy-five percent (75%) of the Units have been conveyed to a Unit Owner other than Declarant, or (b) the date which is five (5) years after the first of the Units is conveyed to a Unit Owner other than Declarant. If the day fixed for the annual meeting shall be a legal holiday, the meeting shall be held on the next succeeding business day. At such annual meetings there shall be elected members of the Management Committee, as needed, pursuant to the provisions of this Declaration, and financial reports and budgets shall be presented, as well as other business of the Association properly placed before the Association.

10.4 Special Meetings. Special meetings of the Association may be called by the President, or by not less than thirty-five percent (35%) of the members.

10.5 Place of Meeting. The Management Committee may designate any place, within the State of Utah as the place of meeting for any annual meeting or for any special meeting. A waiver of notice signed by all members may designate any place, within the State of Utah, as the place for the holding of such meeting. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be at the principal office of the Association in the State of Utah.

10.6 Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting, and in the case of a special meeting, the purposes for which the meeting is called, shall be delivered not less than ten (10) days before the date of the meeting, or in the case of a meeting called to increase the maximum annual assessment or to make certain special assessments in accordance with the Declaration, such notice shall, be delivered not less than thirty (30) days before the date of the meeting, either personally or by mail, to each member of record entitled to vote at such meeting. If mailed, such notice shall, be deemed to be delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the records of the Association, with postage thereon prepaid.

10.7 Quorum. The presence, in person or by proxy, of the members who are entitled to cast a majority of the votes of the Association shall constitute a quorum; provided, however, if a quorum for such a meeting is not present and if another meeting is called, on at least thirty (30) days advance written notice and is held within sixty (60) days of the first meeting, then the required quorum at such subsequent meeting shall be one-half the required quorum at the preceding meeting. If less than the required quorum of the members are represented at a meeting, the chairman of the meeting or a majority of the members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The members at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

10.8 Voting. If a quorum is present, the affirmative vote of a majority of the votes, present at the meeting or represented by proxy, shall be the act of the Association, unless the vote of a greater number is required by the Act, the Articles of Incorporation, these By-Laws or the Declaration in which case it shall, require the affirmative vote of such greater number.

10.9 Proxies. At all meetings of members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney in-fact. Such proxy shall be filed with the secretary of the Association at least three (3) days before the date of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise permitted in the act and so provided in the proxy.

10.10 Consent Equivalent to Vote. In those cases in which the Act or this Declaration require the vote of a stated percentage of the Project's Undivided Ownership Interest for the authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who hold at least the necessary percentage of Undivided Ownership Interest.

10.11 Officers. The officers of the Association shall be a president, a vice president, a treasurer, and a secretary, and such assistant treasurers, assistant secretaries, or other officers as may be elected or appointed by the Management Committee. Any two or more offices maybe held by the same person except the offices of president and secretary.

10.11.1 Election and Term of Office. The officers of the corporation shall be elected annually by the Management Committee at a meeting of the Management Committee held after each annual meeting of the Association. If the election of officers shall not be held, at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices filled by the Management Committee. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided.

10.11.2 Removal. Any officer or agent elected or appointed by the Management Committee may be removed by the Management Committee whenever in its judgment the best interests of the Association would be served thereby.

10.11.3 President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Management Committee. He or she shall have such duties and powers generally vested in similar Associations and such other powers and duties as may be prescribed by the Management Committee.

10.11.4 Vice President. In the absence of the president or in the event of his or her inability or refusal to act, the vice president shall perform the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon the president. The vice president shall perform such other duties as from time to time may be assigned to him by the President or by the Management Committee.

10.11.5 Treasurer. The treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected by the Management Committee and in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the president or by the Management Committee.

10.11.6 Secretary. The secretary shall keep the minutes of the meetings of the Management Committee and the Association; see that all notices are duly given in accordance with the provisions of the Declaration, the By-Laws or as required by law; be custodian of the books and records of the Association; keep a register of the post office address of each member which shall be furnished to the secretary by such member; and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the President or the Management Committee.

ARTICLE XI ASSESSMENTS

11.1 Agreement to Pay Assessments. Each Owner of a Unit by the acceptance of a deed or contract therefore, whether or not it be so expressed in the deed or contract, shall be deemed to covenant and agree with each other Unit Owner and with the Management Committee to pay annual assessments for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided hereunder.

11.2 Basis of Assessments. The total annual assessments against all Units shall be based upon advance estimates of cash requirements by the Management Committee to provide for the payment of all estimated Common Expenses growing out of or connected with the

maintenance and operation of the Common Areas and/or the Common Properties, which estimates may include among other things, expenses of management, taxes and special assessments levied by governmental authorities until the Units are separately assessed as provided herein; premiums for all insurance which the Management Committee is required or permitted to maintain pursuant hereto; common lighting, water, sewer, garbage and waste disposal; repair and maintenance of the Common Areas, wages for employees of the Committee, legal and accounting fees, any deficit remaining from a previous period, creation of a reasonably adequate contingency reserve, surplus and/or sinking fund, any other expenses and liabilities which may be incurred by, the Committee for the benefit of the Owners or by reason of this Declaration.

11.3 Apportionment of Expenses. Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned among all Units in proportion to their respective Undivided interest in the Common Areas; provided, however, that for this purpose Declarant shall be deemed to own only the Undivided interest in the Common Areas based upon Units which have been completed but not conveyed by Declarant and further provided that no assessment shall be charged to Declarant for Units which have not been, sold by the Declarant and which are not occupied.

11.4 Method, Payment of Assessments, Etc. Annual assessments shall be made on a calendar year basis. The Committee shall give written notice to each Owner as to the amount of the annual assessment with respect to his unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year, provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the day fixed by the Committee as the date of commencement of the assessment. Each annual assessment shall be due and payable in monthly installments. Each monthly assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. The monthly assessment becomes payable upon the date the Unit Owner purchases his Unit, whether by conveyance of title or entering into a contract of sale and purchase, and thereafter each monthly payment shall be due and payable on the first day of each and every month in advance. The management committee may require that the monthly installments be paid by electronic funds transfer and each owner agrees to execute such documents as may be necessary to authorize such transfers.

11.5 Initial Fees. In addition, each Owner (other than Declarant) shall be required to prepay at the time of purchase of a Unit, whether as a first time or subsequent Owner, a sum equal to three times the then monthly installment of the annual assessment. Such fees shall become a part of the Association's general fund to be utilized as necessary; provided, however, that in the event of any first sale of a Unit by Declarant, the Association shall reimburse Declarant for any funds it paid to the Association for such Units share of the working capital fund.

11.6 Maximum Annual Assessment. Until January 1 of the calendar year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment shall be Seventy five and no 100 Dollars (\$75.00) per Unit per month. This amount shall be the basis of calculation for future maximum annual assessments. From and after the foregoing date the maximum annual assessment may be increased each year not more than twenty-five percent (25%) above the maximum annual assessment for the previous year, without a vote of Owners entitled to cast the number of votes necessary to amend this Declaration.

11.7 Special Assessments. In addition to the annual assessments authorized hereunder, the Management Committee may levy in any assessment year special. assessments, subject to the provisions of Section 9.9 above, payable over such period as the Management committee may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Areas of the Project or any other part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. This paragraph shall not be construed as an independent source of authority for the Management Committee to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof. Any amount assessed pursuant thereto shall be assessed to Owners in proportion to their respective Undivided Interest in the Common Areas. Declarant's interest in the Common Areas shall be determined on the same basis set forth in Section 11.3 above. Notice in writing of the amount of such special assessment and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall been given. A special assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

11.8 Liens for Unpaid Assessments. All sums assessed to any Unit pursuant to this section, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for:

- (a) tax and special assessment liens on the unit in favor of any assessing unit or special improvement district;
- (b) liens of first Mortgages; and
- (c) encumbrances on the interest of the Unit Owner recorded prior to the date the notice of lien provided herein is recorded which by law would be a lien prior to subsequently recorded encumbrances.

To evidence a lien for sums assessed pursuant to this Section, the Management Committee may prepare a written notice of lien setting forth the amount of the assessment, the due date, the amount remaining unpaid, the name of the Owner of the Unit, and a description of the Unit. Such notice shall be signed by the Management Committee, and may be recorded in tie Office of the County Recorder of Salt Lake County, Utah. No notice, of lien shall be recorded

until there is a delinquency in payment of the assessment. Such lien may be enforced by foreclosure by the Management Committee in the same manner in which mortgage on real property may be foreclosed in Utah. In any such foreclosure, the Owner shall be required to pay the cost and expenses of such proceedings, the cost and expenses of filing the notice of lien, and all reasonable attorney's fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The lien shall also secure, and the Owner shall also be required to pay to the Management Committee any assessments against the Unit which shall become due during the period of foreclosure. The Management Committee shall have the right and the power to bid an amount equal to its then existing lien at the foreclosure sale, or other legal sale to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

11.9 Release of Lien. A release of notice of lien shall be executed by the Management Committee and recorded in the Office of the County Recorder of Salt Lake County, Utah upon payment of all sums and secured by a lien which has been made the subject of a recorded notice of lien.

11.10 Payment by Mortgagee. Any Mortgagee or other encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment the Mortgagee or other encumbrancer shall be subrogated to all rights of the Management Committee with respect to such lien, including priority. The Management Committee shall report to any Mortgagee or encumbrancer of a Unit any unpaid assessment remaining unpaid for longer than sixty (60) days after the same shall have become due; provided, however, that such Mortgagee or other encumbrancer first shall have furnished to the Management Committee written notice of such Mortgage or other encumbrance.

11.11 Personal Obligation Assessments. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgement for such personal obligation shall be maintainable by the Management Committee, as agent for the Association, without foreclosing or waiving the lien securing the same. No Owner may, avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit.

11.12 Effect of Foreclosure Lien. Each Mortgagee of a Unit, who comes into possession of a Unit by virtue of foreclosure of the Mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any unpaid claims or assessments and charges against the Unit which accrue prior to the time such holder comes into possession of the Unit. However, such foreclosure shall not relieve the Mortgagee or a subsequent Unit Owner of liability for assessments which shall accrue after such foreclosure.

11.13 Information Concerning Unpaid Assessments. Upon payment of reasonable fee not to exceed Ten Dollars (\$10.00) and upon written request of any Owner or Mortgagee, prospective mortgagee or prospective purchaser of a Unit, the Management Committee shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; the amount of the current yearly assessment and the portion thereof which has

theretofore been paid; credit for advance payments of prepaid items including but not limited to, an Owner's share of prepaid insurance premiums, and such statement shall be conclusive upon such Management Committee in favor of person who rely thereon in good faith. Unless such request for a statement of account shall be complied with within ten (10) days, all unpaid assessments which become due prior to the lien of the mortgagee which become due prior to the date of making such request shall be subordinate to the lien of the mortgagee which acquired its interest subsequent to requesting such statement.

11.14 Purchaser's Obligation. A purchaser of a Unit shall be jointly and severability liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller he amount paid by the purchaser for such assessments.

ARTICLE XII MORTGAGE PROTECTION

12.1 Notice of Mortgage. Each Mortgagee may request notice as provided herein by written request to the Management Committee which request shall set forth its name and address, and the Unit Number for the Unit secured by its Mortgage. The Committee shall maintain records of such Mortgages and Mortgagees.

12.2 Books and Records. A Mortgagee shall have the right to examine the books and records of the Association and the Committee. A Mortgage may also require annual financial statements of the Association to be made available to it within one hundred twenty (120) days after the end of the fiscal year. In the event the Project shall exceed fifty (50) Units, the Mortgage may require such financial statements to be audited.

12.3 Damage or Condemnation. A Mortgagee shall be entitled to notice of any condemnation of or damage to a material part of the Unit secured by its Mortgage or of or to the Project. No Unit Owner or other party shall be entitled to priority over such institutional holder with respect to the distribution to such Unit of any insurance proceeds or condemnation award.

12.4 Notice of Default or Lapse. Each Mortgagee is entitled to written notification from the Management Committee of any default by the Owner of such Unit in the performance of any obligation under the Declaration which is not cured within sixty (60) days; and of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and any proposed action which requires the consent of a specified percentage of eligible mortgage holders.

12.5 General Mortgagee Protection. Notwithstanding anything to the contrary in the Declaration:

12.5.1 Adequate Reserves. The Association shall establish and maintain an adequate reserve fund for maintenance, repairs and replacement of the Common Areas which shall be funded by regular monthly payments rather than by special assessments.

12.5.2 Working Capital Fund. Declarant shall establish and maintain a working capital fund for the initial months of operation of the Project and shall contribute thereto an amount equal to two months estimated Common Area charge for each Unit. Declarant shall not be entitled to use the working capital fund to defray any of its expenses, reserve contributions or construction costs, nor to make up any budget deficits during such period as it shall control the Association; provided, however, that upon sale by Declarant of a Unit and the payment to the Association of initial fees as provided in Section 11.5, Declarant shall be entitled to reimbursement for the amount of the working capital fund previously contributed by Declarant with respect to such Unit.

12.5.3 Management Agreement. Any management agreement for the Project shall be terminable by the Management Committee for cause upon thirty (30) days written notice thereof without payment of a termination fee, and/or without cause upon thirty (30) days written notice, without payment of a termination fee, and the term of any such agreement shall not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods.

12.5.4 Consent of Mortgagees. Unless at least fifty-one percent (51 %) of the first Mortgagees (based on one vote for each Mortgage owned) of Units have given their prior written approval, neither the Management Committee nor the Association shall amend the Declaration or Project documents in such a way as to change any of the following:

(a) By act or omission, seek to abandon or terminate the Project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of taking by condemnation or eminent domain.

(b) Except for a change resulting from the annexation of the Additional Land as provided in Article II, change the pro-rata interest or obligations of any Unit for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro-rata share of ownership of each Unit in the appurtenant Common Areas.

(c) Make any material amendment to the Declaration or to the By-laws of the Management Committee, including but not limited to, any amendment which would change the percentage interest of the Unit Owners in the Common Areas except for a change resulting from the annexation of the Additional Land as provided in Article II or as provided by Section 13.2.1.

(d) By act or omission, seek to amend, partition, subdivide, encumber, sell or transfer, the Common Areas. The granting of easements for public utilities or for other

public purposes consistent with the intended use of the Common areas of the Project shall not be deemed a transfer within the meaning of this subparagraph.

(e) Use hazard insurance proceeds for losses to any project property (whether to Units or to the Common Areas) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Project.

ARTICLE XIII MISCELLANEOUS PROVISIONS

13.1 Party Walls. Each wall built or to be built as a part of the original construction of the Units and placed substantially on a dividing line between the Units shall constitute a party wall and to the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and liability for damage due to negligence or willful acts or omissions shall apply thereto.

13.2 Amendment. This Declaration may be amended as follows:

13.2.1 Amendment by Declarant. Until Units representing seventy-five percent (75%) of the Undivided Ownership Interest in the Project have been sold or the expiration of five (5) years after the first conveyance of a Unit (other than to Declarant), whichever occurs first, Declarant shall have and is hereby vested with the right to amend this Declaration or the Record of Survey Map. Such right shall obtain, without regard to the subject matter of amendment, so long as the amendment involved is consistent with law.

13.2.2 Other Amendments. Except as provided above, the vote of at least two-thirds (2/3) of the Undivided Ownership Interest in the Common Areas and Facilities and of fifty-one percent (51 %) of the Mortgages of the Units shall be required, to amend this Declaration or the Record of Survey Map.

13.2.3 Recording Amendment. Any amendment so authorized shall be accomplished through the recordation of any instrument executed by the Management Committee. In such instrument the Committee shall certify that the vote required by this Section for amendment has occurred.

13.3 Service of Process. Stephen Quesenberry, whose address is 4844 North 300 West, Provo, Utah 84604, shall act as registered agent for the service of process in cases authorized by the Act. The Management Committee shall, however, have right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the Office of the Department of Commerce Division of Corporations for the State of Utah.

13.4 Enforcement. Each Unit Owner shall comply strictly with the provisions of this Declaration, the By-Laws, the administrative rules and regulations pursuant thereto as the same may be lawfully adopted or amended from time to time and with the decisions adopted pursuant to this Declaration, By-Laws and the administrative rules and regulations. The failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee or Manager on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner. The defaulting Owner shall also be liable for all costs and expenses of such action, including a reasonable attorney's fee.

13.5 Covenants to Run with Land; Compliance. This Declaration and all the provisions hereof shall constitute covenants to run with land, and/or equitable servitudes, as the case may be, and shall be binding upon and inure to the benefit of Declarant, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of the Act, the terms of this Declaration, the By-laws and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief for both, maintainable by the Committee on behalf of Unit Owners, or, in a proper case, by an aggrieved Unit Owner. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to, be bound by each and every provision of this Declaration.

13.6 Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

13.7 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural; the plural, the singular; and the use of any gender shall include all genders.

13.8 Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase, or word or the application thereof in any Circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

13.9 Topical Headings. The headings appearing at the beginning of the paragraphs of this Declaration are only for convenience of reference and are not intended to describe, interpret, define or otherwise affect the content, meaning or intent of this Declaration or any paragraph or provision hereof.

13.10 Effective Date. This Declaration shall take effect upon recording in the Office of the County Recorder of Salt Lake County, Utah.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Placer

On June 2, 2008 before me, Lori G. Jouras

Date

Here Insert Name and Title of the Officer

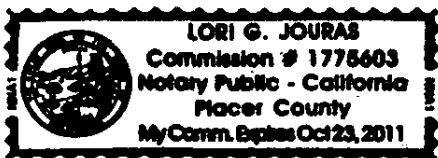
personally appeared Shannon Maveety

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is~~are~~ subscribed to the within instrument and acknowledged to me that he~~she~~~~they~~ executed the same in his~~her~~~~their~~ authorized capacity~~(ies)~~, and that by his~~her~~~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal Above

Signature Lori G. Jouras
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Declaration of Condominium

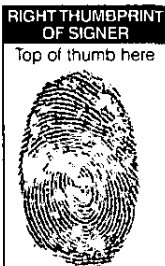
Document Date: June 2, 2008 Number of Pages: 28

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Shannon Maveety

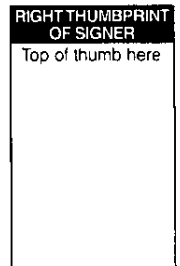
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

**BYLAWS
OF
PARKSIDE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.**

BYLAWS
OF
PARKSIDE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.

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BYLAWS

OF

PARKSIDE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.

Pursuant to the provisions of the Utah Revised Nonprofit Corporation Act, the undersigned incorporators of PARKSIDE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC., a Utah non-profit corporation, hereby adopt the following bylaws for such non-profit corporation. The administration of PARKSIDE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC. (the "Association") shall be governed by the Declaration of Condominium of Parkside Condominium (the "Declaration"), the Articles of Incorporation (the "Articles") and these Bylaws.

1. Application of Bylaws. All present and future Owners, Mortgagees, lessees and occupants of any Unit and their employees, and any other persons who may use the facilities or the Project in any manner, are subject to the Declaration, these Bylaws and all rules made pursuant hereto and any amendments hereof. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that the provisions of the Declaration and these Bylaws and any rules and regulations made pursuant hereto, as they may be amended from time to time, are accepted, ratified and will be complied with. Certain capitalized terms in these Bylaws shall be defined in accordance with the definition for such terms set forth in the Declaration.

2. Board of Trustees.

2.1 Except for the initial Board of Trustees appointed by the Association's Incorporator, the management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by a Board of Trustees consisting of not less

than three (3) natural persons, the exact number to be determined in accordance with the provisions of these Bylaws.

2.2 Initially, Shannon Maveety and Pamela Ballo shall serve as the members of the Board of Trustees. At such time as seventy-five percent (75%) of the Units within Parkside Condominium have been sold by the developer to third parties, a meeting shall be held and a Board of Trustees shall be elected by the Owners. At such meeting the developer shall be entitled to one (1) vote per unit still owned at that time by the developer. Thereafter, beginning with the first annual meeting of the Association at which members of the Board of Trustees are to be elected by the Owners, and at every annual meeting thereafter, the Association shall elect the members of the Board of Trustees to fill those positions becoming vacant at such meeting. At least thirty (30) days prior to the annual meeting of the Association, the Board of Trustees shall elect from the Owners a nominating committee of not less than three (3) members, none of whom shall be members of the then Board of Trustees. The nominating committee shall recommend to the Association at least one nominee for each position on the Board of Trustees to be filled at that particular annual meeting. Nominations for positions on the Board of Trustees may also be made by petition filed with the Secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by three (3) or more Owners and signed by the nominee named therein indicating his willingness to serve as a member of the Board of Trustees, if elected.

2.3 Voting for the Board of Trustees shall be by secret written ballot. Each Owner shall be entitled to cast one vote for each Unit owned multiplied by the number of

Board of Trustees seats to be filled. Each Owner may cumulate his votes and cast all of them in favor of a single candidate, or distribute his votes on the same principle among as many candidates as the Owner sees fit. Notwithstanding the foregoing limitations, until the first meeting of the Association, the members of the Board of Trustees and the Officers of the Association shall be the persons named by the Association's incorporator.

2.4 Members of the Board of Trustees shall serve for terms of two (2) years beginning immediately upon their election by the Association; provided, however, that a majority of the members of the Board of Trustees first elected by the Association shall serve for an initial term of one (1) year and the balance shall serve for initial terms of two (2) years. Thereafter, all members of the Board of Trustees elected shall serve for two-year terms. The members of the Board shall serve until their respective successors are elected, or until their death, resignation or removal. Any member of the Board of Trustees who fails to attend three consecutive Board meetings or fails to attend at least 25% of the Board meetings held during any fiscal year shall be deemed to have tendered his resignation, and upon acceptance by the Board of Trustees his position shall be vacant.

2.5 Any member of the Board of Trustees may resign at any time by giving written notice to the President of the Association or to the remaining Board members. Any member of the Board of Trustees may be removed from membership on the Board by a two-thirds majority vote of the Association; provided, however, unless the entire Board of Trustees is removed from office by the vote of members of the Association, no individual Board member shall be removed prior to the expiration of his term of office if the votes cast against removal would be sufficient to elect such Board member if voted cumulatively at an

election at which the same total number of votes were cast and the entire Board of Trustees was being elected.

2.6 If vacancies shall occur in the Board of Trustees by reason of the forfeiture, death or resignation of a Board member, or if the authorized number of Board members shall be increased, the Board members then in office shall continue to act, and such vacancies or newly created Board seats shall be filled by a vote of the Board members then in office, though less than a quorum. Any vacancy in the Board of Trustees occurring by reason of removal of a Board member by the Association may be filled by election at the meeting at which such Board member is removed or any subsequent regular or special meeting of the Association. A vacancy resulting from a removal shall only be filled by the vote or written consent of a majority of the voting power of the Association residing in Owners other than the Project developers, Shannon Maveety and Pamela Ballo, (the "Declarant").

2.7 The members of the Board of Trustees shall receive no compensation for their services unless expressly approved by the vote or written assent of a majority of the voting power residing in Owners other than Declarant; provided, however, that members of the Board of Trustees shall be reimbursed by the Association for transportation expenses actually incurred and a reasonable per diem payment for attendance at regular and special meetings of the Board of Trustees. Any member of the Board may be employed by the Association in another capacity and receive compensation for such employment; provided further, that such employment shall be approved by vote or in writing by all members of the Board of Trustees not including the member to be employed.

2.8 The Board of Trustees, for the benefit of the Project and the Association, shall manage the business, property and affairs of the Project and the Association and enforce the provisions of the Declaration, these Bylaws and the rules and regulations governing the Project. The Board of Trustees is authorized to adopt rules and regulations governing the use and operation of the Project, which shall become effective 30 days after adoption by the Board. The Board of Trustees shall have the powers, duties and responsibilities with respect to the Project as contained in the Declaration and these Bylaws.

2.9 The meetings of the Board of Trustees shall be held at least annually, beginning after the filing of the Association's Articles of Incorporation with the Utah Division of Corporations & Commercial Code, at such times and places within the Project, or some other reasonable and suitable location in Salt Lake County, as the Board shall determine. A majority of the Board of Trustees shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board. The Board of Trustees shall annually elect all of the officers of the Association. The election of officers shall be conducted at the first meeting of the Board of Trustees immediately following the annual meeting of the Association.

2.10 Written notice of the time and place of Board of Trustees meetings shall be posted at a prominent place or places within the Project.

2.11 Special meetings of the Board of Trustees may be called by written notice signed by any two members of the Board. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Special meetings shall be held within the Project or some other reasonable location in Salt Lake County unless a

meeting at another location would significantly reduce the cost to the Association and/or inconvenience to the members of the Board of Trustees. Written notice of any special meeting shall be posted in a manner prescribed for notice of regular meetings of the Board and shall be sent to all members of the Board of Trustees not less than 15 days prior to the scheduled time of the meeting; provided, however, that notice of such meeting need not be given to any member signing a waiver of notice or a written consent to the holding of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail, with first-class postage thereon prepaid. If an agenda is prepared for a special meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

2.12 Notices of all regular Board of Trustees meetings shall be given in writing to each member of the Board of Trustees not less than 30 days prior to the meeting, provided that this requirement shall not apply to any member of the Board of Trustees who has signed a waiver of notice or a written consent to the holding of a meeting.

2.13 A majority of the then authorized number of Board members shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. The Board members shall act only as a Board, and individual Board members shall have no powers as such. Regular and special meetings of the Board of Trustees shall be open to all members of the Association; provided, however, that the Association members who are not on the Board of Trustees may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board of Trustees may, with the approval of a majority of its members, adjourn the meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the

Association is or may become involved, and other business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

2.14 Any action that is required or permitted to be taken at a meeting of the Board of Trustees may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Board members, and an explanation of the action so taken is posted at a prominent place or places within the Project within three (3) days after the written consent of all Board members has been obtained.

2.15 After the Association's election of the members of its first Board of Trustees, Declarant shall execute, acknowledge and record an affidavit stating the names of the members of the newly elected Board of Trustees. Thereafter, any two (2) persons who are designated of record as being members of the most recent Board of Trustees, whether or not they shall still be members, may execute, acknowledge and record an affidavit stating the names of all of the members of the then current Board of Trustees. The most recently recorded of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the Board of Trustees and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

2.16 The fiscal year shall be determined by the Board of Trustees.

3. Meetings of the Association.

3.1 The first meeting of the Association shall be held within one year after the filing of the Association's Articles of Incorporation with the Utah Division of Corporations and Commercial Code. Thereafter, there shall be an annual meeting of the Association on

the Monday following the Anniversary date of the first meeting at the Project or some reasonable location in Salt Lake City, Utah, at 7:00 p.m. or at such other reasonable time not more than sixty (60) days before or after such date as may be designated by written notice by the Board of Trustees delivered to the Owners by first-class mail not less than thirty (30) nor more than ninety (90) days prior to the date set for said meeting. A list of business to be considered at the annual meeting shall be sent to the Owners by first-class mail not less than thirty (30) nor more than ninety (90) days prior to the meeting date. The list shall include the name, address and a brief biographical sketch if available of each member of the Association who has announced his or her intention to stand for election to the Board of Trustees. At or prior to an annual meeting, the Board of Trustees shall furnish to the Owners (i) a budget for the coming fiscal year which shall itemize the estimated Program Expenses for the coming fiscal year with the estimated allocation thereof to each Owner; and (ii) an audited statement of the Program Expenses itemizing receipts and disbursements for the previous fiscal year, together with the allocation thereof to each Owner. Within ten (10) days after the annual meeting, the budget and the statement of Program Expenses shall be delivered to the Owners who were not present at the annual meeting.

3.2 Special meetings of the Association may be held at any time at such reasonable place as may be designated by the Board of Trustees to consider matters which, by the terms of the Declaration, require the approval of all or some of the Owners or for any other reasonable purpose. Special meetings shall be called by written notice signed by a majority of the Board of Trustees or by Owners other than Declarant representing at least ten percent (10%) or more of the Units in the Project, which shall be sent by first-class mail to

all Owners not less than thirty (30) nor more than ninety (90) days prior to the date fixed for said meeting. Such notice shall specify the place, day and hour of the meeting and a brief statement of the matters which the Board of Trustees intends to present for action by the members.

3.3 Except as otherwise provided below, the Owners present in person or represented by proxy (notwithstanding the percentage of the Owners so represented), at any meeting of the Owners properly called under the terms and conditions of these Bylaws, shall constitute a quorum. In the absence of a quorum at an Association meeting, a majority of those present in person or by proxy may adjourn the meeting to another time but may not transact any other business. An adjournment for lack of a quorum by those in attendance shall be to a date not less than thirty (30) days from the original meeting date. The required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such meeting shall be held more than sixty (60) days following the preceding meeting. If a time and place for the subsequent meeting is not fixed by those in attendance at the original meeting or if for any reason a date for the subsequent meeting is fixed after adjournment of the previous meeting, notice of the time and place of the subsequent meeting shall be given to Owners in the manner prescribed in Section 3.1 hereof for regular meetings. Unless otherwise expressly provided in the Declaration and these Bylaws, any action may be taken at any meeting of the Owners at which a quorum is present if the number of votes for such action exceeds the number of votes against such proposed action. Owners who are present at the meeting (in person or represented by proxy) shall be entitled to one vote for each Unit owned.

3.4 Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meeting when not in conflict with the Declaration or these Bylaws.

3.5 Any action that may be taken at any regular or special meeting of the Association may be taken without a meeting if the following requirements are met:

3.5.1 A written ballot is distributed to every Owner entitled to vote setting forth the proposed action, providing an opportunity to signify approval or disapproval of the proposal and providing a reasonable time for the Owner to return the ballot to the Association.

3.5.2 The number of votes cast by ballot within the specified time under Subparagraph 3.5.1 equals or exceeds the quorum required to be present at a meeting authorizing the action.

3.5.3 The number of approvals of the action equals or exceeds the number of votes required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot.

3.5.4 The written ballot distributed to Owners affords an opportunity for the Owner to specify a choice between approval and disapproval of each order of business proposed to be acted upon by the Association and further provides that the vote of the Owners shall be cast in accordance with the choice specified.

3.6 At each meeting of the Owners, each Owner entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Owner himself or by his attorney thereunto duly authorized in writing. The instrument

authorizing the proxy to act shall meet the requirements set forth in Subparagraph 3.5.4 above and shall indicate the name of the secretary of the Association, or such other officer or person or who may be acting as the secretary at the meeting to whom the proxy is to be given for the purpose of casting the vote to reflect the absent Owner's vote as specified in the form of proxy. If a Unit is jointly held, the instrument authorizing a proxy to act must have been executed by all Owners of such Unit or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

3.7 Minutes of the annual and special meetings of the Association shall be distributed to each member within sixty (60) days after the meeting.

4. Officers.

4.1 All officers and employees of the Association shall serve at the will of the Board of Trustees. The officers shall be a President, Secretary and Treasurer. The offices of Secretary and Treasurer may be combined in the discretion of the Board of Trustees. The Board of Trustees may appoint Vice Presidents and such other assistant officers as the Board of Trustees may deem necessary. No officer shall be required to be an Owner. Officers may also be members of the Board of Trustees. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Board of Trustees and may be removed and replaced by the Board. The Board of Trustees may, in its discretion, require that officers (and other employees of the Association) be subject to fidelity bond coverage.

4.2 The President shall be the chief executive of the Board of Trustees and shall preside at all meetings of the Association and of the Board and may exercise the power ordinarily allowable to the presiding officer of an association, including the appointment of committees. The President shall exercise general supervision over the Project and its affairs. He shall sign on behalf of the Association all contracts of material importance to its business. He shall do and perform all acts which the Board of Trustees may require.

4.3 The Vice President shall perform the functions of the President in his absence or inability to serve.

4.4 The Secretary shall keep minutes of all proceedings of the Board of Trustees and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Owners and the Board of Trustees.

4.5 The Treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of funds and the keeping of records to the Manager.

5. Program Expenses; Assessments.

5.1 All assessments shall be made in accordance with the general provisions of Article IV of the Declaration.

5.2 Not less than sixty (60) days prior to the annual meeting of the Association, the Board of Trustees shall estimate the Program Expenses, which shall include capital contributions, for the coming fiscal year. The estimated capital contributions may include both capital repair and replacement costs and reserves therefor, as well as such amounts as the Board may deem proper for general working capital and for the general operating reserve, and shall take into account any expected income, surplus or deficit in the Program Expenses

for any prior year. The estimated Program Expenses shall be assessed on a quarterly or annual basis, at the election of the Board of Trustees, to the Owners in accordance with their Allocable Shares. If the estimated Program Expenses prove inadequate for any reason, including nonpayment of any Owner's assessments, the Board of Trustees may, by resolution duly adopted, make additional assessments, which shall be assessed to the Owners in the same manner as the estimated Program Expenses. Each Owner shall be obligated to pay assessments made pursuant to this paragraph to the Board of Trustees on or before the first day of the assessment period if assessed on a quarterly basis, or, if assessed on an annual basis, by the earlier of the first day of use of his Membership Interest or February 28. The funds received by the Board of Trustees from assessments shall be kept in capital accounts or in the Program Expense fund and shall be expended by the Board of Trustees only in accordance with the provisions of the Declaration and these Bylaws.

5.3 The failure by the Board of Trustees before the expiration of any fiscal year to estimate the Program Expenses as required herein shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or these Bylaws or a release of the Owners from the obligation to pay any past or future assessments, and the estimated Program Expenses fixed for the previous and current year shall continue until a new estimate is made.

5.4 No Owner may exempt himself from liability for Program Expenses by waiver of the use or enjoyment of his Unit.

5.5 The Treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Project, specifying and itemizing the maintenance, repair

and replacement expenses of the Project and any other expenses incurred. Such records shall be available for examination by the Owners during regular business hours. In accordance with the actions of the Board of Trustees in assessing Program Expenses against the Units and Owners, the Treasurer shall keep an accurate record of such assessments and of the payments thereof by each Owner.

5.6 All assessments shall be a separate, distinct and personal liability of the Owner at the time each assessment is made. The Board of Trustees shall have the rights and remedies contained in the Declaration to enforce the collection of assessments.

5.7 Any person who shall have entered into a written agreement to purchase a Unit shall be entitled to obtain a written statement from the Treasurer setting forth the amount of unpaid assessments charged against the Unit and its Owners, and if such statement does not reveal the full amount of the unpaid assessments as of the date it is rendered, the purchaser shall not be liable for the payment of an amount in excess of the unpaid assessments shown thereon, provided that the former Owner shall remain so liable. Any such excess which cannot be promptly collected from the former Owner-grantor shall be reassessed by the Board of Trustees as a Program Expense to be collected from all Owners, including without limitation the purchaser of the Unit, his successors and assigns. The new Owner shall, and the former Owner shall not, be liable for any assessments made after the date of transfer of title of a Unit, even though the Program Expenses and such other expenses incurred or the advances made by the Board of Trustees for which the assessment is made relate in whole or in part to any period prior to that date.

5.8 In addition to the statements issuable to purchasers of a Unit, the Board of Trustees shall, upon ten (10) days' prior written request therefor, provide to the Owner, to any person who shall have entered into a binding agreement to purchase the Unit and to any Mortgagee on request at reasonable intervals a current statement of unpaid assessments for Program Expenses and for any expenses of and advances by the Board with respect to the Unit. The Board of Trustees is authorized to require a reasonable fee for furnishing such statements.

5.9 In all cases where all or part of any assessments for Program Expenses and for any expenses of and advances by the Board of Trustees cannot be promptly collected from the persons or entities liable therefor under the Declaration or these Bylaws, the Board shall reassess the same as a Program Expense without prejudice to its right of collection against such persons or entities, or without prejudice to its lien for such assessments.

6. Litigation.

6.1 If any action is brought by a member of the Board of Trustees on behalf of the Association, the expenses of suit, including reasonable attorneys' fees, shall be a Program Expense. If any action is brought against the Owners or against the Board of Trustees or the officers, employees or agents thereof in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Owners, the expenses of suit, including attorneys' fees, shall be a Program Expense. If any action is brought against one or more, but less than all Owners, with the result that the ultimate liability would, if proved, be borne solely by such Owners, the expenses of suit, including attorneys' fees, shall not be charged to or borne by the other Owners, as a Program Expense or otherwise.

6.2 Any action brought against the Association, the Board of Trustees or the officers, employees or agents thereof, in their respective capacities as such, or the Project as a whole, shall be directed to the Board of Trustees, which shall promptly give written notice thereof to the Owners and any Mortgagees and shall be defended by the Board; and the Owners and Mortgagees shall have no right to participate in such defense other than through the Board of Trustees. Actions against one or more, but less than all Owners, shall be directed to such Owners, who shall promptly give written notice thereof to the Board of Trustees and to the Mortgagees, and shall be defended by such Owners.

7. Abatement and Enjoinment of Violations by Owners.

7.1 The violation of any rules or regulations adopted by the Board of Trustees, the breach of any provision contained herein or the breach of any provision of the Declaration shall give the Board of Trustees the right, in addition to any other rights set forth in these Bylaws:

7.1.1 To enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner or Owners, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Trustees shall not thereby be deemed guilty in any manner of trespass; and/or

7.1.2 To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

7.2 These remedies are cumulative to other remedies provided in the Declaration and these Bylaws or in any other applicable laws.

8. Accounting.

8.1 The books and accounts of the Association shall be kept in accordance with generally accepted accounting procedures under the direction of the Treasurer.

8.2 At the close of each fiscal year, the books and records of the Association shall be prepared by an independent public accountant approved by the Association, and financial statements shall be prepared by said accountant and distributed to all Owners.

8.3 The membership register, books of account and minutes of meetings of the Association, of the Board of Trustees and of committees of the Board of Trustees and all other records of the Project maintained by the Association or Manager shall be made available for inspection and copying by any Member of the Association or his duly appointed representative at any reasonable time and for a purpose reasonably related to his interest as an Owner, at the office where the records are maintained. Upon receipt of an authenticated written request from an Owner along with the fee prescribed by the Board of Trustees to defray the costs of reproduction, the Manager or other custodian of records of the Association shall prepare and transmit to the Owner a copy of any and all records requested. The Board of Trustees shall establish reasonable rules with respect to:

8.3.1 Notice to be given to the custodian of the records by the Owner desiring to make the inspection;

8.3.2 Hours and days of the week when such an inspection may be made; and

8.3.3 Payment of the cost of reproducing copies of documents requested by an Owner.

Every member of the Board of Trustees, subject to the conditions set forth above, shall have the absolute right at any reasonable time to inspect and make copies of all books, records and documents of the Association and to inspect all real and personal properties owned or controlled by the Association.

9. Special Committees. The Board of Trustees by resolution may designate one or more special committees, each committee to consist of three (3) or more Owners, which to the extent provided in said resolution shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Board of Trustees. All special committees shall keep regular minutes of their proceedings and report the same to the Board of Trustees when required. The members of such special committee or committees designated shall be appointed by the Board of Trustees or the President. The Board of Trustees or the President may appoint Owners to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

10. Rental or Lease of Unit by Owners.

10.1 Any Owner who rents or leases his Unit shall file with the Board of Trustees or Manager a copy of the rental or lease agreement affecting said Unit. The provisions of Section 7 of these Bylaws shall apply with equal force to renters or lessees of the Units.

10.2 Any Owner who rents or leases his Unit shall be responsible for the conduct of his tenants, and upon written notice from the Board of Trustees or the Manager, said Owner shall be responsible for correcting violations of the Declaration, Bylaws or rules and regulations committed by such tenants.

10.3 If an Owner fails to correct violations by tenants within 72 hours of such notice, the Board of Trustees or Manager shall be deemed to be the agent of the Owner and empowered to take any enforcement action the Owner would be entitled to take, the cost of such action to be assessed to the Owner and payable within 30 days of assessment. Such costs shall be collected and enforced in the same manner as Common Assessments under Section 5 of these Bylaws.

10.4 The power of the Board of Trustees or Manager hereunder shall include but not be limited to any and all legal remedies available under the laws of the State of Utah. Any Owner by the act of renting or leasing his Unit shall be deemed to have consented to these procedures and shall indemnify and save harmless the Board of Trustees and the Manager from and against any and all liability therefor. It is expressly understood that the remedies available to the Board of Trustees or Manager shall include but not be limited to the right to seek eviction of the tenant without any liability to the Owner.

11. Amendment of Bylaws. Except as otherwise provided in the Declaration or these Bylaws, the Bylaws may be amended by a vote of Owners holding a majority of the Total Votes of the Association residing in the Owners and a majority of the Total Votes of the Association residing in Owners other than Declarant, present in person or by proxy at a meeting duly called for such purpose. Provided, however, the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. Upon such an affirmative vote, the Board of Trustees shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the Owners and the amendment shall be effective upon recording.

12. Conflict with Articles or Bylaws. In the event of any conflict or inconsistency between the provisions of these Bylaws and the provisions of the Articles of Organization or the Declaration (as the Articles or the Declaration may from time to time be amended), the provisions of the Articles or the Declaration shall control.

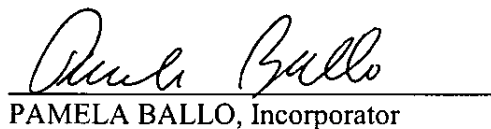
13. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

14. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these Bylaws nor the intent of any provision hereof.

15. Effective Date. These Bylaws shall take effect upon recording of the Declaration of which they are a part.

16. Seal. The Board of Trustees may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation and the words "Corporate Seal."


SHANNON MAVEETY, Incorporator


PAMELA BALLO, Incorporator

**ARTICLES OF INCORPORATION
OF
PARKSIDE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.
(A Nonprofit Corporation)**

**ARTICLES OF INCORPORATION
OF
PARKSIDE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.
(A Nonprofit Corporation)**

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**ARTICLES OF INCORPORATION
OF
PARKSIDE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.
(A Nonprofit Corporation)**

Shannon Maveety and Pamela Ballo, the undersigned, acting as incorporators of a nonprofit corporation pursuant to the Utah Revised Nonprofit Corporation Act (Utah Code Annotated Sections 16-6a-101 *et seq.*), hereby adopt the following Articles of Incorporation for such nonprofit corporation.

ARTICLE I

NAME

The name of the nonprofit corporation is Parkside Condominium Homeowners Association, Inc., hereinafter referred to as the "Association".

ARTICLE II

DURATION

The Association shall exist perpetually or until dissolved pursuant to law.

ARTICLE III

PURPOSES

The Association is organized as a nonprofit corporation and shall be operated exclusively for the purpose of maintaining, operating, and governing the common areas of Parkside Condominium ("Condominium"), a condominium property located in the County of Salt Lake, State of Utah, and enforcing covenants and other obligations as set forth in the Parkside Condominium Declaration of Condominium ("the Declaration"). The Condominium may or may not be recorded prior to the date of filing of these Articles of Incorporation. The Declaration shall be recorded in the office of the Recorder of Salt Lake County, State of Utah. The Declaration is hereby incorporated by reference and made a part of these Articles of Incorporation. The Association shall be operated to perform the functions and provide the services contemplated by the Declaration. Except as otherwise provided herein or as may be required by the context hereof, all terms defined in the Declaration shall have such defined meanings when used herein.

No dividend shall be paid, and no part of the net income of the Association shall be distributed, to any of the Members, Board of Trustees, or officers of the Association, except as otherwise provided herein, in the Declaration, or under Utah law.

ARTICLE IV

POWERS

Subject to the purposes declared in Article III above and any limitations herein expressed, the Association shall have and may exercise the power to do any and all things that the Association is authorized or required to do under the Declaration, as the same may from time to time be amended, including, without limiting the generality of the foregoing, the power to fix, levy and collect the charges and assessments provided for in the Declaration.

ARTICLE V

LIMITATIONS

In all events and under all circumstances, and notwithstanding any other provisions of these Articles of Incorporation or any merger, consolidation, reorganization, termination, dissolution, or winding up of the Association, voluntarily, or by operation of law, or upon amendment of the Articles of Incorporation, the Association's operations and activities shall be strictly for the non-profit purposes set forth herein and:

(a) The property, assets, profits and net income of the Association are irrevocably dedicated to the non-profit purposes set forth herein, and no part of the assets or net earnings of the Association shall ever inure to the benefit of or be distributable to its incorporators, Trustees, officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in carrying out the purposes set forth in Article III hereof.

(b) At no time shall the Association engage in any activities which are unlawful under the laws of the United States of America or under the laws of the State of Utah.

(c) Neither the whole, nor any part or portion, of the assets or net earnings of the Association shall be used, nor shall the Association ever be operated, for objects or purposes other than those set forth in Article III hereof.

(d) Upon dissolution of the Association or the winding up of its affairs, none of the assets of the Association will be distributed to the members thereof, but shall be distributed only

to such other non-profit organizations as the Board of Trustees determines are in need of such assets.

ARTICLE VI

MEMBERSHIP

Each Owner of a unit in the Condominium shall be a Member of the Association. The rights and duties appertaining to membership in the Association shall be governed by the Declaration. Neither the issuance nor the holding of shares of stock shall be necessary to evidence membership in the Association. Membership in the Association shall be mandatory, and not optional, and shall be appurtenant to and may not be separated from the ownership of any unit which is subject to assessment by the Association. No persons or entity other than an Owner of a unit may be a Member of the Association. Membership in the Association shall begin immediately and automatically upon becoming an Owner of a unit and shall cease immediately and automatically upon ceasing to be an Owner of such a unit.

ARTICLE VII

ASSESSMENTS

Members of the Association shall be subject to assessments by the Association from time to time in accordance with the provisions of the Declaration and shall be liable to the Association for payment of such assessments. Members shall not be individually or personally liable for the debts, liabilities or obligations of the Association.

ARTICLE VIII

BOARD OF TRUSTEES

The initial Board of Trustees of the Association shall consist of the two (2) trustees whose names and addresses are as follows:

SHANNON MAVEETY
7931 Blaze Trail Court
Orangevale, CA 95662

PAMELA BALLO
3020 El Cerrito Plaza #198
El Cerrito, CA 94530

ARTICLE IX

PRINCIPAL OFFICE

The address of the initial principal office of the Association is 4844 North 300 West, Suite 300, Provo, Utah, 84604.

ARTICLE X

REGISTERED OFFICE AND AGENT

The initial registered office of the Association is 4844 North 300 West, Suite 300, Provo, Utah, 84604, and the name of the initial registered agent at such address is STEPHEN QUESENBERRY.

ARTICLE XI

INCORPORATOR

The name and address of the incorporators of the Association are as follows:

SHANNON MAVEETY
7931 Blaze Trail Court
Orangevale, CA 95662

PAMELA BALLO
3020 El Cerrito Plaza #198
El Cerrito, CA 94530

ARTICLE XII

BYLAWS

The Board of Trustees shall adopt Bylaws which are not inconsistent with law or these Articles for the regulation and management of the affairs of the Association.

ARTICLE XIII

AMENDMENTS

Except as otherwise provided by law or by the Declaration, these Articles of Incorporation may be amended only upon the affirmative vote of a majority of the members of the Board of Trustees, together with a majority of the voting power of the Association. These Articles may not be amended so as to provide for any matter that is inconsistent with the provisions of the Declaration (as the Declaration may from time to time be amended).

ARTICLE XIV


CONFLICT WITH DECLARATION OR BYLAWS

In the event of any conflict or inconsistency between the provisions of these Articles and the provisions of the Declaration (as the Declaration may from time to time be amended), the

provisions of the Declaration shall control. In the event of any conflict or inconsistency between the provisions of these Articles and the Bylaws (as the Bylaws may from time to time be amended), the provisions of these Articles shall control.

DATED: August __, 2007.


SHANNON MAVEETY, Incorporator


PAMELA BALLO, Incorporator

Acceptance of Registered Agent:

STEPHEN QUESENBERRY