

11409955
06/13/2012 04:53 PM \$191.00
Book - 10026 Pg - 1312-1376
GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
CALLISTER NEBEKER & MCCULLOUGH
10 E SOUTH TEMPLE STE 900
SLC UT 84133
BY: ZJM, DEPUTY - WI 65 P.

When Recorded Please Return To:
Callister Nebeker & McCullough
Steven L. Ingleby, Esq.
Parkview Plaza One
2180 South 1300 East, Suite 600
Salt Lake City, Utah 84106

65-53

PARCEL NOS.	SPACE ABOVE FOR RECORDER'S USE ONLY		
22354040010000	22354040120000	22354040240000	22354040360000
22354040020000	22354040130000	22354040250000	22354040370000
22354040030000	22354040140000	22354040260000	22354040380000
22354040040000	22354040150000	22354040280000	22354040390000
22354040050000	22354040170000	22354040290000	22354040400000
22354040060000	22354040180000	22354040300000	22354040420000
22354040070000	22354040190000	22354040310000	22354040430000
22354040080000	22354040200000	22354040320000	22354040440000
22354040090000	22354040210000	22354040330000	22354040450000
22354040100000	22354040220000	22354040340000	22354040460000
22354040110000	22354040230000	22354040350000	22354040470000

AMENDED AND RESTATED CONDOMINIUM DECLARATION

FOR MONTE LUCA CONDOMINIUMS

THIS AMENDED AND RESTATED CONDOMINIUM DECLARATION FOR MONTE LUCA CONDOMINIUMS (this "Declaration") is made and executed this 31st day of May, 2012 by the undersigned President and all of the members of the Board of Trustees or Management Committee of the Monte Luca Homeowners Association, Inc., a Utah nonprofit corporation.

RECITALS

A. A certain Condominium Declaration for Monte Luca Condominiums was executed on August 7, 2001 and recorded in the office of the County Recorder of Salt Lake County, State of Utah, as Entry No. 7976985, in Book 8490, Pages 849 to 898, as subsequently amended (the "Original Declaration").

B. A certain Record of Survey Map of Monte Luca Condominium Project was executed on August 16, 2001 and recorded in the office of the County Recorder of Salt Lake County, State of Utah, as Entry No. 7976984, in Book 2001P, at Page 228, et seq., as subsequently amended and supplemented (the "Map").

C. The Original Declaration and Map, as subsequently amended and supplemented, created the Monte Luca Condominiums consisting of 44 Units, together with their respective undivided interests in the Common Areas and Facilities as more particularly described in Exhibit

"A" attached hereto and incorporated herein by reference.

D. The Original Declaration has been amended by the following amendments to the Declaration (the "Amendments"):

Amendment	Date Recorded	Entry #	Book	Page
First Amendment to Condominium Declaration for Monte Luca Condominiums	3/28/2002	8188290	8581	3600-3605
Amendment to CCRs for Monte Luca Condominiums Landscaping Parameters	10/4/2002	8377071	8661	551-554
Third Amendment to Condominium Declaration for Monte Luca Condominiums	5/19/2002	9066399	8989	3886-3892
Fourth Amendment to Condominium Declaration for Monte Luca Condominiums	10/7/2004	9192877	9046	5424-5432
Fifth Amendment to Condominium Declaration for Monte Luca Condominiums	10/7/2004	9192879	9046	5434-5441
Sixth Amendment to Condominium Declaration for Monte Luca Condominiums	7/21/2005	9439451	9162	6668-6673
Sixth [Sic] Amendment to Condominium Declaration for Monte Luca Condominiums	7/27/2006	9793498	9327	2958-2961
Eighth Amendment to Condominium Declaration for Monte Luca Condominiums and Bylaws for Monte Luca Homeowners Association	12/11/2006	9935310	9392	3572-3576
Ninth Amendment to Condominium Declaration for Monte Luca Condominiums	8/17/2007	10196454	9504	8516-8521
Tenth Amendment to Condominium Declaration for Monte Luca Condominiums	5/28/2010	10961773	9829	4584-4593
Eleventh Amendment to Condominium Declaration for Monte Luca Condominiums				

E. The Owners desire to amend and restate the Original Declaration in its entirety in order to incorporate into a single document the Original Declaration and each of eleven Amendments to the Original Declaration that have been approved by the Owners and recorded in the office of the County Recorder of Salt Lake County, Utah.

F. This Declaration has been approved by the affirmative vote or approval and consent of Owners having ownership of not less than sixty-seven percent (67%) of the undivided interest in the Common Areas and Facilities of the Monte Luca Condominiums (the "Project").

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and for other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the Original Declaration is hereby amended and restated in its entirety as follows:

ARTICLE I

DEFINITIONS

1. Name. The name by which the Condominium Project shall be known is MONTE LUCA CONDOMINIUMS.

2. Definitions. Each of the terms use herein shall have the meaning stated in the Utah Condominium Ownership Act and as given in this Paragraph 2.

a. The word "Act" shall mean and refer to the Utah Condominium Ownership Act, Utah Code Ann. §§ 57-8-1, *et seq.*, as the same now exists and as it may be amended from time to time.

b. The word "Assessment" shall mean (i) any charge imposed by the Association on an Owner, including, without limitation, Common Expenses on or against an Owner pursuant to the provisions of this Declaration, the Bylaws or the Act, and (ii) any amount assessed by the Association against an Owner for damage to the Owner's Unit or to a Limited Common Area or Facility applicable to the Owner's Unit pursuant to §57-8-43(9)(h) of the Act.

c. The word "Association" shall mean Monte Luca Homeowners Association, Inc., a Utah nonprofit corporation.

d. The words "Board of Trustees", "Trustees", "Management Committee" or "Committee" shall mean and refer to the committee as provided in the Declaration and the Bylaws hereto attached as Exhibit "B." Said Committee is charged with and shall have the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Project.

e. The word "Condominium" shall mean and refer to a single unit in this Condominium Project together with an undivided interest in common with other unit owners in the Common Areas and Facilities of the Property, and together with all other appurtenances belonging thereto, as described in this Declaration.

f. The words "Common Areas and Facilities" shall mean and refer to:

i. The land described in Exhibit "A" attached;

ii. That portion of the Property not specifically included in the respective Units as herein defined;

iii. All foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, stairs, stairways, yards, landscaping, streams, ponds, pump stations, sprinkler systems, fire sprinkler systems, cable television systems, fences, service and parking areas and in general all other apparatus, installations and other parts of the Property necessary or

convenient to the existence, maintenance and safety of the foregoing or normally in common use;

iv. Those areas specifically set forth and designated in the Map as "Common Area" or "Limited Common Area,"; and

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

g. The words "Common Expenses" shall mean and refer to: All expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities including an adequate reserve fund for maintenance, repair and replacement of those Common Areas and Facilities that must be replaced on a periodic basis; 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 Bylaws, and such rules and regulations pertaining to the Condominium Project as the Association of Unit Owners or the Board of Trustees or Management Committee may from time to time adopt; and such other expenses incurred pursuant to agreements lawfully made and/or entered into by the Board of Trustees or Management Committee.

h. The word "Contact Person" shall mean and include the person whose name, address and telephone number have been provided to the Utah Department of Commerce by the Association in compliance with §57-8-13.1 of the Act and who has been designated by the Association as the primary contact person to provide Association Common Expense payoff information needed in connection with the closing of any financing, refinancing or sale of a Unit.

i. The word "Declarant" shall mean Glacier Land Company, L.L.C., sole owner as described on the Record of Survey Map, which has made and executed this Declaration and/or any successor to or assignee of Declarant, who by conveyance, transfer or assignment, comes to stand in the same relation to the Project as did the Declarant.

j. The word "Declaration" shall mean the Original Declaration by which Monte Luca Condominiums was established as a Condominium Project and each of the Amendments that have been made to the Original Declaration as of the date hereof.

k. The words "Condominium Project or sometimes the "Project" shall mean and refer to the entire Property, as defined above, together with all rights, obligations and organizations established by this Declaration.

l. The words "Lease Approval Application" is hereinafter defined in Article XXXI, Paragraph 4.

m. The words "Lease List" is hereinafter defined in Article XXXI, Paragraph 6.

n. The words "Lease Restriction Period" is hereinafter defined in Article XXXXI, Paragraph 3.

577740.2

o. The words "Limited Common Area" shall mean and refer to those portions of the Common Areas and Facilities reserved for the exclusive use of certain Unit Owners, as specified herein. The Limited Common Areas shall include the roof, rain gutters and downspouts, driveway, walk, patios, decks, porches, and rear and side yards adjacent to each Unit, all as more particularly shown on the Map. The use and occupancy of the Limited Common Areas shall be reserved to its associated Unit, and each Unit Owner is hereby granted an irrevocable license to use and occupy the same so long as such Owner owns the Unit associated with such Limited Common Area.

p. The word "Manager" shall mean and refer to the person, persons or corporation, if any, selected by the Board of Trustees or Management Committee to manage the affairs of the Condominium Project.

q. The word "Mortgage" shall mean any mortgage, deed of trust, or other security instrument by which a Condominium or any part thereof is encumbered. The words "First Mortgage" shall mean a Mortgage, the lien of which is prior and superior to the lien of any other Mortgage on the same Unit.

r. The word "Map" shall mean and refer to the Record of Survey Map of Monte Luca Condominiums recorded herewith by Declarant, as amended and supplemented.

s. The words "Monte Luca Homeowners Association", "Association of Unit Owners" or "Association" shall mean and refer to the Unit Owners taken as, or acting as, a group in accordance with the Declaration and the Bylaws attached hereto as Exhibit "B," which Bylaws are hereby incorporated herein.

t. The word "Property" shall mean and include the land, described in Article I, the buildings, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

u. The words "Reserve Analysis" shall mean and include an analysis to determine the need for and the appropriate amount of a reserve fund to accumulate money to cover the cost of repairing, replacing, and restoring the Common Areas and Facilities that have a useful life of three years or more, but excluding any cost that can reasonably be funded from the Association's general budget or other funds of the Association.

v. The words "Third Party Lease" is hereinafter defined in Article XXXI, Paragraph 1.

w. The word "Trustee" shall mean the person appointed as trustee by the Association with power of sale and other powers of trustee under § 57-8-45 of the Act and Utah Code Annotated §§ 57-1-19 through 57-1-34 for the purpose of enforcing the lien for unpaid Assessments provided for in the Declaration and the Act.

x. The word "Unit" shall mean and refer to one of the Units, which is

designated as a Unit on the Map, and more particularly described in Article V 3. hereof.

y. The words "Unit Owner" or "Owner" shall mean the entity, person or persons owning a Unit in the Condominium Project in fee simple and an undivided interest in the fee simple estate of the Common Areas and Facilities as shown in the records of the County Recorder of Salt Lake County, Utah. The term Unit Owner or Owner shall not mean or include a mortgagee, beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

z. The words "Unit Number" shall mean and refer to the letter, number or combination thereof designating the Unit in the Declaration and in the Map.

aa. The words "Utility Services" shall include, but not be limited to, water which shall be commonly metered.

bb. The words "Waiting List" is hereinafter defined in Article XXXI, Paragraph 6.

cc. "Waiting List Request" is hereinafter defined in Article XXXI, Paragraph 6.

dd. Those definitions contained in the Act, to the extent they are applicable hereto and not inconsistent herewith, shall be and are hereby incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof.

ARTICLE II

SUBMISSION TO CONDOMINIUM OWNERSHIP

Declarant hereby submits the Property to the provisions of the Act as a Condominium Project and this Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith. It is the intention of Declarant that the provisions of the Act shall apply to the Property.

ARTICLE III

COVENANTS TO RUN WITH THE LAND

This Declaration contains covenants, conditions and restrictions relating to the Project which are and shall be enforceable equitable servitudes which shall run with the land and be binding upon Declarant, its successors and assigns and upon all Unit Owners or subsequent Unit Owners, their grantees, mortgagees, successors, heirs, personal representatives, devisees and assigns.

ARTICLE IV

DESCRIPTION OF PROPERTY

1. Description of Land. The land is that tract or parcel in Salt Lake County, Utah, more particularly described in Article I of this Declaration.

2. Description of Improvements. The Project has been constructed in accordance with the information contained in the Map. The buildings in the Project are of stucco and stone construction and contain a total of forty-four (44) Units. Electricity and gas are separately metered to each Unit. Each Unit has a separate furnace and water heater, standard kitchen appliances, microwave oven and carpet. The Project will be subject to the easements that are reserved through the Project and as may be required for utility services.

3. Description and Legal Status of Units. The Map and Exhibit "C" hereto show the Unit number of each Unit. The Map shows each Unit's location and the Common Areas and Facilities to which it has access. All Units shall be capable of being independently owned, encumbered and conveyed. Each Unit shall include that part of the building containing the Unit which lies within the boundaries of the Unit, which boundary shall be determined in the following manner:

a. The upper boundary shall be the plane of the lower surface of the uppermost ceiling;

b. The lower boundary shall be the plane of the upper surface of the lowermost floor; and

c. The vertical boundaries of the Unit shall be (i) the interior surface of the outside walls of the building bounding a Unit; and (ii) the interior surface of any interior walls bounding a Unit.

4. Description of Common Areas and Facilities. Except as otherwise in this Declaration provided, the Common Areas and Facilities shall consist of the areas and facilities described in the definitions and constitute in general all of the parts of the Property except the Units. Without limiting the generality of the foregoing, the Common Areas and Facilities shall include the following, whether located within the bounds of a Unit or not:

a. The clubhouse and associated amenities;

b. All structural parts of the building including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;

c. Driveways, parking areas, patios, balconies, lawns, sprinkler systems, shrubs, trees, ponds, streams, entrance ways and storage areas;

d. Any utility pipe or line or system servicing more than a single Unit,

including but not limited to any cable television system, and all ducts, wires, conduits, and other accessories used therewith;

e. With the prior approval of the Board of Trustees of Management Committee an Owner may elect to upgrade landscaping and external lighting in the Common Area adjacent to a Unit. All such upgrades shall be made under supervision of the Board of Trustees or Management Committee. The maintenance of any such upgraded landscaping or lighting shall be the responsibility of the Association and in the event it requires replacement, the replacement shall be at the option of the Board of Trustees or Management Committee;

f. All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;

g. All repairs and replacements of any of the foregoing; provided that the replacement of windows is not intended to be a common expense.

ARTICLE V

ALTERATIONS AND EXPANSION

1. Alterations by Declarant. For one (1) year following the recordation of the Original Declaration, Declarant reserved the right to change the interior design and interior arrangement of any Unit and to alter the boundaries between Units or to combine Units, so long as the Declarant owned the Units so altered or combined. Any change of the boundaries between the Units, or any alteration of the Common Areas has been reflected by an amendment of this Declaration and of the Map executed by the Declarant. Any change in Unit size has been accompanied by a reallocation of fractional interests in Common Area on a square-footage basis.

No such change shall increase the number of Units nor materially alter the boundaries of the Common Areas and Facilities nor change the fraction of ownership of Common Areas and Facilities associated with the non-altered or non-combined Units without amendment of this Declaration and of the Map in the manner described in **Article XXVI** of this Declaration.

2. Expandable Project. The project is expandable. The right of the Declarant to expand the project shall begin with the filing for record of the Original Declaration and end at the expiration of seven (7) years from that date. The consent of the Owners for the expansion is not required. The expansion which may be done in one or more phases at the sole option of the Declarant is to be composed of residential units and amenities to support the development. All residential Units and amenities will be compatible with the buildings and amenities in the current Project. The maximum number of residential units that Declarant may construct on the additional land is nineteen (19) units. If the maximum number of residential units is constructed on the additional land, then the Project will consist of a total of forty-four (44) units. The additional land which is locate Salt Lake County, Utah is more fully and completely described as shown on Exhibit "D" attached hereto and incorporated by this reference as though fully set forth herein.

ARTICLE VI

STATEMENT OF PURPOSE AND RESTRICTION ON USE

1. Purpose. The purpose of the Condominium Project is to provide residential housing space for Unit Owners, their families, guests and lessees, and to provide amenities for use in connection therewith, all in accordance with the provisions of the Act.

2. Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth:

a. Each of the Units shall be occupied only as a residence and for no other purpose. No business shall be operated in or from any Unit itself other than the rental of the Unit itself, subject to applicable zoning and business regulation laws and ordinances. Each parking stall shall be used for the parking or storage of one (1) operable motor vehicle of a size no larger than a standard automobile or 3/4 -ton truck and for no other purpose. The Common Areas and Facilities shall be used only for the purposes for which they are intended.

b. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the building or contents thereof beyond that customarily applicable for residential use, or will result in the cancellation of insurance on the building, or the contents thereof, without the prior written consent of the Management Committee. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which is in violation of any law or regulation of any governmental authority.

c. No Owner shall cause or permit anything (including, without limitation, any radio or television aerial, antenna or satellite dish, and no shades, awnings, canopy, reflective window film, window guards, shutters, storm or screen door, ventilators, fans or air conditioning devices) to be displayed, be visible from, installed or used in or about the Common Areas and Facilities, or decks, porches or patios except such as shall have been approved in writing by the Board of Trustees or Management Committee. If an Owner fails to keep any such device or installation in good order, repair and appearance, the Board of Trustees or Management Committee may remove such device, charging the cost of removal and restoration to the Owner, and the device shall not be replaced until it has been put in proper condition, and only with the further written consent of the Board of Trustees. No sign of any kind shall be displayed to the public view on or from any Unit or the Common Areas and Facilities unless it is for the common benefit of all Owners or specifically approved in writing by the Board of Trustees or Management Committee.

d. No noxious or offensive activity shall be carried on in any Unit or in the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently,

which may be or become an annoyance or nuisance to the other Unit Owners or occupants.

e. Nothing shall be done in any Unit or in, on or to the Common Areas and Facilities which will impair the structural integrity of the building or any part thereof or which would structurally change the building or any part thereof except as is otherwise provided herein.

f. Pets may be kept within a Unit and may utilize the Common Areas in the Project pursuant to rules and regulations established by the Board of Trustees or Management Committee. No one may establish or maintain a business breeding or raising pets on the Project.

g. The Common Areas and Facilities shall be kept free and clear of all rubbish, debris and other unsightly materials.

h. No admission fees, charges for use, leases or other income-generating arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas and Facilities without the prior written consent of the Board of Trustees or Management Committee.

ARTICLE VII

PERSON TO RECEIVE SERVICE OF PROCESS

1. Person to Receive Service of Process. The person to receive service of process for the Association in the cases provided herein or in the Act is James E. Robinson, 8338 Via Riviera Way, Sandy, Utah 84093. The Association may appoint a substitute person to receive service of process for the Association by executing and recording in the official records of Salt Lake County, Utah an amendment to this Article VII, Paragraph 1 naming the substitute person to receive service of process and the residence or place of business of that person.

2. Registration with the Utah Department of Commerce. The Association shall register with the Utah Department of Commerce as required by §57-8-13.1 of the Act and submit an updated registration to the Department within ninety (90) days after a change in any of the information previously provided to the Department.

ARTICLE VIII

OWNERSHIP AND USE

1. Ownership of a Unit. Except with respect to any of the Common Areas and Facilities located within the bounds of a Unit, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and to the ownership of the undivided interest in the Common Areas and Facilities set forth on Exhibit "C" hereto. Exercise of Declarant's option to expand shall result in a change in the undivided interest appurtenant to each Unit.

2. Nature of and Restriction on Ownership and Use. Each Unit Owner shall have and enjoy the rights and privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons, or joint tenancy so long as no Unit is owned by more than six persons or entities. The Unit Owners may lease or rent their Units with their appurtenant rights subject to terms and conditions chosen solely by the Unit Owner and his lessee, except that (a) all Unit Owners, their tenants and other occupants or users of the Project, shall be subject to the Act, this Declaration (including Article XXXI hereof), the Bylaws, and all rules and regulations of the Project, (b) the term of any such lease shall be for not less than six (6) months, (c) occupancy in each Unit shall not be greater than six people per Unit, and (d) any lease of a Unit must be in writing and must state that the lease and the lessee will be subject to the terms and conditions of all rules and regulations of the Project, this Declaration and the Bylaws.

3. Prohibition Against Subdivision of Unit. Except as provided in Article VI above, no Unit Owner, by deed, plat or otherwise, shall subdivide or in any manner cause his Unit to be separated into time intervals or into physical tracts or parcels smaller than the whole Unit as shown on the Map.

4. Ownership of Common Areas and Facilities. The Common Areas and Facilities contained in the Project are described and identified in Article V 4. of this Declaration. Said Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. No fractional ownership interest in the Common Areas and Facilities shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, such a fraction of undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates. A Unit Owner's fractional ownership interest in the Common Areas and Facilities shall be the same for all purposes, including voting and assessment of common expenses. The percentage ownership interests in the Common Area are set forth in Exhibit "C" hereto.

5. Use of Common Areas and Facilities. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units contained in the Project, subject to the Declaration and Bylaws. This right of use shall be appurtenant to and run with each Unit.

ARTICLE IX

LIMITED COMMON AREAS

Each Unit Owner shall be entitled to the exclusive use and occupancy of the Limited Common Areas assigned to his Unit as set forth in Exhibit "C," or as shown on the Map, subject, however, to the same restrictions on use which apply generally to the Common Areas and Facilities and to rules and regulations to be promulgated by the Management Committee as

authorized in the Bylaws. Such right to use the Limited Common Areas shall be appurtenant to and contingent upon ownership of the Unit associated therewith, and even though not specifically mentioned in the instrument of transfer, shall automatically pass to the grantee or transferee of such Unit. Such right of use shall not be revocable, nor may it be voluntarily or involuntarily relinquished, waived or abandoned. The Limited Common areas shall include, but shall not be limited to the porches, patios, driveways and sidewalks adjacent to the Unit and used by the Unit owner.

ARTICLE X

VOTING - MULTIPLE OWNERSHIP

1. Voting Rights. The Association shall have the following described two (2) classes of voting membership:

Class A. Class A Members shall be all Owners other than the Declarant. Class A Members shall be entitled to one vote for each Unit in which the interest required for Membership in the Association is held. In no event, however, shall more than one Class A vote exist with respect to any Unit.

Class B. The Class B member shall be the Declarant. The Class B Member shall be entitled to six (6) votes for each Unit in which it holds the interest required for Membership in the Association. The Class B membership shall automatically cease and be converted to a Class A membership upon the occurrence of the following events:

a. When all of the Units in the Development are sold and conveyed to Owners by the Declarant.

b. The Declarant shall continue as a Class A member following the sale and conveyance of the last unit, retaining one (1) voting membership for the use of its officers and their families. This membership and its rights may not be altered or amended without the concurrence of the Declarant to the amendment.

c. The conversion provided for in this Paragraph shall not occur until any expansions of the Development have occurred or have been abandoned by the Declarant.

2. Multiple Ownership Interests. The vote attributable to and exercisable in connection with a Unit shall be the fraction of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit as shown on Exhibit "C." In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other

than to determine whether a quorum exists.

3. Quorum Requirements and Notice of Meetings. Unless otherwise provided for, more than fifty percent (50%) of total votes of the Association shall constitute a quorum for the transaction of business. Written notice setting forth the purpose of the meeting shall be sent to all members at least ten (10) days but not more than thirty (30) days prior to the meeting date. In the event of a failure to obtain a quorum at the annual meeting the Board of Trustees or Management Committee shall have the right to appoint replacements for the members of the Committee whose terms expire at that meeting and to adopt a budget for the next year.

ARTICLE XI

MANAGEMENT

1. Board of Trustees or Management Committee. The business, property and affairs of the Project shall be managed, operated and maintained by the Board of Trustees or Management Committee (the terms are used interchangeably herein) as agent for the Unit Owners. The Management Committee shall, in connection with its exercise of any of the powers delineated in Subparagraphs (a) through (g) below, constitute a legal entity capable of dealing in its own name. The Board of Trustees or Management Committee shall have, and is hereby granted, the following authority and powers:

- a. The authority, without the vote or consent of the Unit Owners or of any other person(s), to grant or create, on such terms as it deems advisable, utility and similar easements over, under, across and through the Common Areas and Facilities;
- b. The authority to execute and record, on behalf of all Unit Owners, any amendment to the Declaration or Map which has been approved by the vote or consent necessary to authorize such amendment;
- c. The power to sue and be sued;
- d. The authority to enter into contracts which in any way concern the Project, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained;
- e. The power and authority to convey or transfer any interest in real property, so long as any vote or consent necessary under the circumstances has been obtained;
- f. The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners; and
- g. The power and authority to perform any other acts and to enter into any

other transactions which may be reasonably necessary for the Board of Trustees or Management Committee to perform its functions as agent for the Unit Owners.

Any instrument executed by the Board of Trustees or Management Committee 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.

2. Composition of Board of Trustees or Management Committee. The Board of Trustees or Management Committee shall initially be composed of three (3) members, each elected for a two-year term. By the affirmative vote of at least sixty-seven percent (67%) of all Unit Owners entitled to vote, the Board of Trustees or Management Committee may be expanded to up to nine (9) members. At the first annual Owners' meeting one of the members of the Board of Trustees or Management Committee shall be elected for only a one-year term so that elections and vacancies can be staggered. All other members of the Management Committee shall be elected for a two-year term. Whenever the membership of the Board of Trustees or Management Committee is expanded, half of the new members (or as close to half as possible if an odd number of new members is added) shall be elected for only a one-year term so that elections and vacancies can be staggered. At each annual Owners' meeting after the first annual meeting, Management Committee members shall be elected for any vacant positions. Except for the initial Management Committee, only Unit Owners shall be eligible for Management Committee membership. At the annual meeting, the Owners(s) of each Unit shall be entitled to one (1) vote for each seat to be filled. Said votes may be voted in favor of as many candidates for Management Committee membership as the Owner(s) desire, or may be cumulated and voted for a lesser number of candidates.

3. Removal and Vacancy. Any Committee member who fails on three (3) successive occasions to attend Committee meetings (whether regular or special) or who has not attended at least seventy-five percent (75%) of all Committee meetings (whether regular or special) held during any twelve (12) month period shall automatically forfeit his seat. In the event a Committee seat becomes vacant, whether by reason of forfeiture or due to another cause, 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. Unless he forfeits or otherwise loses his seat as herein provided, a member shall serve on the Committee until his successor is elected and qualifies. Committee members shall be reimbursed out of common expense assessments for all expenses reasonably incurred in connection with Committee business, but shall receive no additional compensation for their services as Committee members.

4. Expansion. By a vote of Seventy five percent of all members entitled to vote including Class B members, the Board of Trustees or Management committee may be expanded to up to nine (9) voting members as provided in the Articles and Bylaws. Members shall serve staggered terms as provided in this Article.

5. Responsibility. The Board of Trustees or Management Committee shall be responsible for the control, operation and management of the Project in accordance with the provisions of the Act, this Declaration, such administrative, management and operational rules and regulations as it may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by said Committee.

6. Approval Required. The Board of Trustees or Management Committee shall not, without prior favorable vote or the written consent of the Owners of a majority interest in the undivided ownership of the Common Area, have the authority to purchase or sell any real property or add any property to the Common Area.

7. Additional Facilities. The Board of Trustees or Management Committee shall, subject to any necessary approval, have the authority to provide such facilities, in addition to those for which provision has already been made, as it may deem to be in the best interests of the Unit Owners and to effect the necessary amendment of documents and maps in connection therewith.

8. Name. The Board of Trustees or Management Committee shall be known as The Monte Luca Condominiums Board of Trustees or Management Committee.

9. Manager. The Committee may carry out through a Project Manager any of its functions which are properly the subject of delegation. Any Manager so engaged shall be an independent contractor and not an agent or employee of the Committee, shall be responsible for managing the Project for the benefit of the Committee and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Board of Trustees or Management Committee itself. Any agreement for professional management of the Project or any other contract providing for services of the Declarant Association shall be entered into by the Board of Trustees or Management Committee or the Association shall call for a term not exceeding three (3) years and shall provide that such management agreement may be terminated by the Board of Trustees or Management Committee or by the Association without cause and without payment of a termination fee upon not in excess of ninety (90) days written notice.

ARTICLE XII

EASEMENTS

1. Units Subject to Easements for Common Areas. Each Unit shall be subject to such easements as may be necessary for the installation, maintenance, repair or replacement of any Common Areas and Facilities located within the boundaries of such Unit or reasonably accessible only through such Unit.

2. Easements for Encroachments. In the event that, by reason of the construction, reconstruction, settlement or shifting of any part of a building, any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any part of any Unit or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Areas and Facilities or any other Unit, valid easements for such encroachment and the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Areas and Facilities, as the case may be, so long as all or any part of the building containing any such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners as owners of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of such Unit Owner or Owners occurring after the date on which this Declaration is recorded.

ARTICLE XIII

CHANGE IN OWNERSHIP

The Board of Trustees or Management Committee shall maintain up-to-date records showing the name of each Owner, the address of such Owner, and the Unit which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Unit either the transferor or transferee shall furnish the Board of Trustees or Management Committee with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of the county where the Project is located. The Board of Trustees or Management Committee may for all purposes act and rely on the information concerning Owners and Unit Ownership which is thus acquired by it or, at its option, the Board of Trustees or Management Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of the county where the Project is located. The address of an Owner shall be deemed to be the address of the Unit owned by such Owner unless the Board of Trustees or Management Committee is otherwise advised. An Owner who fails to so furnish the above information shall continue to be liable for monthly assessments of common expenses even after transferring ownership of the Unit.

ARTICLE XIV

ASSESSMENTS

1. Annual Assessments. Annual Assessments shall be computed and assessed against all Condominiums in the Project as follows:

a. Common Expenses. Annual Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated Common Expenses for each calendar year ("Annual Assessments"). Such estimated Common Expenses shall include, without limitation, the following: (i) Common Expenses of management; (ii) real property taxes and special assessments (unless and until the Condominiums are

separately assessed); (iii) premiums for all insurance that the Association is required or permitted to maintain hereunder; (iv) repairs, maintenance and administration of the Common Areas and Facilities; (v) wages for Association employees, including fees for a manager (if any); (vi) utility charges, including charges for utility services to the Units to the extent not separately metered or billed; (vii) legal and accounting fees; (viii) any deficit remaining from a previous period; (ix) creation and maintenance of an adequate reserve fund to cover the cost of repairing, replacing and restoring of those Common Areas and Facilities that have a useful life of three (3) years or more, but excluding any cost that can reasonably be funded from the annual budget or other funds of the Association, and such reserve shall be funded by monthly payments; and (x) any other expenses and liabilities that may be incurred by the Association for the benefit of the Owners under or by reason of the Declaration or the Act.

b. Apportionment. Common Expenses shall be apportioned among and assessed to the Owners in proportion to their respective undivided interests in the Common Areas as set forth in the Declaration.

c. Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year beginning January 1 of each year and ending the December 31 next following. The Board of Trustees shall prepare and furnish to each Owner, or cause to be prepared and furnished to each Owner, an operating budget at least 15 days prior to the annual meeting of the Association. The budget shall itemize the estimated Common Expenses for such fiscal year, anticipated receipts (if any), any deficit or surplus from the prior operating period, and the amount to be set aside in the reserve fund for such fiscal year. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as a major guideline under which the Project shall be operated during such annual period.

d. Notice and Payment. The Board of Trustees shall notify each Owner as to the amount of the Annual Assessment against such Owner's Condominium on or before December 15 each year for the fiscal year beginning on January 1 next following. Each Annual Assessment shall be payable in twelve equal monthly installments, one such installment due on the first day of each calendar month during the fiscal year to which the Assessment relates. All unpaid installments of any Annual Assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date each such installment becomes due until paid. In addition, in the event that any installment of any Annual Assessment is not paid on the date such installment becomes due, it shall be subject to a penalty for late payment of three dollars (\$3.00) per day from the date each such installment becomes due until paid. The failure of the Board of Trustees to give timely notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of the Declaration, or a release of any Owner from the obligation to pay such Assessment or any other Assessment; but the date when the payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such Assessment shall have been given to the Owner in the manner provided in the Declaration.

e. Inadequate Funds. In the event that the Annual Assessments proves inadequate at any time for whatever reason, including nonpayment of any Owner's Assessment, the Board of Trustees may on behalf of the Association levy additional Assessments in

accordance with the procedure set forth in Paragraph 3 below, except that the vote therein specified shall be unnecessary.

2. Reserve Analysis.

a. The Board of Trustees shall cause a Reserve Analysis to be conducted no less frequently than every five (5) years, and review and, if necessary, update a previously conducted Reserve Analysis no less frequently than every two (2) years. The Board of Trustees may conduct a Reserve Analysis itself or may engage a reliable person or organization, as determined by the Board of Trustees, to conduct the reserve analysis.

b. The Board of Trustees shall not use money in the reserve fund (i) for daily maintenance expenses, approved by the affirmative vote or written consent of Owners having ownership of not less than fifty-one percent (51%) of the undivided interest in the Common Areas and Facilities, or (ii) for any purpose other than the purpose for which the reserve fund was established.

c. The Association shall (i) annually, at the annual meeting of Owners or at a special meeting of the Owners, present the Reserve Analysis, and provide an opportunity for Owners to discuss reserves and to vote on whether to fund the reserve fund and, if so, how to fund it and in what amount, and (ii) prepare and keep minutes of each such meeting and indicate in the minutes any decision relating to funding the reserve fund.

3. Special Assessments. In addition to the Annual Assessments authorized by this Article XV, the Board of Trustees may, on behalf of the Association, levy Special Assessments at any time and from time to time, upon the affirmative vote or written consent of Owners approved by the affirmative vote or written consent of Owners having ownership of not less than fifty-one percent (51%) of the undivided interest in the Common Areas and Facilities, payable over such periods as the Board of Trustees 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 Project or any part thereof, or for any other expenses incurred or to be incurred as provided in the Declaration (including without limitation Common Expenses). This Paragraph shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Paragraphs or Articles hereof. Notice in writing of the amount of each such Special Assessment and the time for payment thereof shall be given promptly to the Owners; no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any Special Assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date such portions become due until paid. In addition, in the event that any Special Assessment is not paid on the date such Special Assessment becomes due, it shall be subject to a penalty for late payment of three dollars (\$3.00) per day from the date each such Special Assessment becomes due until paid.

4. Separate Common Expense Fund and Reserve Funds. All funds received from Assessments under this Paragraph other than the amounts set aside for the reserve fund shall be

part of the Common Expense Fund. The Common Expense Fund and the reserve fund shall be kept in separate accounts established with a federal or state chartered bank, savings bank, industrial bank or credit union.

5. Lien for Assessments. The Association has a lien on each of Condominium for (i) any Assessment, (ii) fees, charges, and costs associated with collecting any unpaid Assessment, including, court costs and reasonable attorney fees, late charges, interest, and any other amount that the Association is entitled to recover under the Declaration, the Act, or an administrative or judicial decision, and (iii) any fine that the Association imposes against the Owner of the Condominium. The recording of the Declaration constitutes record notice and perfection of the lien described in this Paragraph. A lien under this Paragraph is not subject to Utah Code Annotated Title 78B, Chapter 5, Part 5, Utah Exemptions Act. If an Assessment is payable in installments, the lien described in this Paragraph is for the full amount of the Assessment from the time the first installment is due, unless the Association otherwise provides in the notice of Assessment. A lien under this Paragraph has priority over each other lien and encumbrance on a Condominium except:

- a. a lien or encumbrance recorded before the Declaration is recorded;
- b. a first or second security interest on the Condominium secured by a deed of trust or mortgage that is recorded before a recorded notice of lien by or on behalf of the Association; or
- c. a lien for real estate taxes or other governmental assessments or charges against the Unit.

6. Enforcement of a Lien.

a. To enforce a lien for unpaid Assessments, the Association may cause a Condominium to be sold through nonjudicial foreclosure as though the lien were a deed of trust, in the manner provided by Utah Code Annotated Sections 57-1-24 through 57-1-27 and the Act, or foreclose the lien through a judicial foreclosure in the manner provided by law for the foreclosure of a mortgage and the Act. For purposes of a nonjudicial or judicial foreclosure, the Association is considered to be the beneficiary under a trust deed and the Owner of the Condominium being foreclosed is considered to be the trustor under a trust deed. An Owner's acceptance of the Owner's interest in a Condominium constitutes a simultaneous conveyance of the Condominium in trust, with power of sale, to the trustee designated as provided in this Paragraph for the purpose of securing payment of all amounts due under the Declaration and the Act. In any such judicial or nonjudicial foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Assessments against the Condominium which shall become due during the period of any such judicial or nonjudicial foreclosure, and all such Assessments shall be secured by the lien being foreclosed. The Board of Trustees shall have the right and power in behalf of

the Association to bid in at any foreclosure sale, and to hold, lease, mortgage, or convey the subject Condominium in the name of the Association.

b. The Association hereby appoints Steven L. Ingleby, attorney at law, as Trustee with power of sale pursuant to Section 57-8-45 of the Act. The Declarant hereby conveys and warrants pursuant to Utah Code Annotated Sections 57-1-20 and 57-8-45 to Steven L. Ingleby, attorney at law, with power of sale, each of the Condominiums and all improvements to the Condominiums for the purpose of securing payment of Assessments under the terms of the Declaration. The Association may appoint a substitute Trustee by executing and recording in the official records of Salt Lake County, Utah a substitution of trustee form authorized under Utah Code Annotated Section 57-1-22. A person may not be a Trustee under this Paragraph unless the person qualifies as a trustee under Utah Code Annotated Section 57-1-21.

c. At least 30 calendar days before initiating a nonjudicial foreclosure, the Association shall provide notice to the Owner of the Unit that is the intended subject of the nonjudicial foreclosure. The notice shall (i) notify the Owner that the Association intends to pursue nonjudicial foreclosure with respect to the Owner's Unit to enforce the Association's lien for an unpaid Assessment; (ii) notify the Owner of the Owner's right to demand judicial foreclosure in the place of nonjudicial foreclosure; (iii) be sent to the Owner by certified mail, return receipt requested; and (iv) be in substantially the following form:

NOTICE OF NONJUDICIAL FORECLOSURE AND RIGHT TO DEMAND JUDICIAL FORECLOSURE Monte Luca Homeowners Association, Inc., a Utah non-profit corporation, the association for the project in which your Unit is located, intends to foreclose upon your Unit and allocated interest in the common areas and facilities using a procedure that will not require it to file a lawsuit or involve a court. This procedure is being followed in order to enforce the Association's lien against your Unit and to collect the amount of an unpaid assessment against your Unit, together with any applicable late fees and the costs, including attorney fees, associated with the foreclosure proceeding. Alternatively, you have the right to demand that a foreclosure of your property be conducted in a lawsuit with the oversight of a judge. If you make this demand and the Association prevails in the lawsuit, the costs and attorney fees associated with the lawsuit will likely be significantly higher than if a lawsuit were not required, and you may be responsible for paying those costs and attorney fees. If you want to make this demand, you must state in writing that 'I demand a judicial foreclosure proceeding upon my Unit,' or words substantially to that effect. You must send this written demand by first class and certified U.S. mail, return receipt requested, within 15 days after the date of the postmark on the envelope in which this notice was mailed to you. The address to which you must mail your demand is Monte Luca Homeowners Association, Inc., 3195 Monte Luca Way, Sandy, Utah 84093.

d. In the event of foreclosure, the Owner, if it is an owner-occupier and desires to remain in the Unit during any redemption period, shall be required to pay a reasonable rental for the Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the security. The Association or

its manager (if any) shall have the power to bid on the Unit at foreclosure or other sale and to hold, lease, mortgage and convey the Unit.

e. As provided in §57-8-48 of the Act, the one-action-rule provided in Utah Code Annotated Subsection 78B-6-901(1) shall not apply to the Association's judicial or non-judicial foreclosure of a lien for Common Expenses.

7. Personal Obligation of Owner. The amount of any Assessment against any Condominium shall be the personal obligation of the Owner of such Condominium to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Condominium or by waiving any services or amenities provided for in the Declaration. In the event of any suit to recover a money judgment for unpaid assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees in an amount as the court may deem reasonable, in favor of the Association, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs. As provided in the Act, a purchaser of a Condominium in any voluntary conveyance of a Condominium shall be jointly and severally liable with the seller thereof for all unpaid Assessments against the Condominium up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments. Notwithstanding the foregoing, a sale or transfer of a Condominium pursuant to a foreclosure or trust deed sale of a Mortgage shall extinguish a subordinate lien for Common Expenses which became payable prior to such sale or transfer.

8. Termination of a Delinquent Owner's Rights.

a. If an Owner fails or refuses to pay any Assessment when due, the Board of Trustees may terminate a delinquent Owner's right to receive a utility service for which the Owner pays as a Common Expense, or of access to and use of any recreational facilities that are part of the Common Areas and Facilities. Before terminating a utility service or right of access to and use of recreational facilities, the Board of Trustees shall give the delinquent Owner twenty (20) days prior written notice to such Owner stating that (i) the Association will terminate the Owner's utility service or right of access to and use of recreational facilities, or both, if the Association does not receive payment of the Assessment within said twenty (20) day period; (ii) the amount of the Assessment due, including any interest or late payment fee; and (iii) the Owner's right to request a hearing under Subparagraph 8.b. below.

b. A delinquent Owner may submit a written request to the Board of Trustees for an informal hearing to dispute the Assessment. A request under this Subparagraph shall be submitted to the Board of Trustees within fourteen (14) days after the date the delinquent Owner receives the notice under Subparagraph 8.a. The Board of Trustees shall conduct an informal hearing requested under this Subparagraph and may not terminate a utility service or right of access to and use of recreational facilities until after the Board of Trustees conducts the hearing,

and enters a final decision. If the Board of Trustees terminates a utility service or a right of access to and use of recreational facilities, the Board of Trustees shall take immediate action to reinstate the service or right following the Owner's payment of the delinquent Assessment, including any interest and late payment fee. The Board of Trustees may assess an Owner for the cost associated with reinstating a utility service that the Board of Trustees terminates and demand that the estimated cost to reinstate the utility service be paid before the service is reinstated, if the estimated cost is included in the notice to the Owner under Subparagraph 8.a. above.

9. Payment of Tenant Lease Payments.

a. If an Owner is leasing the Owner's Unit and fails to pay an Assessment for more than sixty (60) days after the assessment is due, the Board of Trustees may demand that any tenant that is leasing the Owner's Unit pay to the Association all future lease payments due the Owner, beginning with the next monthly or other periodic payment, until the amount due to the Association is paid.

b. The Board of Trustees shall give the Owner written notice of its intent to demand full payment from the tenant. Said notice shall (i) provide notice to the tenant that full payment of the remaining lease payments will be paid to the Association beginning with the next monthly or other periodic payment unless the delinquent Assessment is received by the Association within the time provided herein, (ii) state the amount of the Assessment due, including any interest or late payment fee, and (iii) state that any costs of collection, not to exceed the amount permitted by law in the State of Utah, and other Assessments that become due may be added to the total amount due.

c. If the Owner fails to pay the Assessment by the date specified in said notice, the Board of Trustees may then deliver written notice to the Owner's tenant demanding that the tenant make all future payments otherwise due the Owner to the Association. The Board of Trustees shall mail a copy of said tenant notice to the Owner. Said notice shall state (i) that due to the Owner's failure to pay the Assessment within the time period allowed, the Owner has been notified of the intent of the Board of Trustees to collect all lease payments due to the Association, (ii) that until notification by the Association that the Assessment due, including any interest, collection cost, or late payment fee, has been paid, the tenant shall pay to the Association all future lease payments due to the Owner, and (iii) that payment by the tenant to the Association in compliance with this Subparagraph will not constitute a default under the terms of the tenant's lease agreement with the Owner.

d. All funds deposited with the Association pursuant to this Subparagraph shall be (i) deposited in a separate account; and (ii) disbursed to the Association until the Assessment due, together with any cost of administration, not to exceed \$25.00, is paid in full. Any remaining balance shall be paid to the Owner within five (5) business days after payment in full to the Association.

e. Within five (5) business days after payment in full of the Assessment, including any interest or late payment fee, the Board of Trustees shall notify the tenant in writing

that future lease payments are no longer due to the Association. A copy of said notice shall also be mailed to the Owner.

10. Cumulative Remedies. The Assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid Assessments, as above provided. Nothing in this Article XV shall be deemed to prohibit the Association from bringing an action against an Owner to recover an amount for which a lien is created under this Article XV or from taking a deed in lieu of foreclosure, if the action is brought or deed taken before the sale or foreclosure of the Owner's Unit under this Article XV.

11. Certificate of Unpaid Assessments.

a. Upon receipt of a written request from an Owner and payment of a reasonable fee, not to exceed \$25.00, the Board of Trustees or the Project's manager (if any) shall issue a written statement to the Owner of any unpaid Assessments with respect to the Owner's Unit.

b. A certificate executed and acknowledged by the Association or its manager (if any) stating the unpaid Assessments, late fees and interest charges then outstanding with respect to a Unit shall be conclusive upon the Association and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Owner or Mortgagee or prospective Owner or Mortgagee of a Unit upon written request to the Association's Contact Person in connection with the closing of the financing, refinancing or sale of an Owner's Unit at a reasonable fee not to exceed Fifty Dollars (\$50.00) to be paid before closing. Any such request for payoff information must be (a) submitted to the Contact Person in writing, (b) contain the name, telephone number and address of the person making the request and the facsimile number or email address for delivery of the payoff information, and (c) be accompanied by a written consent for the release of the payoff information, identifying the person requesting the information as a person to whom the payoff information may be released, and signed and dated by an Owner of the Unit for which the payoff information is requested. The Association shall provide the certificate to the party requesting it within five (5) business days of the date of the request. Any Mortgagee holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment that Mortgagee shall have a lien on that Unit of the same rank as the lien of his/her encumbrance for the amounts paid.

12. Records of Receipts and Expenditures; Examination. The Board of Trustees shall (a) keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Areas and Facilities, specifying and itemizing the maintenance, repair and replacement expenses of the Common Areas and Facilities and any other expenses incurred, and (b) make those records available for examination by any Owner at convenient hours of weekdays no later than 14 days after the Owner makes a written request to examine the records.

13. Capital Expenditures Exceeding \$40,000.00. In assessing Owners for capital improvements, no assessment for a single improvement in the nature of a capital expenditure exceeding the sum of Forty Thousand Dollars (\$40,000.00) shall be made without the same having been first approved by the affirmative vote or written consent of Owners having ownership of not less than fifty-one percent (51%) of the undivided interest in the Common Areas and Facilities.

14. Amendment of Article. This Article XV shall not be amended unless such amendment has been approved by the affirmative vote or written consent of Owners having ownership of not less than sixty-seven percent (67%) of the undivided interest in the Common Areas and Facilities.

ARTICLE XV

DESTRUCTION OR DAMAGE

In the event of destruction of or damage to part or all of the improvements in the Condominium Project, the procedures of this Paragraph shall apply.

1. The proceeds of the insurance maintained by the Board of Trustees or Management Committee are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out.

2. If less than seventy-five percent (75%) of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all of the Unit Owners shall be assessed for any deficiency on the basis of their respective appurtenant percentages of undivided ownership interest in the Common Areas and Facilities, said assessment becoming a lien on the Units as provided in the Act.

3. 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 Board of Trustees or Management Committee are not alone sufficient to accomplish restoration, and if, within one hundred (100) days after the destruction or damage, the unit owners, by a vote of at least seventy-five percent (75%) of the entire undivided ownership, and fifty-one percent (51%) of all holders of first mortgages on units, elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under Paragraph 2 above.

4. If seventy-five percent (75%) or more of the project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the owners and mortgage holders as provided in Paragraph 3 above do not elect to repair or reconstruct the affected improvements, the Board of Trustees or Management Committee shall promptly record with the County Recorder of the county where the project is located a notice setting forth such facts. Upon recording of such notice the provisions of subsection (1) through (4) of §57-8-31, Utah Code Ann., shall apply and

shall govern the rights of all parties having an interest in the project or any of the units.

5. Any reconstruction or repair which is required to be carried out by this Paragraph shall be accomplished at the instance and direction of the Board of Trustees or Management Committee. Any determination which is required to be made by this Paragraph regarding the extent of damage to or destruction of Project improvements shall be made as follows:

6. The Board of Trustees or Management Committee shall select three (3) appraisers; each appraiser shall independently estimate the percentage of Project improvements which have been destroyed or substantially damaged; the percentage which govern the application of the provisions of this Paragraph shall be the median of the three (3) estimates.

ARTICLE XVI

TAXES

It is understood that under the Act each Unit, together with its fraction of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against his Condominium. All taxes, assessments and charges which may become liens prior to any First Mortgage shall relate only to the individual Unit against which they are assessed and not to the Project as a whole.

ARTICLE XVII

INSURANCE

1. Maintaining Insurance; Notice if Not Reasonably Available. The Association shall maintain, to the extent reasonably available using typical insurance carriers and markets, (a) property insurance on the physical structures in the Project, including the Common Areas and Facilities, Limited Common Areas and Facilities, and the Units, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils, and (b) liability insurance, including medical payments insurance covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Areas and Facilities. If the Association becomes aware that property insurance or liability insurance is not reasonably available, the Association shall, within seven (7) calendar days after becoming aware, give all Owners notice that the insurance is not reasonably available.

2. Property Insurance. The Association shall at all times maintain in force property insurance meeting the following requirements:

a. Hazard Insurance. A multi-peril type policy shall be maintained by the Association covering the entire Project (both Units and Common Areas and Facilities), including, without limitation, all fixtures, machinery, equipment and supplies maintained for the service of the Project, and all fixtures, improvements, alterations, equipment and betterments within the individual Units and the Common Areas and Facilities, including, without limitation, those installed by any Owner. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage blanket "all risk" endorsement and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage specified in the policy, but not less than one hundred percent (100%) of the full insurable value of the Project (based upon replacement cost). Deductibles shall not exceed the lower of \$10,000 or one percent of the applicable amount of coverage. At the option of the Association, funds for such deductibles may be included in the Association's reserves and, if included, shall be so designated. Such policy shall include an "Agreed Amount Endorsement" or its equivalent, and, if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent. Such policy shall include coverage for any fixture, improvement, or betterment installed by an Owner to a Unit or to a Limited Common Area, including a floor covering, cabinet, light fixture, electrical fixture, heating or plumbing fixture, paint, wall covering, window, and any other item permanently part of or affixed to a Unit or to a Limited Common Area. Each Owner shall be an insured person under the policy of property insurance.

i. Such policy shall also contain or provide the following: (1) An "Inflation Guard Endorsement", if available; and (2) "Building Ordinance or Law Endorsement", if the enforcement of any building, zoning, or land use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs. (The endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction).

ii. Each Owner shall promptly provide the Board of Trustees or Management Committee with written notice of any addition, improvement, alteration, equipment or installation that is attached to and made a part of the Owner's Unit that increases the value of the Unit by \$25,000 or more. The notice shall fully describe such addition, improvement, alteration, equipment or installation and provide the cost thereof.

b. Earthquake Insurance. The Association shall at all times obtain, maintain, and pay the premiums upon, as a Common Expense, a "blanket" policy of earthquake insurance covering the Project. Such policy shall provide coverage against loss or damage by earthquake of not less than \$10,000,000. Such policy may be combined with the flood insurance provided in Subparagraph 2(c) below.

c. Flood Insurance. If the Project is or comes to be situated in a locale identified by the Secretary of Housing and Urban Development (HUD) or the Director of the Federal Emergency Management Agency (FEMA) as a Special Flood Hazard Area, the

Association shall obtain and pay the premiums upon, as a common expense, a "master" or "blanket" policy of flood insurance on the Buildings and any other property covered by the required form of policy (herein insurable property), in an amount deemed appropriate by the Association, but not less than the following: The lesser of: (a) the maximum coverage available under the NFIP for all Buildings and other insurable property within the Project to the extent that such buildings and other insurable property are within an area having special flood hazards; or (b) 100% of "current replacement cost" of all such Buildings and other insurable property within such area. Such policy shall be in a form that meets the criteria set forth in the most current guidelines on the subject issued by the Federal Insurance Administrator. At the option of the Association, funds for any deductibles may be included in the Association's reserves, and, if included, shall be so designated.

d. The named insured under each policy required to be maintained by the foregoing items (a), (b) and (c) shall be in form and substance essentially as follows: "Monte Luca Homeowners Association, Inc., a Utah nonprofit corporation, for the use and benefit of the individual Owners."

e. Each such policy shall provide that notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it is in conflict with any requirement of law or without the prior written approval of the Association.

f. If a loss occurs that is covered by a property insurance policy in the name of the Association and another property insurance policy in the name of an Owner, (i) the Association's policy shall provide primary insurance coverage on the Units and the Common Areas in the Project, and (ii) the Owner's policy shall provide coverage against loss or damage to the personal property in the Owner's Unit and a portion of the deductible under the Association's policy. The portion of the deductible under the Association's policy for which an Owner is responsible is calculated by multiplying the amount of the Association's deductible by the percentage that the damage to the Owner's Unit and the Limited Common Area appurtenant to the Unit is to the total damage in a covered loss. For example, if a fire occurs in the Project where the total covered loss to the Units and Common Areas is \$100,000, the damage to an Owner's Unit and its appurtenant Limited Common Areas is \$20,000, and the Association's deductible is \$5,000, the portion of the Association's deductible for which the Owner is responsible is calculated as follows: $\$20,000/\$100,000 \times \$5,000 = \$1,000$. The Association shall set aside in the Association's reserves an amount equal to the amount of the Association's property insurance deductible or \$10,000, whichever is less. The Association shall provide written notice to each Owner of the Owner's obligation for the Association's policy deductible and of any change in the amount of the deductible.

g. An insurer under a property insurance policy issued to the Association shall adjust with the Association a loss covered under the Association's policy. Notwithstanding the above, the insurance proceeds for a loss under a property insurance policy of the Association are payable to an Insurance Trustee that the Association designates or, if no Insurance Trustee is designated, to the Association, and may not be payable to a holder of a security interest. An

Insurance Trustee or the Association shall hold any insurance proceeds in trust for the Association, the Owners, and lien holders. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property. After such disbursements are made and the damaged property has been completely repaired or restored or the project terminated, any surplus proceeds are payable to the Association, the Owners, and lien holders.

h. An insurer that issues a property insurance policy under this Subparagraph, or the insurer's authorized agent, shall issue a certificate or memorandum of insurance to the Association, an Owner, and a holder of a security interest, upon the Association's, an Owner's or the holder's written request.

i. A cancellation or nonrenewal of a property insurance policy under this Subparagraph is subject to the procedures stated in Utah Code Annotated § 31A-21-303.

j. The Board of Trustees that acquires from an insurer the property insurance required in this Subparagraph is not liable to Owners if the insurance proceeds are not sufficient to cover 100% of the full replacement cost of the insured property at the time of the loss.

3. Fidelity Insurance. The Association shall maintain in force fidelity coverage against dishonest acts on the part of managers (and employees of managers), trustees, employees, officers, Management Committee members, and volunteers responsible for handling funds belonging to the Association or administered by the Board of Trustees or the Association. An appropriate endorsement to the policy shall be secured to cover persons who serve without compensation if the policy would not otherwise cover volunteers. The fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one and one-half times (150%) of the Project's estimated annual operating expenses and reserves. The insurance shall contain waivers by the issuers of the insurance of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all insurance required herein, except those maintained by the management agent, shall be paid by the Association as a Common Expense. The insurance shall provide that it may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Association or the Insurance Trustee. Such bonds shall also provide that the FNMA servicer, if FNMA is a holder of Mortgages on Units within the Project, on behalf of FNMA, also, receive such notice of cancellation or modification.

4. Liability Insurance. The Association shall maintain comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, commercial space owned and leased by the Association, if any, and public ways of the Project. Coverage limits shall be in amounts generally required by private institutional mortgage investors for condominium projects similar to the Project in construction, location, and use, provided that, such coverage shall be for at least \$1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths

of persons in connection with the operation, maintenance or use of the Common Areas and Facilities, and legal liability arising out of lawsuits related to employment contracts of the Association. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least 10 days' prior written notice to the Association and to each holder of a Mortgage on any Unit in the Project that is listed as a scheduled holder of a Mortgage in the insurance policy. Such policies must also include protection against such other risks as are customarily covered with respect to condominium projects similar to the Project in construction, location and use, including, but not limited to, host liquor liability, employers liability insurance, contractual and all-written contract insurance, and comprehensive automobile liability insurance. Each Owner is an insured person under a liability insurance policy that the Association obtains that insures against liability arising from the Owner's interest in the Common Areas and Facilities or from membership in the Association.

5. Insurance Trustees; Power of Attorney. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Owner appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

6. Qualifications of Insurance Carriers & General Coverage Requirements. The Association shall use generally acceptable insurance carriers that meet the specific requirements of FHLMC and FNMA if such corporations are holders of Mortgages on Units within the Project (See the FNMA Conventional Home Mortgage Selling Contract Supplement and the FHLMC Sellers Guide for specific requirements regarding the qualifications of insurance carriers). Notwithstanding anything herein contained to the contrary, insurance coverages required to be obtained hereunder must be in such amounts and meet other requirements of FNMA, FHLMC, FHA and the Department of Veterans Affairs. Each insurance policy maintained pursuant to this Article XVIII shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a "B" general policyholder's rating or a financial performance index of "6" or better in the Best's Key Rating Guide, or an "A" or better rating from Demotech, Inc., or which is written by Lloyd's of London.

7. Waiver of Subrogation. An insurer under a property insurance policy or liability insurance policy obtained under this Article waives the insurer's right to subrogation under the policy against any Owner or member of the Owner's household.

8. Owners' Content Policies. Each Owner shall be responsible to purchase and maintain in force a condominium unit owner contents policy (the "Content Policy"). All Content

Policies shall provide that they (a) do not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Article, and (b) cover the Owner's obligation for the Association's policy deductible and any change in the amount of the deductible.

9. Additional Coverage. The provisions of the Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required by the Declaration, in such amounts and in such forms as the Association may deem appropriate from time to time.

10. Review of Insurance. The Board of Trustees shall review annually the coverage and policy limits of all insurance on the Project and adjust the same at its discretion. Such annual review may include an appraisal of the improvements in the Project by a representative of the insurance carrier or carriers providing the policy or policies on the Project, or by such other qualified appraisers as the Association may select.

ARTICLE XVIII

MORTGAGEE PROTECTION

1. From and after the time a Mortgagee makes written request to the Board of Trustees or Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that the Owner of the Unit encumbered by the mortgage held by such Mortgagee neglects for a

period of sixty (60) or more days to cure any failure on his part to perform any of his obligations under this Declaration.

2. The lien or claim against a Unit for unpaid assessments or charges levied by the Board of Trustees or Management Committee or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to a First Mortgage affecting such Unit. A Mortgagee who obtains title to a Unit pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall not be liable for such Unit's unpaid assessments which accrue prior to the acquisition of title to such Unit by the Mortgagee and shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue prior to the acquisition of title to such Unit by Mortgagee (except for claims for a pro rata share of such prior assessments or charges resulting from a pro rata reallocation thereof to all Units including the Unit in which the Mortgagee is interested). No assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a Mortgage or as not a burden to a Mortgagee coming into possession pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall be collected or enforced by either the Board of Trustees or Management Committee or the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned (to the

extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee interested in such Unit).

3. Unless all of the First Mortgagees have given their prior written approval, neither the Board of Trustees or Management Committee nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

a. To seek to abandon or terminate the Condominium Project or to abandon or terminate the arrangement which is established by this Declaration and the Record of Survey map (except as provided in Article XVI hereof in the event of certain destruction or damage);

b. To partition or subdivide any Unit;

c. To seek to abandon, partition, subdivide, encumber, sell or transfer all or any of the Common Areas and Facilities (except for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas and Facilities, except as provided in Article XVI hereof in the event of certain destruction or damage);

d. To use hazard insurance proceeds resulting from damage to any part of the Condominium Project (whether to Units or to the Common Areas) for purposes other than the repair, replacement or reconstruction of such improvements, except as provided by statute in the event of substantial loss to the Units and/or Common Areas and Facilities;

e. To change the pro rata interests or obligations of any Unit which apply for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for (2) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities; provided, however, that nothing herein shall impair, restrict or prevent the exercise of Declarant's Option to Expand in accordance with Article VI hereof, even though such expansion would result in a pro rata reallocation of undivided ownership of the Common Areas and Facilities;

f. To alter the provisions of Article XVIII hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein.

4. Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Board of Trustees or Management Committee, or the Association of Unit Owners, or of the Condominium Project. From and after the time a Mortgagee makes written request to the Board of Trustees or Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Condominium project

as may be prepared for distribution to or use by the Committee, the Association, or the Unit Owners.

5. The Board of Trustees or Management Committee and the Association shall establish an adequate reserve fund to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

6. From and after the time a Mortgagee makes written request to the Board of Trustees or Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or any taking or anticipated condemnation of: (a) the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00); or (b) any Unit involving an amount in excess of, or reasonably estimated to be in excess of, One Thousand Dollars (\$1,000.00). Said notice shall be given within ten (10) days after the Board of Trustees or Management Committee or said Association learns of such damage, loss, taking or anticipated condemnation.

7. Nothing contained in this Declaration shall give a Unit Owner, or any other party, priority over any rights of a First Mortgagee pursuant to its Mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of condominium Units and/or Common Areas and Facilities.

8. In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Article XX, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority as the case may be, applicable to the Board of Trustees or Management Committee and Association of Unit Owners with respect to the subject concerned.

9. Except with respect to combination or division of Units pursuant to Article VI, no amendment to this Article XIX which has the effect of diminishing the rights, protection or security afforded to Mortgagees shall be accomplished or effective unless all of the Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Article XIX shall be accomplished by an instrument executed by the Board of Trustees or Management Committee and filed for record in the office of the County Recorder of the county where the Project is located. In any such instrument an officer of the Board of Trustees or Management Committee shall certify that any prior written approval of Mortgagees required by this Article XIX as a condition to amendment has been obtained.

ARTICLE XIX

EMINENT DOMAIN

In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of §57-8-32.5, Utah Code Ann., shall apply. The Board of Trustees or Management Committee shall give written notice of such proceedings to all Mortgagees of record. No first lien priority of any Mortgagee shall be diminished or otherwise disturbed by virtue of such proceedings.

ARTICLE XX

MAINTENANCE AND REPLACEMENT

1. Each Owner of a Unit at his own expense shall keep the interior of such Unit and its equipment and appurtenances in good order, condition and repair and in a safe and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that the Board of Trustees or Management Committee on behalf of all Unit Owners is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit, building or buildings caused by the act, negligence or carelessness of the Unit Owner or that of any tenant or subtenant or any member of the Unit Owner's family or of the family of any tenant or subtenant or any agent, employee or guest of the Owner or his or his tenant or subtenant and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance or replacement of any heating equipment, hot water equipment or plumbing fixtures that may be used exclusively by the Unit. Each Unit Owner shall be entitled to the exclusive use and possession of the Limited Common Areas appurtenant to his Unit; provided, however, that without the written permission of the Board of Trustees or Management Committee first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration in or to the Unit or in or to the exterior of the building, and shall not paint or decorate any portion of the exterior of the Unit or of the building in which the Unit is located. Each Unit Owner at his own expense shall be responsible for the replacement of the Limited Common Area roof, rain gutters and downspouts, deck, and patio appurtenant to his Unit, and all landscaping (including, without limitation, trees, bushes, landscaping rocks, and ground cover) located in the Limited Common Areas appurtenant to his Unit. The determination of the time for the replacement of such roofs, rain gutters and downspouts, decks, patios and landscaping shall be determined by the Board of Trustees or Management Committee, which for the roofs is expected to be twenty-five years from the date they were initially installed. Any Limited Common Area roof, rain gutters and downspouts, deck, patio or landscaping replacement that an Owner is obligated to complete shall meet the architectural, structural, durability, quality and landscaping standards established by the Board of Trustees or Management Committee and shall be compatible in appearance with other roofs, rain gutters and downspouts, decks, patios and landscaping in the Project.

2. Each owner, at their own expense, shall be financially responsible to replace the roof of their individual Unit or Units at a time specified by the Board of Trustees or Management Committee. The time for the roof replacement will be approximately each twenty-five (25) years from the date of initial completion of the Unit. Notification of scheduled roof replacement will be provided to the Owner of the Unit at least one year in advance. Payment by the Owner to the Management Committee for the new roof shall be made in full within 30 days of roof replacement completion. All decisions regarding the materials to be used in roof replacement will be made by the Management Committee. All provisions of Article XV with regards to distinct obligation of the Owner of the Unit will apply.

3. Except as otherwise herein provided, the Board of Trustees or Management Committee shall provide for such maintenance, operation and replacement of the Common Areas and Facilities, including exterior maintenance of all buildings and improvements, as may be reasonably necessary to keep them clean, functional, attractive and generally in good condition and repair. The Board of Trustees or Management Committee shall have no obligation regarding maintenance or care of Units or replacement of the Limited Common Area roofs, rain gutters and downspouts, decks, patios or landscaping.

4. If the Board of Trustees or Management Committee determines that (i) any Owner has failed or refused to discharge properly his obligation with regard to the maintenance, repair, or replacement of the Common Areas and Facilities for which he is responsible hereunder; or (ii) that the need for maintenance, repair, or replacement that is in the Common Areas and Facilities is caused through the willful or negligent act of any Owner, his family, guests, lessees, or invitees, and it is not covered or paid by insurance, in whole or in part, then the Board of Trustees or Management Committee may, but is not obligated to, provide such maintenance repair or replacement at the Owner's sole cost and expense. Such costs shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Owner's Unit, as hereinafter provided. Except in an emergency situation, the Board of Trustees or Management Committee shall give the Owner written notice of the Board of Trustees or Management Committee's intent to provide necessary maintenance, repair, or replacement at Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Trustees or Management Committee. In the case of (i) above, when the Owner has not discharged his responsibility, unless the Board of Trustees or Management Committee determines that an emergency exists, the owner shall have ten (10) days within which to complete maintenance, repair or replacement or if the maintenance, repair or replacement is not capable of completion with such time period, to commence said maintenance, repair or replacement within ten (10) days. If the Board of Trustees or Management Committee determines that an emergency exists, that an Owner has not complied with the demand given by the Board of Trustees or Management Committee as herein provided, or that the need for maintenance, repair or replacement is in the Common Areas and Facilities as in (ii) above, then the Board of Trustees or Management Committee may, but is not obligated to, provide any such maintenance, repair, or replacement in the manner described above. The Association or its agents or employees shall have a right of entry upon or into the Unit or Limited Common Areas and Facilities as necessary to perform such work and shall not be liable for

trespass for such entry or work.

5. If maintenance is required as a result of an insured loss, the amount of the deductible shall be considered a maintenance expense to be paid by the person or persons (including the Association) who would be responsible for such repair in the absence of insurance, as specified hereinabove. If the loss affects more than one Unit or a Unit and the Common Areas and Facilities, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in accordance with the total cost of repair. Notwithstanding the above, should the Association obtain a per Unit/per occurrence deductible, each Owner shall be responsible for any deductible applicable to his Unit.

6. The Association shall have the right to enter into Units for emergency and safety purposes where there is a serious threat of injury or loss to person or property, which right may be exercised by the Association's Board of Trustees or Management Committee, officers, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. To the extent practicable in light of the emergency and safety nature of such threat, entry shall be during reasonable hours and after reasonable notice to the Owner or occupant of the Unit. This right of entry shall include the right of the Association to enter a Unit to cure any condition that may significantly increase the possibility of a fire or other safety hazard in the Project in the event an Owner fails or refuses to cure the condition after a request has been made to the Owner by the Board of Trustees or Management Committee to cure the condition.

ARTICLE XXI

RIGHT OF ENTRY

The Board of Trustees or Management Committee and its duly authorized agents shall have the right to enter any and all of the Units in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the Unit Owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of said Units at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project or for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other Units in the Project; and provided further, that the Unit Owners affected by such entry shall first be notified thereof if available and if time permits.

ARTICLE XXII

ADMINISTRATIVE RULES AND REGULATIONS

1. The Board of Trustees or Management Committee shall have the power to adopt and establish by resolution, such Project management and operational rules as it may deem necessary for the maintenance, operation, management and control of the Project. The Committee may, from time to time by resolution, alter, amend and repeal such rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the Unit Owners, such amendment, alteration or provision shall be taken to be a part of such rules. Unit Owners shall at all times, obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all the Unit Owners, tenants, subtenants or other occupants of the Units.

2. The Association of Unit Owners and/or Board of Trustees or Management Committee shall have a right of action against unit owners who fail to comply with the rules and regulations adopted together with the provisions of the Declaration and Bylaws. Nothing herein shall be construed to limit or prohibit the right of an individual unit owner to bring such action nor the right of unit owners to bring actions against the Owners Association in the event of a failure to comply with these provisions.

ARTICLE XXIII

OBLIGATION TO COMPLY HEREWITH

Each Unit Owner, tenant, subtenant or other occupant of a Unit shall comply with the provisions of the Act, this Declaration, the Bylaws, and the rules and regulations of the Board of Trustees or Management Committee and Monte Luca Condominiums Association, all agreements and determinations lawfully made and/or entered into by the Board of Trustees or Management Committee or the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof shall be grounds for an action by the Board of Trustees or Management Committee or other aggrieved party for injunctive relief or to recover any loss or damage resulting there from, including costs and reasonable attorney's fees.

ARTICLE XXIV

INDEMNIFICATION OF BOARD OF TRUSTEES OR MANAGEMENT COMMITTEE

Each member of the Board of Trustees or Management Committee shall be indemnified and held harmless by the Association of Unit Owners against all costs, expenses and

liabilities whatsoever, including, without limitation, attorney's fees reasonably incurred by him in connection with any proceeding in which he may become involved by reason of his being or having been a member of said Committee; provided, however, the foregoing indemnification shall not apply if the loss, expense or liability involved resulted from the willful misconduct or gross negligence of the member.

ARTICLE XXV

AMENDMENT

In addition to the amendment provisions contained in Article VI hereof, and subject to the terms of Article XIX, this Declaration and/or Map may be amended upon the affirmative vote or approval and consent of owners having ownership of not less than sixty-seven (67%) of the undivided interest in the common areas and facilities. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Board of Trustees or management Committee. In said instrument the Committee shall certify that the vote or consent required by this Article XXVI has occurred. Notwithstanding any other provision contained herein, until occurrence of either of the events referred to in Article XXVIII hereof, no amendment to the Map or to any provision of this Declaration which has or may have the effect of diminishing or impairing any right, power, authority, privilege, protection or control given to Declarant (in its capacity as Declarant) herein shall be accomplished or effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant.

ARTICLE XXVI

CONSENT IN LIEU OF VOTE

In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for 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 collectively hold at least the stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this Paragraph:

1. all necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner;
2. any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose; and
3. unless the consents of all Owners having an interest in the same Unit are

secured, the consent of none of such Owners shall be effective.

ARTICLE XXVII

DECLARANT'S SALES PROGRAM

Notwithstanding any other provision of this Declaration, until Declarant ceases to be a Unit Owner or the expiration of six (6) years after the date on which this Declaration is filed for record in the office of the County Recorder of the county where the Project is located, whichever first occurs (hereinafter referred to as the "Occurrence"), Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish of facilities the sale of all Units owned by Declarant.

1. Declarant shall have the right to maintain a sales office and/or model Units. Such office and/or model Units may be Units (at any location) owned by Declarant;
2. Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners or similar devices at any place or places on the Property, but any such device shall be of a size and in a location as is reasonable and customary;
3. Declarant shall have the right to use the Common Areas and Facilities of the Project to entertain prospective purchasers or to otherwise facilitate Unit sales, provided said use is reasonable as to both time and manner.

Declarant shall have the right from time to time to locate or relocate its sales office, model units, and/or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Article. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to remove from the Project, any signs, banners or similar devices.

ARTICLE XXVIII

LIMITATION ON IMPROVEMENTS BY ASSOCIATION

Until the Occurrence described in Article XXVIII has occurred, neither the Association nor the Board of Trustees or Management Committee shall, without the written consent of Declarant, make any improvement to or alteration in any' of the Common Areas and Facilities, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as they existed at the time the Declaration was recorded.

ARTICLE XXIX

WATER FEATURES AND HILLSIDES LIMITATION ON LIABILITY

Several engineered and natural hillsides and water features, including waterfalls, streams and ponds, are located in the Common Areas of the Project. Each Owner acknowledges for himself/herself and his/her family members, tenants, guests and invitees that such engineered and natural hillsides and water features pose a danger to persons and animals walking near or climbing on the natural and engineered hillsides or wading, swimming or playing in the water features, including, without limitation, injury, illness, drowning and death. By accepting a deed to a Condominium in the Project, each Owner for himself/herself and his/her family members, tenants, guests and invitees (a) assumes the risk of harm to persons and animals associated with the engineered and natural hillsides and water features in the Project, (b) agrees to comply with all rules and regulations established by the Board of Trustees relating to the engineered and natural hillsides and water features and inform the Owner's family members, tenants, guests and invitees about said rules and regulations and require their compliance with them, (c) assumes the responsibility to monitor family members, guests and invitees that are minors when they are near the engineered and natural hillsides and water features, and (d) agrees to release, indemnify and hold harmless the Association, its members, Board of Trustees, officers, agents, representatives, employees, executors, administrators and assigns from any and all liability for injury, illness, drowning or death to persons or animals, arising out of or related to walking near or climbing on the engineered and natural hillsides and wading, swimming or playing in the water features in the Project, excepting claims arising out of willful misconduct or gross negligence by the Association, its members, Board of Trustees, officers, agents, representatives, employees, executors, administrators and assigns. This release, indemnification and hold harmless is and shall be valid and binding upon each Owner and his/her family members, tenants, guests and invitees, and their respective devisees, heirs, executors, administrators, representatives and assigns.

ARTICLE XXX

LEASING RESTRICTIONS

1. Project Primarily Owner-Occupied. The Project is primarily an owner-occupied residential condominium project. Notwithstanding anything in the Declaration, the Articles, the Bylaws or any rules and regulations adopted by the Board of Trustees to the contrary, the restrictions set forth in this Article XXXI shall apply to the lease or rental of any Unit, whether oral or written and without regard to the term of the lease or any option to purchase contained in the lease, to a person or persons who are not the Owners of the Unit ("**Third Party Lease**").

2. Leases Subject to Declaration, Articles, Bylaws and Rules. Third Party Leases are subject in all respects to the provisions of the Declaration, the Articles, the Bylaws and any rules and regulations adopted by the Board of Trustees, and each Third Party Lease shall specifically so provide. Any failure by a tenant to comply with the terms of such documents shall constitute a default under the Third Party Lease.

3. No More Than 8 Units May Be Leased. No more than eight (8) Units in the Project may be subject to Third Party Leases at any given time. Any period during which eight (8) or more of the Units in the Project are subject to Third Party Leases is hereinafter referred to as a "**Lease Restriction Period**" and no additional Third Party Leases shall be entered into by any Owner during any such Lease Restriction Period.

a. Notwithstanding the above, any Owner whose Unit is subject to a Third Party Lease that has been submitted to the Board of Trustees as provided in Paragraph 4 below prior to the date this Amendment is recorded may continue to lease the Owner's Unit until the date the Owner's Unit is sold, conveyed or transferred. If a Unit is owned by a limited liability company, corporation, partnership or other business entity, the sale, conveyance or transfer of more than 75% of the business entity's membership interests, stock, shares or partnership interests in any 12-month period shall constitute a sale, conveyance or transfer of the Unit for purposes of this Subparagraph. If legal title to a Unit is held by the trustee of a trust, the change of the one or more of the beneficiaries of the trust shall constitute a sale, conveyance or transfer of the Unit for purposes of this Subparagraph. Any Owner that has been leasing the Owner's Unit shall disclose to any potential purchaser of the Unit that no more than eight (8) Units in the Project may be subject to Third Party Leases at any given time.

b. In the event an Owner is unable to occupy the Owner's Unit for a period in excess of four (4) months due to (a) medical conditions, (b) active military deployment, or (c) any other circumstance that the Board of Trustees determines, in its sole discretion, constitutes a hardship situation, and desires to lease the Owner's Unit because of said hardship situation, the Owner shall submit a Lease Approval Application (defined in Paragraph 4 below) that describes the hardship situation to the Board of Trustees, which may, by majority vote, grant to the Owner a hardship exception to the leasing restrictions set forth in this Paragraph for such period and upon such terms and conditions as the Board of Trustees may determine.

4. Leases Subject to Board Approval. Each Third Party Lease shall be subject to the prior written approval of the Board of Trustees. Before entering into or extending a Third Party Lease, an Owner shall make application to the Board of Trustees for approval to enter into or extend a Third Party Lease of the Owner's Unit by submitting to the Board of Trustees a written copy of the proposed Third Party Lease and a completed rental application in a form prepared by the Board of Trustees and signed by the Owner and the proposed third party tenant(s) (the "**Lease Approval Application**"). Within ten (10) days after receipt of a proposed Third Party Lease and a Lease Approval Application from an Owner, the Board of Trustees shall give the Owner written notice of the Board's decision to approve or disapprove the proposed Third Party Lease and the reason(s) for its decision. If the proposed Third Party Lease is approved by the Board of Trustees, the Owner shall deliver to the Board of Trustees a copy of the fully executed Third Party Lease (a) within ten (10) days of the date the Board of Trustees gives the Owner its written notice of the proposed Third Party Lease, or (b) prior to the date the tenant takes occupancy of the Owner's Unit, whichever first occurs.

5. Notice of Lease Termination & Expiration. Each Owner of a Unit that is subject to a Third Party Lease shall notify the Board of Trustees in writing of the termination or

expiration of the Third Party Lease within fourteen (14) days of the date of such termination or expiration.

6. Lease List; Waiting List. The Board of Trustees shall maintain a list of all current Third Party Leases for the purpose of determining compliance with this Article XXXI (the "**Lease List**"). During any Lease Restriction Period, the Board of Trustees shall also maintain a waiting list of Owners desiring to lease their Units (the "**Waiting List**") and any Owner whose Unit is not already subject to a Third Party Lease may submit a written request to the Board of Trustees to be placed on the Waiting List (the "**Waiting List Request**"). An Owner's position on the Waiting List shall be determined based on the date and time the Owner's Waiting List Request is received by the Board of Trustees with a Waiting List Request received earlier having priority over a Waiting List Request received later by the Board of Trustees. The Lease List and the Waiting List maintained by the Board of Trustees shall be conclusive as to the priorities of the Third Party Leases and the eligibility of any Owner to enter into a Third Party Lease of the Owner's Unit. The Board of Trustees shall notify Owners on the Waiting List according to their position on the Waiting List following the expiration of any Lease Restriction Period. The Board of Trustees shall make the Lease List and the Waiting List available for examination by any Owner at convenient hours of weekdays no later than ten (10) days after an Owner makes a written request to examine them.

7. Enforcement of Leasing Restrictions. Whenever the Board of Trustees gives written notice to an Owner that a tenant under a Third Party Lease is in violation of this Article XXXI, such Owner shall notify the tenant within seven (7) days of the date of receipt of said written notice from the Board of Trustees and take all appropriate action to cause the tenant to cure any such violation. If the tenant fails to cure any such violation within seven (7) days after delivery of said written notice from the Owner, the Owner shall terminate the Third Party Lease and promptly evict the tenant from the Unit. Each Owner of a Unit subject to a Third Party Lease also hereby appoints the Board of Trustees as its attorney-in-fact to enforce the terms of the Declaration, the Articles, the Bylaws and any rules and regulations adopted by the Board of Trustees against the tenant under the Third Party Lease, and if the Owner fails to compel the tenant to comply with the terms of such documents or terminate a Third Party Lease in violation of this Article XXXI, the Board of Trustees may take all action deemed necessary to enforce the terms of the Declaration, the Articles, the Bylaws and any rules and regulations adopted by the Board of Trustees, including initiating legal action against the Owner and/or the tenant seeking specific performance. The prevailing party in such action shall be entitled to recover from the other party all costs and expenses incurred, including reasonable attorney's fees and costs.

8. No Lease of Part of a Unit. No Owner shall lease less than the Owner's entire Unit. No tenant shall sublet all or any part of a Unit.

9. Owner Responsible for Damage by Tenant. An Owner shall be responsible and liable for any damage to the Project caused by a tenant or tenants that leases the Owner's Unit.

10. Lease Term Limitations. No Third Party Lease shall have a term of less than six (6) consecutive months or more than forty (40) consecutive months, including all renewal options.

11. Maximum Occupancy. In no event shall (a) more than six (6) unrelated people live in a Unit pursuant to a Third Party Lease, and (b) the total number of people living in a Unit pursuant to a Third Party Lease exceed two (2) times the total number of bedrooms in the Unit.

12. No Landlord/Tenant Relationship. In no event shall it be determined that a landlord/tenant relationship exists between the Association and any tenant or other occupant of a Unit.

ARTICLE XXXI

ENFORCEMENT

1. Enforcement. This Declaration and the Bylaws may be enforced by the Board of Trustees or Management Committee and any Owner as follows:

(a) Breach of any of the covenants contained in the Declaration or the Bylaws and the continuation of any such breach, as well as noncompliance with decisions of the Board of Trustees or Management Committee, may be enjoined, abated or remedied by appropriate legal proceedings by an aggrieved Owner, by the Board of Trustees or Management Committee, or by any successor-in-interest of the Association. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorney's fees in an amount as the court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.

(b) The result of every act or omission whereby any of the covenants contained in this Declaration or the Bylaws are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance either public or private shall be applicable against every such result and may be exercised by any Owner, by the Board of Trustees or Management Committee, or by the Association's successors-in-interest.

(c) The remedies herein provided for breach of the covenants contained in this Declaration or in the Bylaws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(d) The failure of the Board of Trustees or Management Committee to enforce any of the covenants contained in this Declaration or in the Bylaws shall not constitute a waiver of the right to enforce the same thereafter.

(e) A breach of the covenants, conditions or restrictions contained in this Declaration or in the Bylaws shall not affect or impair the lien or charge of any bona fide first Mortgage or Deed of Trust made in good faith and for value on any Condominium Unit, provided, however, that any subsequent Owner of such property shall be bound by said covenants, whether such Owner's title was acquired by foreclosure in a trustee's sale or otherwise.

ARTICLE XXXII

NOTICES

All notices, demands, or consents required or permitted under this Agreement shall be in writing and shall be delivered personally or sent to the appropriate party at the address maintained on file with the Association by regular mail, registered mail, certified mail, return receipt requested, by a reputable overnight courier service, or by electronic means, including text message, email, or the website of the Association, provided that an Owner may by written demand require the Association to provide any such notice to the Owner by mail.

ARTICLE XXXIII

COUNTERPARTS, INCORPORATION OF EXHIBITS

1. Counterparts. This Declaration may be executed in one or more counterparts, each of which, when executed and delivered, shall be an original and all of which shall together constitute one and the same instrument.
2. Incorporation of Exhibits. The exhibits attached to this Declaration are hereby incorporated herein by reference.

ARTICLE XXXIV

SEVERABILITY

The invalidity of any one or more phrases, sentences, subparagraphs, paragraphs, Paragraphs or articles hereto shall not affect the remaining portions of this instrument nor any part thereof, and in the event that any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, Paragraph or Paragraphs, or article or articles had not been inserted.

ARTICLE XXXV

DECLARANT'S RIGHTS ASSIGNABLE

All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering all Condominium Units in the Project, title to which is vested in the Declarant, shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of

the then unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to Declarant (in its capacity as Declarant herein).

ARTICLE XXXVI

GENDER

The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

ARTICLE XXXVII

WAIVERS

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

ARTICLE XXXVIII

TOPICAL HEADINGS

The topical headings contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

ARTICLE XXXIX


EFFECTIVE DATE

This Declaration shall take effect upon recording.

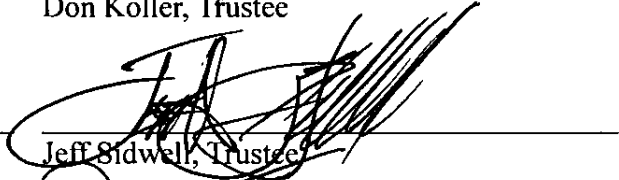
**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOLLOWS]**

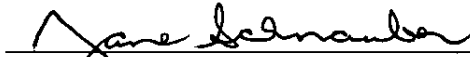
IN WITNESS WHEREOF, the undersigned, constituting the President and all of the members of the Board of Trustees of the Monte Luca Condominiums have set their hands this day and year first above written.

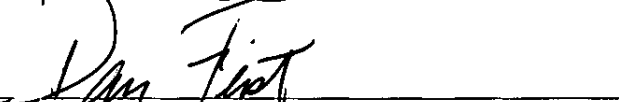

Mike Lake, Trustee

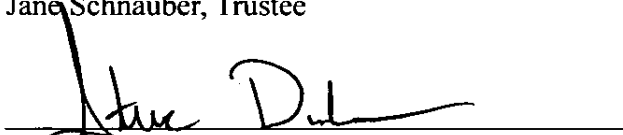

Don Koller, Trustee


Jeff Stokes, Trustee


Jeff Sidwell, Trustee

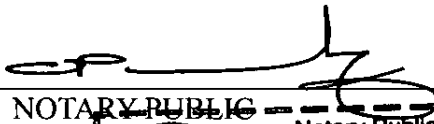

Jane Schnauber, Trustee


Dan Feist, Trustee


Steve Durham, President and Trustee

STATE OF UTAH)
:SS.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 31st day of May, 2012, by Mike Lake, a trustee of Monte Luca Homeowners Association, Inc.



NOTARY PUBLIC
Notary Public
CHELSEA L. PLUMHOF
Commission #583405
My Commission Expires
July 20, 2014
State of Utah

STATE OF UTAH)
:SS.
COUNTY OF SALT LAKE)

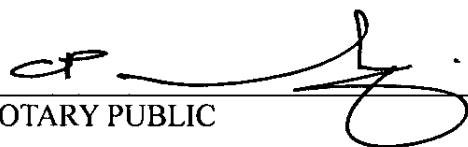
The foregoing instrument was acknowledged before me this 31st day of May, 2012, by Don Koller, a trustee of Monte Luca Homeowners Association, Inc.



NOTARY PUBLIC
Notary Public
CHELSEA L. PLUMHOF
Commission #583405
My Commission Expires
July 20, 2014
State of Utah

STATE OF UTAH)
:SS.
COUNTY OF SALT LAKE)

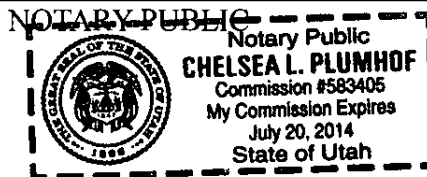
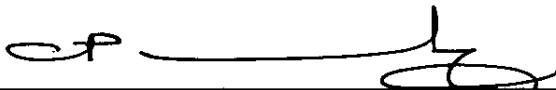
The foregoing instrument was acknowledged before me this 1st day of June, 2012, by Jeff Stokes, a trustee of Monte Luca Homeowners Association, Inc.



NOTARY PUBLIC
Notary Public
CHELSEA L. PLUMHOF
Commission #583405
My Commission Expires
July 20, 2014
State of Utah

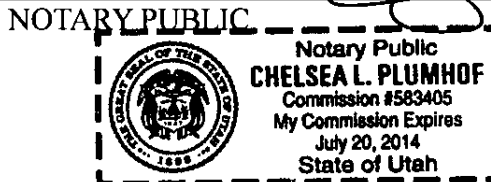
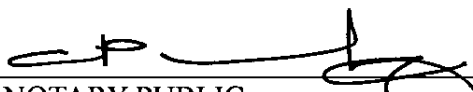
STATE OF UTAH)
 :SS.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 7th day of June, 2012, by Jeff Sidwell, a trustee of Monte Luca Homeowners Association, Inc.



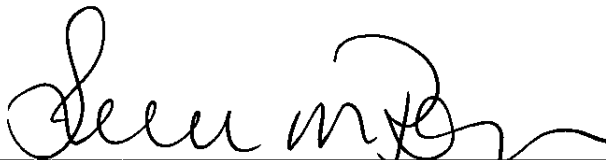
STATE OF UTAH)
 :SS.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 4th day of June, 2012, by Jane Schnauber, a trustee of Monte Luca Homeowners Association, Inc.



STATE OF UTAH)
 :SS.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 1st day of June, 2012, by Dan Feist, a trustee of Monte Luca Homeowners Association, Inc.

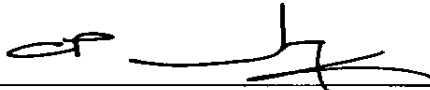


NOTARY PUBLIC



STATE OF UTAH)
 :ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 7th day of May, 2012, by Steve Durham, the President of Monte Luca Homeowners Association, Inc.



NOTARY PUBLIC

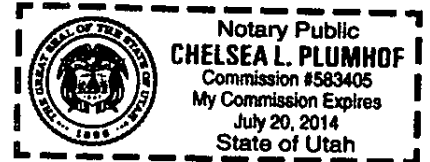


EXHIBIT "A"

**LEGAL DESCRIPTION OF PROPERTY INCLUDED IN
MONTE LUCA CONDOMINIUMS**

Units 1-23 and 25-45, contained within the Monte Luca Condominiums, as the same are identified in the Record of Survey Map of Monte Luca Condominium Project, which was executed on August 16, 2001 and recorded in the office of the County Recorder of Salt Lake County, State of Utah, as Entry No. 7976984, in Book 2001P, at Page 228, *et seq.*, as subsequently amended and supplemented (the "Map"), and the Condominium Declaration for Monte Luca Condominiums, which was executed on August 7, 2001 and recorded in the office of the County Recorder of Salt Lake County, State of Utah, as Entry No. 7976985, in Book 8490, Pages 849 to 898, as subsequently amended (the "Declaration").

Together with: (a) the undivided ownership interest in said Condominium Project's Common Areas and Facilities, which are appurtenant to said Units (the Declaration providing for periodic alteration both in the magnitude of said undivided ownership interest and in the composition of the Common Areas and Facilities to which said interest relates); (b) the exclusive right to use and enjoy each of the Limited Common Areas, which is appurtenant to said Units, and (c) the non-exclusive right to use and enjoy the Common Areas and Facilities included in said Condominium Project (as said Project may have been and may hereafter be expanded in accordance with the Declaration and Map (as said Declaration and Map may hereafter be amended or supplemented) and the Utah Condominium Ownership Act, UCA §57-8-1, *et seq.*, as amended.

Parcel Nos.

22354040010000	22354040120000	22354040240000	22354040360000
22354040020000	22354040130000	22354040250000	22354040370000
22354040030000	22354040140000	22354040260000	22354040380000
22354040040000	22354040150000	22354040280000	22354040390000
22354040050000	22354040170000	22354040290000	22354040400000
22354040060000	22354040180000	22354040300000	22354040420000
22354040070000	22354040190000	22354040310000	22354040430000
22354040080000	22354040200000	22354040320000	22354040440000
22354040090000	22354040210000	22354040330000	22354040450000
22354040100000	22354040220000	22354040340000	22354040460000
22354040110000	22354040230000	22354040350000	22354040470000

The land in Salt Lake County, Utah upon which the Monte Luca Condominiums is located is more particularly described as follows:

Phase 1

Beginning at a point 390.83 feet East and 1171.939 feet North from the South Quarter Corner of Section 35, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence North 08°23'00" East a distance of 1.868 feet; thence North 31°21'00" East a distance of 191.250 feet; thence North 37°58'00" West a distance of 342.732 feet; thence North 56°57'42" East a distance of 131.149 feet; thence around a curve to the right through a central angle of 01°30'22" an arc distance of 17.086 feet, a chord bearing of South 26°43'30" East a distance of 17.086 feet, a chord bearing of South 26°43'30" East a distance of 17.085 feet; thence around a curve to the left through a central angle of 02°09'24" an arc distance of 24.466 feet, a chord bearing of South 27°03'01" East a distance of 24.465 feet; thence North 57°14'22" East a distance of 113.508 feet; thence North 32°13'08" West a distance of 45.682 feet; thence North 57°46'52" East a distance of 67.717 feet; thence South 21°22'40" East a distance of 45.066 feet; thence South 89°58'39" East a distance of 295.598 feet; thence South 25°59'44" East a distance of 27.825 feet; thence North 89°58'39" West a distance of 16.165 feet; thence South 05°33'16" East a distance of 237.565 feet; thence South 18°25'09" East a distance of 74.815 feet; thence South 71°34'27" West a distance of 244.609 feet; thence South a distance of 87.994 feet; thence West a distance of 100.109 feet; thence South 68°34'00" West a distance of 181.098 feet to the point of beginning. Parcel No. 22-35-404-001

Phase 2

Beginning at a point 1607.31' North and 279.76' East from the South Quarter Corner of Section 35, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence North 56°57'42" East a distance of 131.15'; thence around a curve to the left through a central angle of 11°11'19" an arc distance of 126.93' a chord bearing of North 33°04'20" West a distance of 126.73'; thence North 38°40'00" West a distance of 429.25'; thence North 80°36'00" East a distance of 74.76'; thence North 09°24'00" West a distance of 164.09'; thence South 72°02'00" West a distance of 101.92'; thence North 00°04'12" East a distance of 10.44'; thence South 76°27'00" West a distance of 229.94'; thence South 41°16'00" East a distance of 318.97'; thence South 37°58'00" East a distance of 472.27' to the point of beginning. Parcel No. 22-35-404-002

Phase 3

Beginning at a point 1641.72' North and 408.54' East from the South Quarter Corner of Section 35, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence North 57°14'22" East 113.50'; thence North 32°13'08" West 45.68'; thence North 57°46'52" East 67.72 feet; thence north 21°22'40" West 186.78'; thence North 00°36'07" West 47.61'; thence South 83°30'49" West 71.81'; thence North 09°16'41" West 183.44'; thence South 80°34'45" West 73.98 feet; thence North 09°24'00" West 141.53'; thence South 72°02'00" West 83.53'; thence South 09°24'00" East 164.09'; thence South 80°36'00" West 74.76 feet; thence South 38°40'00" East 429.25 feet; thence 144.02 feet along a 650.00 foot radius curve to the right whose chord bears South 32°19'09" East through a central angle of 12°31'41"; thence 24.52 feet along a 650 foot curve to the left whose chord bears South 27°03'01" East through a central angle of 02°09'24" to the point of beginning. Parcel No. 22-35-404-003

Phase 4

Beginning at a point 1951.82' North and 468.83' East from the South Quarter Corner of Section 35, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence North $85^{\circ}31'25''$ East 288.48'; thence South $80^{\circ}36'00''$ West 270.55'; thence South $09^{\circ}16'41''$ East 183.44'; thence North $83^{\circ}30'49''$ East 71.81'; thence South $00^{\circ}36'07''$ East 47.61' to the point of beginning. Parcel No. 22-35-404-004

Brow Parcel

Beginning at a point being 1267.973 feet North and 30395.732 feet East from the South $\frac{1}{4}$ Corner of Section 35, Township 2 South, Range 1 East, Salt Lake Base and Meridian; Running thence N $31^{\circ}21'E$ 76.272 feet, thence N $37^{\circ}58' W$ 815.100 feet, thence N $41^{\circ}16'W$ 174.617 feet to an existing fence, thence along said fence the following three (3) courses: S $68^{\circ}10'56'' W$ 34.596 feet, thence S $14^{\circ}20'26'' E$ 12.154 feet, thence S $83^{\circ}43'01''$ 11.862 feet, thence leaving said fence running S $24^{\circ}52'25'' E$ 58.184 feet, thence S $50^{\circ}13'51'' E$ 185.668 feet, thence S $40^{\circ}09'29'' E$ 315.840 feet, thence S $31^{\circ}41'04'' E$ 470.176 feet to the point of beginning. Parcel No. 22-35-328-009

EXHIBIT "B"
BYLAWS FOR
"MONTE LUCA
HOMEOWNERS ASSOCIATION"

A Nonprofit Corporation

Pursuant to the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, the Board of Trustees of The Monte Luca Homeowners Association hereby adopts the following Bylaws of The Monte Luca Homeowners Association.

ARTICLE I

NAME AND PRINCIPAL OFFICE

1.01. Name. The name of the nonprofit corporation is "The Monte Luca Homeowners Association," hereinafter referred to as the "Association."

1.02. Offices. The initial principal office of the Association shall be situated in Salt Lake County, State of Utah.

ARTICLE II

DEFINITIONS

2.01. Definitions. Except as otherwise provided herein or required by the context hereof, all terms defined in the Article I of the latest, recorded Declaration of Covenants, Conditions and Restrictions for the Monte Luca, hereinafter referred to as the "Declaration," shall have such defined meanings when used in these Bylaws.

ARTICLE III

MEMBERS

3.01. Annual Meetings. The annual meeting of members of the Association (hereinafter referred to as "Members" or, in the singular as "Member") shall be held on the 15th of February at 1:00 o'clock p.m., beginning with the year following the year in which the Articles of Incorporation are filed, for the purpose of electing Trustees and transacting such other business as may come before the meeting. If the election of Trustees shall not be held on the day designated herein for the annual meeting of the Members, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the Members to be convened as soon thereafter as may be convenient. The Board of Trustees may

from time to time by resolution change the date and time for the annual meeting of the Members.

3.02. Special Meetings. Special meetings of the Members may be called by the Board of Trustees, the President, or upon the written request of Members holding not less than fifty percent (50%) of the total votes of the Association, such written request to state the purpose or purposes of the meeting and to be delivered to the Board of Trustees or the President.

3.03. Place of Meetings. The Board of Trustees may designate any place in Salt Lake County, State of Utah, as the place of meeting for any annual meeting or for any special meeting called by the Board. A waiver of notice signed by all Members may designate any place, either within or without the State of Utah, as the place for holding such meeting.

3.04. Notice of Meetings. Written or printed notice of all meetings shall be delivered, not more than fifty (50) days prior to the meeting, 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 registered address, with first class postage thereon prepaid. Each Member shall register with the Association such Member's current mailing address for purposes of notice hereunder. Such registered address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, Member's Monte Luca (the "Project") address shall be deemed to be his or her registered address for purposes of notice hereunder.

3.05. Members of Record. Upon purchasing a Lot in the Project, each Owner shall promptly furnish to the Association a certified copy of the recorded instrument by which ownership of such Lot has been vested in such Owner, which copy shall be maintained in the records of the Association. For the purpose of determining Members entitled to notice of or to vote at any meeting of the Members, or any adjournment thereof, the Board of Trustees may designate a record date, which shall not be more than fifty (50) nor less than ten (10) days prior to the meeting, for determining members entitled to notice of or to vote at any meeting of the Members. If no record date is designated, the date on which notice of the meeting is mailed shall be deemed to be the record date for determining Members entitled to notice of or to vote at the meeting. The persons or entities appearing in the records of the Association on such record date as the Owners of record of Lots in the Project shall be deemed to be the Members of record entitled to notice of and to vote at the meeting of the Members.

3.06. Quorum. At any meeting of the Members, the presence of Members holding, or holders of proxies entitled to cast, more than fifty percent (50%) of the total votes of the Association shall constitute a quorum for the transaction of business. In the event a quorum is not present at a meeting, the Members present (whether represented in person or by proxy), though less than a quorum, may adjourn the meeting to a later date. Notice thereof shall be delivered to the Members as provided above. At the reconvened meeting, the Members and proxy holders present shall constitute a quorum for the transaction of business.

3.07. Proxies. At each meeting of the Members, each Member 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 Member himself or herself or by his or her attorney thereunto duly authorized in writing. If a membership is jointly held, the instrument authorizing a proxy to act must have been executed by all holders of such membership 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.

3.08. Votes. With respect to each matter, including the election of Trustees, submitted to a vote of the Members, each Member entitled to vote at the meeting shall have the right to cast, in person or by proxy, the number of votes appertaining to the Lot of such Member, as shown in the Articles of Incorporation and the Declaration. If, at any time, the Declaration contains no provision regarding number of votes, each Lot shall be entitled to one vote. The affirmative vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the Members, unless a greater proportion is required by the Articles of Incorporation, these Bylaws, the Declaration, or Utah law. The election of Trustees shall be by secret ballot. If a membership is jointly held, all or any holders thereof may attend each meeting of the Members, but such holders must act unanimously to cast the votes relating to their joint membership. If there is conflict between the Declaration and the Articles of Incorporation the Provisions of the Articles of Incorporation shall govern.

3.09. Waiver of Irregularities. All inaccuracies and/or irregularities in calls or notices of meetings and in the manner of voting, form of proxies, and/or method of ascertaining Members present shall be deemed waived if no objection thereto is made at the meeting.

3.10. Informal Action by Members. Any action that is required or permitted to be taken at a meeting of the Members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

3.11. Waiver of Notice. Any notice required to be given to a Member may be waived by the Member entitled thereto signing a waiver thereof, whether before or after the time states therein, and the signing of such waiver shall, for all purposes, be equivalent to the giving of such notice.

ARTICLE IV

BOARD OF TRUSTEES

4.01. General Powers. The property, affairs, and business of the Association shall be managed by its Board of Trustees. The Board of Trustees may exercise all of the powers of the Association, whether derived from law or the Articles of Incorporation, except such powers as are by law, by the Articles of Incorporation of the Association, or these Bylaws, or by the Declaration vested solely in the Members. The Board of Trustees may by written contract delegate, in whole or in part, to a professional management or organization or person such of its duties, responsibilities, functions, and powers as are properly delegable.

4.02. Number, Tenure, and Qualifications. The initial number of Trustees of the Association shall be three (3). The membership may expand the Board of Trustees to a maximum of nine (9) members. The current number of Trustees of the Association is seven (7). Expansion or contraction of the Board of Trustees may occur at any annual meeting and may be accomplished by the affirmative vote of at least sixty-seven percent (67%) of all Owners entitled to vote. At the annual meeting, the Owners(s) of each Unit shall be entitled to one (1) vote for each seat to be filled. At the first annual Owners' meeting one of the members of the Board of Trustees shall be elected for only a one-year term so that elections and vacancies can be staggered. All other members of the Board of Trustees shall be elected for a two-year term. Whenever the membership of the Board of Trustees is expanded, half of the new members (or as close to half as possible if an odd number of new members is added) shall be elected for only a one-year term so that elections and vacancies can be staggered. At each annual Owners' meeting thereafter, Board of Trustees members shall be elected for any vacant positions. Each Trustee shall hold office until his or her successor shall have been elected and qualified. Trustees need not be residents of the State of Utah.

4.03. Regular Meetings. The regular annual meeting of the Board of Trustees shall be held without notice other than this Bylaw immediately after, and at the same place as, the annual meeting of the Members. The Board of Trustees may provide by resolution the time and place, within Salt Lake County, State of Utah, for the holding of such additional regular meetings without notice other than such resolution.

4.04. Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of the President, the Vice President, or by a majority of Trustees. The person or persons authorized to call special meetings of the Board of Trustees may fix any place, within Salt Lake County, State of Utah, as the place for holding any special meeting of the Board of Trustees called by such person or persons. Notice of any special meeting shall be given at least five (5) days prior thereto by written notice delivered personally, or mailed to each Trustee at his or her registered address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with first class postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Trustee may waive notice of a meeting.

4.05. Quorum and Manner of Acting. A majority of the Trustees in office shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. The act of a majority of the Trustees present at any meeting at which a quorum is present shall be the act of the Board of Trustees. The Trustees shall act only as a Board, and individual Trustees shall have no powers as such.

4.06. Compensation. No Trustee of the Association shall be compensated as a Trustee; provided, however, that Trustees may be reimbursed for expenses incurred in performance of their duties as Trustees and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association other than in their capacities as Trustees.

4.07. Resignation and Removal. A Trustee may resign at any time by delivering a written resignation to either the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Trustee may be removed at any time for or without cause, by the affirmative vote of sixty six percent (66%) of the total votes of the Association at a special meeting of the Members duly called for such purpose.

4.08. Vacancies and Newly Created Trusteeships. If vacancies shall occur in the Board of Trustees, or if the authorized number of Trustees shall be increased, the Trustees then in office shall continue to act, and such vacancies or newly created Trusteeships shall be filled by a vote of the Trustees then in office, though less than a quorum, in any way approved by such Trustees at the meeting. Any vacancies in the Board of Trustees occurring by reason of the Members' removal of a Trustee may be filled by election by the Members at the meeting at which such Trustee is removed. Any Trustee elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor or for the term of the newly created Trusteeship, as the case may be.

4.09. Informal Action by Trustees. 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, shall be signed by all of the Trustees.

4.10. Waiver of Notice. Any notice required to be given to a Trustee may be waived by the Trustee entitled thereto signing a waiver thereof, whether before or after the time stated therein, and the signing of such waiver shall, for all purposes, be equivalent to the giving of such notice. Attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting unless such Trustee is attending the meeting for the sole and express purpose of objecting to the transaction of any business at the meeting because the meeting was not lawfully called or convened.

ARTICLE V

OFFICERS

5.01. Number. The officers of the Association shall be a President, a Vice President, a Secretary, Treasurer, and such other officers as may from time to time be appointed by the Board of Trustees.

5.02. Election, Tenure, and Qualifications. The officers of the association shall be chosen by the Board of Trustees annually at the regular annual meeting of the Board of

Trustees. In the event of failure to choose officers at such regular annual meeting of the Board of Trustees, officers may be chosen at any regular or special meeting of the Board of Trustees. Each such officer (whether chosen at a regular annual meeting of the Board of Trustees or otherwise) shall hold his or her office until the next ensuing regular annual meeting of the Board of Trustees and until his successor shall have been chosen and qualified, or until his death, or until his resignation or removal in the manner provided in these Bylaws, whichever first occurs. Any one person may hold any two or more of such offices, except that the President may not also be the Secretary or the Treasurer. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. The President, the Vice President, the Secretary and the Treasurer shall, except when elected by the Trustees specified in the Articles of Incorporation of the Association or by Trustees appointed by the Declarant, be and remain Members of the Association during the entire term of their respective offices and may, but need not be, Trustees. No other officer need be a Trustee or a Member of the Association.

5.03. Subordinate Officers. The Board of Trustees may from time to time appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board of Trustees may from time to time determine. The Board of Trustees may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities, and duties. Subordinate officers need not be Members or Trustees of the Association.

5.04. Resignation and Removal. Any officer may resign at any time by delivering a written resignation to the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed by the Board of Trustees at any time, for or without cause.

5.05. Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board of Trustees at any regular or special meeting.

5.06. The President. The President shall preside at meetings of the Board of Trustees at meetings of the members. He or she shall sign on behalf of the Association all conveyances, mortgages, documents, and contracts, and shall do and perform all other acts and things that the Board of Trustees may require of him.

5.07. The Vice President. In the event of the President's absence or inability to act, the Vice President shall have the powers of the President. He or she shall perform such other duties as the Board of Trustees may impose upon him or her.

5.08. The Secretary. The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration, or any resolution of the Board of Trustees may require him to keep. He shall be the custodian of the seal of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. He or she shall perform such other duties as the Board of Trustees may require of him or her.

5.09. The Treasurer. The Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board of Trustees, and shall, when requested by the President to do so, report the state of the finances of the Association at each annual meeting of the Members and at any meeting of the Board of Trustees. He or she shall perform such other duties as the Board of Trustees may require of him or her.

5.10. Compensation. No officer shall receive compensation for any services that he or she may render to the Association as an officer, except for expenses incurred. Officers may be compensated for services rendered to the Association other than in their capacities as officers.

ARTICLE VI

COMMITTEES

6.01. Designation of Committees. The Board of Trustees may from time to time by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers. The membership of each such committee designated hereunder shall include at least two (2) Trustees. No committee member shall receive compensation for services that he or she may render to the Association as a committee member; provided, however, that committee members may be reimbursed for expenses incurred in performance of their duties as committee members and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in their capacities as committee members.

6.02. Proceedings of Committees. Each committee designated hereunder by the Board of Trustees may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee shall keep record of its proceedings and shall regularly report such proceedings to the Board of Trustees.

6.03. Quorum and Manner of Acting. At each meeting of any committee designated hereunder by the Board of Trustees, the presence of committee members constituting at least two-thirds of the authorized membership of such committee shall constitute a quorum for the transaction of business, and the act of a majority of the committee members present at any meeting at which a quorum is present shall be the act of such committee. The members of any

committee designated by the Board of Trustees hereunder shall act only as a committee, and the individual members thereof shall have no powers as such.

6.04. Resignation and Removal. Any member of any committee designated hereunder by the Board of Trustees may resign at any time by delivering a written resignation either to the President, the Board of Trustees, or the presiding officer of the committee of which he or she is a member. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board of Trustees may at any time, for or without cause, remove any member of any committee designated by it hereunder.

6.05. Vacancies. If any vacancy shall occur in any committee designated by the Board of Trustees hereunder, due to disqualification, death, resignation, removal, or otherwise, the remaining committee members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more committee members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board of Trustees.

ARTICLE VII

INDEMNIFICATION

7.01. Indemnification Against Third Party Actions. The Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a Trustee, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, has no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by an adverse Judgment, order, or settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

7.02. Indemnification Against Association Actions. The Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to

procure a judgment in its favor by reason of the fact that he or she is or was a Trustee, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

7.03. Determination. To the extent that a Trustee, officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 7.01 or 7.02 hereof, he or she shall be indemnified against expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection therewith. Any other indemnification under Section 7.01 or 7.02 hereof shall be made by the Association only upon a determination that indemnification of the Trustee, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth respectively in Sections 7.01 or 7.02 hereof. Such determination shall be made either (i) by the Board of Trustees by a majority vote of a quorum consisting of Trustees who were not parties to such action, suit, or proceeding, or (ii) by independent legal counsel in a written opinion, or (iii) by the Owners by the affirmative vote of at least fifty percent (50%) of the total votes of the Association at any meeting duly called for such purpose, the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board of Trustees and upon receipt of an undertaking by or on behalf of the Trustee, officer, employee, or agent to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article.

7.05. Scope of Indemnification. The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Association's Articles of Incorporation, Bylaws, agreements, vote of disinterested Members or Trustees, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. The indemnification authorized by this Article shall apply to all present and future Trustees, officers, employees, and agents of the Association and shall continue as to such persons who cease to be Trustees, officers, employees, or agents of the Association and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

7.06. Insurance. The Association may purchase and maintain insurance on behalf of any person who was or is a Trustee, officer, employee, or agent of the Association, or who was or is serving at the request of the Association as a trustee, director, officer, employee, or agent of another corporation, entity, or enterprise (whether for profit or not for profit), against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him against such liability under the laws of the State of Utah, as the same may hereafter be amended or modified.

7.07. Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute expenses of the Association and shall be paid with funds from the Common Expense Fund referred to in the Declaration.

ARTICLE VIII

FISCAL YEAR AND SEAL

8.01. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January of each year and shall end on the 31st day of December next following, except that the first fiscal year shall begin on the date of incorporation.

8.02. 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."

ARTICLE IX

RULES AND REGULATIONS

9.01. Rules and Regulations. The Board of Trustees may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and operation of the Project, to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the Articles of Incorporation of the Association, the Declaration, or these Bylaws. The Members shall be provided with copies of all rules and regulations adopted by the Board of Trustees, and with copies of all amendments and revisions thereof.

ARTICLE X

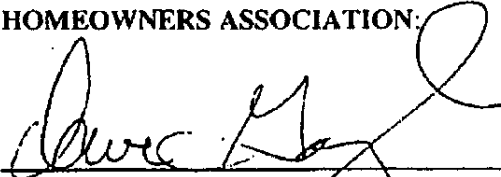
AMENDMENTS

10.01. Except as otherwise provided by law, by the Articles of Incorporation of the Association, by the Declaration, or by these Bylaws, these Bylaws may be amended, altered,

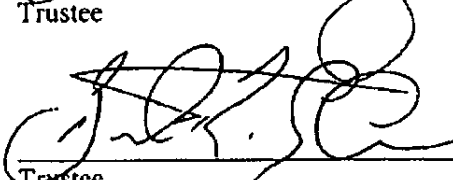
or repealed and new bylaws may be made and adopted by the Members holding at least sixty-six percent (66%) of the majority of the total votes in the Association consenting and agreeing to such amendment by an instrument or instruments duly recorded in the offices of the County Recorder for Salt Lake County, State of Utah.

IN WITNESS WHEREOF, these Bylaws of The Monte Luca Homeowners Association have been adopted by all of the Trustees of The Monte Luca Homeowners Association as of the 7 day of August, 2001.


**TRUSTEES OF THE MONTE LUCA
HOMEOWNERS ASSOCIATION:**



Trustee



Trustee



Trustee

EXHIBIT "C"

UNIT NUMBERS AND OWNERSHIP INTERESTS IN COMMON AREAS

Unit Numbers	Ownership Interests in Common Areas & Facilities
1	2.27%
2	2.27%
3	2.27%
4	2.27%
5	2.27%
6	2.27%
7	2.27%
8	2.27%
9	2.27%
10	2.27%
11	2.27%
12	2.27%
13	2.27%
14	2.27%
15	2.27%
16	2.27%
17	2.27%
18	2.27%
19	2.27%
20	2.27%
21	2.27%
22	2.27%
23	2.27%
25	2.27%
26	2.27%
27	2.27%
28	2.27%
29	2.27%
30	2.27%
31	2.27%
32	2.27%
33	2.27%
34	2.27%
35	2.27%
36	2.27%
37	2.27%
38	2.27%
39	2.27%
40	2.27%
41	2.27%
42	2.27%
43	2.27%
44	2.27%
45	2.27%

EXHIBIT "D"

ADDITIONAL LAND

Parcel No. 22-35-401-023

Lot 2, Danish Terrace Sub Pl A. 7035-2005

Parcel No. 22-35-401-022

Lot 1, Danish Terrace Sub Pl A. 7035-2007 7595-0869 7600-1802 8103-1780 8196-1524

Parcel No. 22-35-401-010

Beginning at a point on the quarter section line said point being South 0°04'12" West 381.75 feet from the center of Section 35, Township 2 South, Range 1 East, Salt Lake Base and Meridian and running thence North 72°02' East 101.92 feet; thence South 9°24' East 164.09 feet; thence South 80°36' West 238.15 feet; thence North 41°16' West 168.00 feet; thence North 76°27' East 228.39 feet to the quarter section line; thence South 0°04'12" West along said line 10.47 feet to the point of beginning.

Subject to and together with a right-of-way and easement for ingress and egress over the following described property:

Beginning at a point South 0°04'12" West 532.69 feet along the quarter section line and North 80°36' East 35.26 feet from the center of Section 35, Township 2 south, Range 1 East, Salt Lake Base and Meridian and running thence North 41°16' West 11.77 feet; thence North 80°36' East 608.75 feet; thence South 25°51'24" East 20.85 feet; thence South 80°36' West 602.23 feet; thence North 41°16' West 11.77 feet to the point of beginning.

Together with an easement and right of way to locate, construct, operate and maintain any utilities including but not limited to water pipelines, telephone and telegraph lines, and gas and electrical distribution facilities over, across, through and under the Southerly Fifteen (15) feet to the following described parcel:

Beginning at a point South 0°04'12" West along the quarter section line 381.75 feet and North 72°02' East 101.92 feet from the center of Section 35, Township 2 South, Range 1 East, Salt Lake Base and Meridian and running thence North 72°02' East 451.83 feet to the West line of Danish Road; thence South 25°51'24" East along said West line 241.25 feet; thence South 80°36' West 515.14 feet; thence North 9°24' West 164.09 feet to the point of beginning.

Containing 1.00 Acres

Parcel No. 21-35-401-024

Beginning at a point South 0°04'12" West along the quarter section line 381.75 feet and North 72° 02' East 101.92 feet from the center of Section 35, Township 2 South, Range 1 East, Salt Lake Base and Meridian and running thence North 72°02' East 185.67 feet; thence South 9°24' East, 191.75 feet; thence South 80°36' West 183.60 feet; thence North 9°24' West 164.09 feet to the point of beginning.

Subject to and together with a right-of-way and easement for ingress and egress over the following described property:

Beginning at a point South 0°04'12" West 532.69 feet along the quarter section line and North 80°36' East 35.26 feet from the center of Section 35, Township 2 South, Range 1 East, Salt Lake Base and Meridian, and running thence North 41°16' West 11.77 feet; thence North 80°36' East 608.75 feet; thence South 25°51'24" East 20.85 feet; thence South 80°36' West 602.23 feet; thence North 41°16' West 11.77 feet to the point of beginning.

Subject to roads, rights-of-way, easements, restrictions, and items appearing of record or enforceable in law and equity.
Containing .69297 Acres

Parcel 22-35-401-030

BEG S 89°54'10" E 891.587 FT & N 1404.936 FT FR S ¼ COR SEC 35, T 2S, R 1 E, SLM; N 18°25'09" W 74.815 FT; N 5°33'16" W 237.565 FT; S 89°58'39" E 46.482 FT; S 26°33' E 294.658 FT; S 71°34'27" W 138.663 FT TO BEG. 0.67 AC M OR L. 8286-0951,0953

Parcel 22-35-451-003

BEG N 89°54'10" W 1319.23 FT & N 0°07'58" E 1322.15 FT & W 176.78 FT FR SE COR SEC 35, T 2S, R 1E, SLM; S 31° E 51.7 FT; S 72°51' W 309.85 FT; N 17°30' W 56.5 FT; W 199.981 FT; N 87.994 FT; N 71°34'27" E 453.93 FT M OR L; S 26°33' E 167.06 FT M OR L; W 18.22 FT TO BEG. LESS ST. 1.66 AC M OR L 3899-0215 5429-1377 8231-1938 8329-6280.