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DECLARATION
COVENTRY MANOR

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KATE L. HANIN
REGISTRAR
SALT LAKE COUNTY
UTAH

THIS DECLARATION is made as of the date hereinafter set forth by COTTONWOOD DEVELOPMENT COMPANY, a Utah corporation (hereinafter the "Declarant"), pursuant to the provisions of the Utah Condominium Ownership Act.

R E C I T A L S:

A. Declarant is the owner of that certain tract of land, more particularly described in Article II hereof.

B. Declarant has constructed, or is in the process of constructing, upon said tract a Condominium Project, including certain Units and other improvements (the "Project"). All of such construction has been, or is to be, performed in accordance with the plans and drawings contained in the Record of Survey Map filed for record simultaneously herewith.

C. Declarant by recording this Declaration, submits said tract and all improvements now or hereafter constructed hereon to the provisions of the Utah Condominium Ownership Act.

D. Said tract and improvements shall be known as COVENTRY MANOR, a Utah Condominium Project.

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

F. In order to insure the efficient preservation of the values and amenities of the Condominium Project, a Management Committee for the Project is established in the Declaration to which are delegated and assigned the powers of the unincorporated Coventry Manner Home Owners Association for managing and enforcing and administering the covenants, conditions and restrictions set forth in this Declaration.

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

I. Definitions. The terms used herein shall have the meaning stated in the Utah Condominium Act and as follows unless the context otherwise requires.

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

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2. Declaration shall mean and refer to this Declaration.

3. Bylaws shall mean and refer to the Bylaws attached to this Declaration and made a part hereof.

4. Map shall mean and refer to the Record of Survey Map filed herewith captioned "Record of Survey Map of COVENTRY MANOR."

5. Property shall mean and refer to the real property described in Article II, all improvements and the structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

6. Common Areas or the Common Areas and Facilities shall mean and refer to and include:

(a) The land on which the buildings and other improvements are constructed and submitted by this Declaration to the terms of the Act.

(b) Those Common Areas and Facilities specifically set forth and designated as such in the Map.

(c) That part of the Project not specifically included in the respective Units as hereinafter defined.

(d) All limited Common Areas and Facilities.

(e) All foundations, columns, girders, beams, supports, main walls, retaining walls, roofs, stairs, stairways, entrances and exists of the buildings, exterior walkways, streets, central services such as power, light, gas, all apparatus and installations existing for common use, such recreational and community facilities as may be provided for.

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

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

6. Condominium Unit or Unit means and refers to one of the home Units intended for independent use as defined in the act and as shown (single cross - hatched) in the Map. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as

shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows and window frames, doors and door frames, and trim, consisting of, inter alia and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and any structural members of any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

7. Management Committee or the Committee shall mean and refer to the Management Committee of the Coventry Manor condominiums.

8. Home Owners Association or Association shall mean and refer to the Coventry Manor Home Owners Association, an unincorporated association of the Condominium Unit Owners.

9. Common Expenses shall mean all costs necessary for maintenance and repair of the Common Areas together with the replacement of those common elements that must be replaced on a periodic basis, together with 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, such rules, regulations and other determinations and agreements pertaining to the Project as the Management Committee, or the Association, as hereinafter mentioned, may from time to time adopt.

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

11. Mortgagee shall mean any person named as a Mortgagee or beneficiary under or holder of a deed of trust.

12. Limited Common Areas and Facilities or Limited Common Areas shall mean those Common Areas designated in the Declaration (the porches and covered parking stalls shown on the Map by double cross-hatching) as reserved for use of the Unit to which they are adjacent to the exclusion of other Units.

13. Unit Number shall mean and refer to the number, letter, or combination thereof which designates a Unit in the attached Exhibit "A" and in the Map.

14. Unit Owner or Owner shall mean and refer to the Owner of the fee in a Unit and the ownership of undivided interest in the Common Areas which is appurtenant thereto. The Declarant shall be deemed to be the Owner of all unsold Units, whether or not completed. In the event a Unit is the subject of an executory

contract of sale, the contract buyer shall, unless the seller and the buyer have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for all purposes.

15. Condominium Project or Project shall mean and refer to the Coventry Manor Condominiums.

II. Submission to the Act. Declarant hereby submits to the provisions of the Act the following described real property situated in the County of Salt Lake, State of Utah:

Beginning at a point that is South 0°00'20" West 500.00 feet from the Northwest corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian, and running thence North 89°53'20" East 181.50 feet; thence North 0°00'20" East 236.00 feet; thence North 89°53'20" East 412.50 feet; thence South 0°00'20" West 396.00 feet to the North boundary of Lehman Subdivision, a recorded Subdivision in Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; thence South 89°53'20" West 594.00 feet; thence North 0°00'20" East 160.00 feet to the point of beginning. Contains 4.417 acres.

SUBJECT TO all easements and rights of way of record, including but not limited to all presently existing or to be constructed or installed gas lines, electrical conduits, telephone lines, and related facilities which are located within the above described Parcel.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across, through, and under the above described Parcel and any improvements now or hereafter constructed thereon as may be reasonably necessary for Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration or of any Map: (a) To improve portions of the Common Areas within the Project with such structures and facilities designed for the use and enjoyment of Owners of Units within such Project as Declarant may reasonably determine to be appropriate; (b) To improve the Common Areas of the above described Parcel with such structures and facilities (including, but not limited to, arterial roads) as Declarant may reasonably determine to be appropriate. If, pursuant to the foregoing reservations, the above described Parcel or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the foregoing reservations shall, unless sooner terminated in accordance with their terms expire 7 years after this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah.

ALSO RESERVING such rights of ingress and egress over any roads comprising a part of the above described Parcel as may be necessary to enable access to adjoining properties owned by Declarant.

III. Covenants, Conditions and Restrictions. The foregoing submission is made under the following covenants, conditions and restrictions:

1. Description of Improvements. The improvements included in the Project are now or will be located in Phase I above described, and all of such improvements are described in the Map. The Map indicates the number of stories, the number of Units which are to be contained in the buildings which comprise a part of such improvements, the dimensions of the Units, and other significant facts relating to such improvements. The project is divided into 60 Units contained in fifteen buildings. Each of the Buildings will be newly constructed, containing four Units, with two Units located on the main floor and two on the upper floor. The new Units will be constructed of wood with brick veneer and steel siding. The Buildings will be supplied with gas, electricity, water and sewage service. The Units are individually heated by gas-forced air furnaces and cooled by evaporative air conditioning.

2. Description and Legal Status of Units. The Map shows the Unit number of each Unit, its location, dimensions from which its area may be determined, the Limited Common Areas which are reserved for its use, and the Common Areas of the Project.

3. Undivided Ownership Interest in the Common Areas. Each Unit shall have an undivided 1.66% ownership interest in the Common Areas. The proportionate share of the Unit Owners in the Common Areas of the Project is based upon an equal par value for each Unit.

4. Common and Limited Common Areas. The Common Areas contained in the Project are described and identified in Article I hereof and in the Map. Neither the ownership of undivided interest in the Common Areas nor the right of exclusive use of a Limited Common Area shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of conveyance, such percentage of undivided interest and such right of exclusive use shall automatically accompany the conveyance of the Unit to which they relate.

5. Coventry Manor Home Owners Association. All Unit Owners in the Coventry Manor Condominiums shall, upon becoming same, automatically become members of the Coventry Manor Home Owners Association which shall own, maintain and administer certain facilities, maintain the Common Areas of the Projects, and enforce the covenants and restrictions as imposed in this Coventry Manor

Declaration and collect and disburse the assessments and charges created in this Coventry Manor Declaration.

6. Membership and Voting Rights in the Association.

(a) Membership. Membership in the Association shall be appurtenant to the Unit in which the Owner has the necessary interest. Neither membership in the Association nor any of the votes attributable to a membership shall be separated from the Unit to which the same appertain.

(b) Voting Rights. The Association shall have one class of voting membership which shall be, with respect to each Unit in which the interest required for membership is held, one vote for each Unit owned. Neither the issuance nor the holding of membership certificates or shares of stock shall be necessary to evidence membership in the Association. However, the Committee is authorized to issue membership certificates if it deems such to be advisable or appropriate.

(c) Multiple Ownership. 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 Association meeting by any of such Owners, whether in person or by proxy, 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 attributable to such Unit shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

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

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

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

10. Use of Common Areas and Limited Common Areas. Subject to the limitations contained in the Declaration, any Unit Owner shall have the non-exclusive right to use and enjoy the Common Areas and shall have the exclusive right to use and enjoy the Limited Common Areas designated herein (and on the Map) for exclusive use by such Unit Owner.

11. Restrictions of Use of Common Areas. Each Owner's right and easement of use and enjoyment concerning the Common Areas created hereby shall be subject to the following:

(a) The right of the Declarant and the Association to suspend an Owner's right to the use and enjoyment of any amenities included in the Common Areas for any period during which an assessment on such Member's Unit remains unpaid, and for a period not exceeding sixty (60) days for any infraction by such Member of the provisions of this Declaration or of any rules or regulations promulgated by the Association;

(b) The right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas;

(c) The right of the County of Salt Lake, and any other governmental or quasi-governmental body having jurisdiction over the Common Areas to access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Common Areas for purposes of providing police and fire protection, transporting school children, and providing any other governmental or municipal service; and

(d) The right of the Declarant or the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such municipal, governmental and/or non-commercial purposes and subject to such conditions as may be agreed to by the Declarant or by the Owners, provided that no such dedication or transfer by the Association shall be effective unless written notice of the proposed agreement and action thereunder is sent to every Owner at least thirty (30) days in advance of any action taken unless an instrument signed by every Owner has been recorded, agreeing to such dedication, transfer, purpose or condition.

(e) The right of the Association to borrow money for the purpose of improving the Common Areas and to mortgage the Common Areas, or any part thereof (subject to paragraph III 31), to carry out such improvements.

12. Unit Maintenance. Each Owner shall at his own cost and expense maintain, repair, paint, re-paint, tile, wax, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, windows and doors (including replacement when necessary of windows and doors) forming the boundaries of his

Unit and shall maintain, repair and replace all walls, ceilings, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of his Unit in good repair and in a clean and sanitary condition, he shall be responsible for the maintenance, repair or replacement of any plumbing and plumbing fixtures, water heater, heating and air conditioning equipment, lighting fixtures, refrigerator, dishwasher, disposal equipment, range, or other appliances or fixtures that may be in, or connected with, his Unit, including all water and other utility lines leading to his individual Unit.

13. Maintenance of Common Areas. The Association, acting through the Management Committee, shall provide for such maintenance and operation of the Common Areas and Limited Common Areas as may be necessary to keep them clean, functional, attractive and generally in good condition and repair. In addition, each Owner shall at his own cost keep the Limited Common Areas designed for use in connection with his Unit clean and free of debris at all times.

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

15. Access for Repair of Common Areas. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of the other Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Unit and to the all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas or to another Unit or Units. The Association shall also have such rights independent of the agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit at the instance of the Association or of Unit Owners shall be fully repaired and compensated for by the Association; provided, that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected

by the Association by assessment pursuant to paragraph III 21 of this Declaration.

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

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

18. Easement for Utility Services. There is hereby created a blanket easement upon, across, over and under the Tract above described in Article II for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephones, electricity, and other utility services.

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

Unit No. _____, of the Coventry Manor, together with its 1.66 percent undivided ownership interest in the Common Areas and Facilities which is actually appurtenant to said Unit, and subject to the Declaration, Coventry Manor which is filed for record in the office of the County Recorder of Salt Lake County, Utah, on the _____ day of _____, 1979, in Book _____, Page _____ of Plats, as Entry No. _____ and the record of Survey Map of Coventry Manor dated the _____ day of _____, 1979, and recorded as Entry No. _____, in Book _____, Page _____ of Official Records, subject to and together with all easements and rights of way as shown and described in said Record of Survey Map and as set forth in said Declaration and all amendments thereto.

20. Status and General Authority of Committee.

(a) Except as hereinafter provided, the Project shall be managed, operated, and maintained by the Management Committee as agent for the Unit Owners. The Committee, in connection with its exercise of any of the powers hereinafter provided, shall take such action and execute instruments in the

Association's name. The Management Committee shall have, and is hereby irrevocably granted, by the Association and the Unit Owners therein as their agent and on their behalf the following authority and powers:

(1) The authority and responsibility to manage the business, property and affairs of the Association and enforce the provisions of the Declaration, the Bylaws and any rule and regulations adopted by the Association governing the property.

(2) 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.

(3) The authority to execute and record, on behalf of all of the Unit Owners, any amendments to the Declaration or the Map which has been approved by the vote or consent necessary to authorize such amendment.

(4) The power to sue and be sued in the name of the Association.

(5) The authority to enter into contracts relating to the Common Areas and other matters over which it has jurisdiction, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained.

(6) The power and authority to convey or transfer any interest in real property, so long as the vote or consent necessary under the circumstances have been obtained.

(7) The power and authority to purchase, or otherwise acquire, and accept title to, in the name of the Association, any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.

(8) The power and authority to add any interest in real property obtained pursuant to subparagraph 7 above to the Project, so long as such action has been authorized by the necessary vote or consent.

(9) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out its functions or to insure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners, including the power to assess one or more Units for its portion of Common Area charges or maintenance of the individual Unit or Limited Common Areas.

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

(b) Composition of Committee, Election, Vacancy. The Management Committee shall be composed of seven (7) members, each serving for a three-year term except that at the first election two Committee members shall be elected for a one-year term, two (2) members for a two-year term, and three (3) members for a three-year term. Members shall serve on the Committee until their successors are elected. Only Unit Owners or spouses of Unit Owners and officers or directors of Owners other than individuals shall be eligible for Committee membership. At the annual meeting each Unit Owner may cast one vote in favor of as many candidate or Committee memberships as there are seats on the Committee to be filled; provided, however, that until title to Units representing seventy-five percent (75%) of the votes of Unit Owners shall have been conveyed by Declarant to the purchasers thereof the Declarant alone shall have the right (the Right) to select the Management Committee or act as the Management Committee itself; such Right shall automatically terminate three years after the recording of this Declaration without regard to whether 75% of the Units have been sold. However, Declarant may waive the Right at any time prior to the conveyance of Units representing 75% of the votes of Unit Owners by (i) notifying Unit Owners in writing of such waiver of the Right, and (ii) filing for record in the office of the Salt Lake County Recorder a written notice of waiver of the Right, whereupon Unit Owners shall promptly hold a meeting to elect a new Management Committee, it being established hereby that the control of the Unit Owners in the Management Committee shall automatically vest thirty (30) days following the date such waiver is recorded by Declarant. In the event a Committee seat which was filled by the Declarant becomes vacant Declarant shall have the right to select a replacement member to sit on the Committee for the balance of the term associated with the vacated seat. In all other cases of vacancy the remaining Committee members shall elect a replacement to set on the Committee until the expiration of the term for which the member being replaced was elected.

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

or acts required or permitted to be performed by the Management Committee itself.

(d) Payment for Services, Etc. The Management Committee may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Management Committee shall determine to be necessary or desirable for the proper operation of its functions in the Project. The Management Committee may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. It is recognized that the Committee shall arrange for snow removal, garbage removal, ground maintenance and other common services to the Project.

(e) Personal Property Ownership and Use. The Management Committee as agent for the Association may acquire and hold in the name of the Association for the use and the benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Areas. Such interest shall not be transferrable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto, and such beneficial interest may in no event be reserved by the transferor of a Unit. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Unit.

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

(g) Capital Improvements. There shall be no structural alterations, capital additions to, or capital improvements of, the Common Areas requiring expenditure in excess of \$3,000.00 without the prior approval of Unit Owners holding a majority of the voting power.

21. Assessments.

(a) Agreement to Pay Assessments. Each Owner of a Unit by the acceptance of a deed or contract therefor, whether or not it be so expressed in the deed or contract, shall be deemed to covenant and agree with each other and with the Committee and the Association to pay annual assessments made by them or either of them for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration, including individual assessments against a particular Unit for repairs or maintenance of said Unit, where the Owner of said Unit after written notice of not less than fifteen days, fails to perform his duties in maintaining his Unit as required by this Declaration, or Rules and Regulations adopted by the Committee. Such assessments shall be fixed, established and collected from time to time in the manner provided hereunder.

(b) Basis of Assessments. The total annual assessments against all Units shall be based upon advance estimates of cash requirements by the Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas, which estimates shall include among other things, expenses of management; taxes and special assessments levied by governmental authorities until the Units are separately assessed as provided herein; premiums for all insurance which the Management Committee is required or permitted to maintain pursuant hereto; common lighting; water charges; replacements, repairs and maintenance of the Common Areas; wages for employees of the Management Committee; legal and accounting fees; any deficit remaining from a previous period; the creation of a reasonable contingency reserve; reserve fund for major replacements and improvements, and any other expenses and liabilities which may be incurred by the Committee for the benefit of the Owners under or by reason of this Declaration.

(c) Apportionment of Expenses. Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned among and assessed against all Units in proportion to their respective undivided interest in the Common Areas.

(d) Method, Payment of Assessments, Etc. Annual assessments shall be made on a calendar year basis and shall commence at the time the first Unit is sold by Declarant to a third party. The Committee shall give written notice to each Owner as to the amount of the annual assessment with respect to his Unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year, provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the day of the sale of such first Unit. Each annual assessment shall be due and payable in monthly installments. Each monthly assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Upon sale of a

Unit, whether by conveyance of title or entering into a contract of sale, the monthly assessments attributable to the Unit will be apportioned between the seller and purchaser on a pro rata basis and thereafter each monthly payment shall be due and payable on the first day of each and every month in advance.

(e) Special Assessments. In addition to the annual assessments authorized hereunder, the Association acting through the Committee, may levy in any assessment year, special assessments, payable over such a period as the Committee may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Areas of the Project or any other part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. This paragraph shall not be construed as an independent source of authority for the Association or the Committee as its agent, or either of them, to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other paragraphs hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to their respective undivided interest in the Common Areas. Notice in writing of the amount of such special assessment and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty days after such date.

(f) Lien for Unpaid Assessments. All sums assessed to any Unit pursuant to this section, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Body making the assessment. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for: (a) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; and (b) encumbrances on the interest of the Unit Owner recorded prior to the date notice of the lien provided for herein is recorded which by law would be a lien prior to subsequently recorded encumbrances. All other lienors acquiring liens on any Unit after this Declaration shall have been recorded shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

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

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

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

Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created by this section, and upon such payments such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Committee shall report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for longer than sixty (60) days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the assessing body written notice of such encumbrance.

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

(h) Information Concerning Unpaid Assessments. Upon payment of a reasonable fee not to exceed twenty dollars (\$20.00) and upon written request of any Owner or Mortgagee, prospective Mortgagee or prospective purchaser of a Unit, the Management Body concerned shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; the amount of the current yearly assessment and the portion thereof which has theretofore been paid; credit for advance payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums; and such statement of account shall be complied with within ten (10) days, all unpaid assessments

which to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within a ten (10) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Unit.

(i) Purchaser's Obligation. Subject to the provisions of subparagraph (h) and this paragraph, a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments. The foregoing notwithstanding, purchasers of Units at foreclosure or trustees sales held by Mortgagees or their trustees shall not be responsible for unpaid assessments which were assessed prior to the time of sale.

22. Use of Condominium.

(a) Single Family Housing Use. Each of the Units in the Project shall be used exclusively for single family residential housing.

(b) No Unit Owner may lease his Unit for transient or hotel purposes. No Unit Owner may lease less than the entire Unit. All leases shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and Bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

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

(d) Appearance of Condominium Community. No change may be made to the exterior or interior of any Unit which would affect the appearance of the Unit from the outside without first obtaining the written approval of the Committee. The

Committee may in its discretion prohibit any change which in its opinion would change the overall appearance of the community or create a disunity in appearance of the community.

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

(f) Animals. No livestock or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Areas, but household pets may be kept in Units and the Limited Common Areas reserved for the exclusive use of such Unit, subject to strict observances of rules and regulations adopted by the Management Committee.

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

(h) Restrictions in Alterations. No structural alterations to any Unit shall be made by any Owner without the prior written consent of the Management Committee.

(i) Declarant's Right to Sell Units. Notwithstanding anything contained herein to the contrary, until the Declarant has completed and sold all of the Units, neither the Unit Owners who have purchased Units from the Declarant nor the Management Bodies, or either of them, shall interfere with the completion of the contemplated improvements and sale of the remaining Units. The Declarant may make such use of the unsold Units and the Common Areas as may facilitate such completion and sale, including but not limited to, the maintenance of a sales

office, the showing of the Units, the recreational facilities and the display of signs.

23. Insurance and Bond. The Management Committee in behalf of the Association shall secure and maintain at all times the following insurance and bond coverages:

(a) A multi-peril type policy covering the entire Project providing as a minimum fire and extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost).

(b) Fidelity bond coverage against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association if the Project has more than thirty (30) Units. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times the insured's estimated annual operating expenses and reserves. In connection with such coverage an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(c) If at any time the Project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a "blanket" policy of flood insurance on the Project must be maintained in the amount of the aggregate of the outstanding principal balances of the mortgage loans on the Condominium Units comprising the Project or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less.

(d) The Association must have a comprehensive policy of public liability insurance covering all of the common elements, commercial spaces and public ways in the Project. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Condominium Unit Owner because of negligent acts of the Association of owners or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use. If the Project has more than thirty (30) units, coverage shall be for at least \$1,000,000 per occurrence, for personal injury and/or property damage.

(e) The following additional provisions shall apply with respect to insurance:

(1) The name of the insured under each required policy must be stated in form and substance similar to the following: "Coventry Manor Home Owners Association for use and benefit of the individual owners" (designated by name, if required).

(2) Each such policy must contain the standard mortgagee clause which must be endorsed to provide that any proceeds shall be paid to the Coventry Manor Home Owners Association for the use and benefit of Mortgagees as their interest may appear, or must be otherwise endorsed to fully protect the Mortgagee's interest.

(3) Policies are unacceptable where: (i) under the terms of the carrier's charter, bylaws or policy, contributions or assessments may be made against the Unit Owner or his Mortgagee or its designees, or (ii) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent the Unit Owner or his Mortgagee or its designees from collecting insurance proceeds.

(4) All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Project is located. The mortgagee clause must provide that the insurance carrier shall notify the first Mortgagee named at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy.

(5) In addition to the insurance described above, the Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with condominium projects similar to the Project in construction, nature, and use.

(6) The Committee shall have the authority to adjust losses.

(7) Insurance secured and maintained by the Committee shall not be brought into contribution with insurance held by the individual Unit Owners or their mortgages.

(8) Each policy of insurance obtained by the Committee shall, if possible, provide: A waiver of the insurer's subrogation rights with respect to the Committee, the Manager, the Unit Owners, and their respective servants, agents, and guests; that it cannot be cancelled, suspended, or invalidated due to the conduct of any member, officer, or employee of the Committee or of the Manager without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Unit Owners.

(9) Any Unit Owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Committee. Any Unit Owner who individually obtains insurance covering any portion of the Project shall supply the Committee with a copy of his policy within thirty (30) days after he acquires such insurance.

(10) All policies shall be written by a company licensed to write insurance in the State of Utah and all hazard insurance policies shall be written by a hazard insurance carrier holding financial rating by Best's Insurance Reports of Class VI or better.

(11) Notwithstanding anything herein contained to the contrary, insurance coverage must be in such amounts and meet other requirements of the Federal National Mortgage Association.

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

(a) If proceeds of the insurance maintained by the Management Committee are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out.

(b) If less than 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 the Unit Owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the Common Areas and Facilities.

(c) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within 100 days after the destruction or damage by a vote of at least 75% elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subparagraph (b) above.

(d) If 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 Unit Owners do not, within 100 days after the destruction or damage, by a vote of at least 75% elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Salt Lake County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah

Code Annotated (1953) shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

Any reconstruction or repair which is required to be carried out by this paragraph shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this paragraph 25 regarding the extent of damage to or destruction of Project improvements shall be made by three MAI appraisers selected by the Management Committee. The decision of any two such appraisers shall be conclusive.

25. Rules and Regulations. The Association, acting by and through the Committee, shall have authority to promulgate and enforce such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Association in carrying out any of its functions.

26. Amendment. Any amendment to this Declaration shall require the affirmative vote of at least two thirds of all votes which Members present in person or represented by proxy are entitled to cast at a meeting duly called for such purpose. Written notice setting forth the purpose of the meeting and the substance of the amendments proposed shall be sent to all members at least seven (7) but not more than thirty (30) days prior to the meeting date. The quorum required for any such meeting shall be as follows: At the first meeting called the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirements set forth herein at which a quorum shall be one half of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the immediately preceding meeting. Any amendment authorized pursuant to this Section shall be accomplished through the recordation of an instrument executed by the Association. In such instrument a member of the Management Committee shall certify that the vote required by this paragraph for amendment has occurred.

The foregoing notwithstanding, Declarant may at any time and from time to time during a period expiring seven years after the recording of this Declaration amend this Declaration to comply with requirements imposed by a first Mortgagee.

27. Consent Equivalent to Vote. In those cases in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for the authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively total at least the necessary percentage of Owners.

28. Service of Process. Cottonwood Development Company, 575 East 4500 South, Suite B-135, Salt Lake City, Utah 84107, is the person to receive service of process in cases authorized by the Act. The Management Committee shall, however, have the right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the office of the County Recorder of Salt Lake County, State of Utah.

29. Mortgagee Protection. Notwithstanding anything to the contrary contained in the Declaration:

(a) An adequate reserve fund for maintenance, repairs and replacement of the Common Areas must be established and shall be funded by regular monthly payments rather than by special assessments.

(b) There shall be established a working capital fund for the initial months of operation of the Project equal to a minimum amount of two months' estimated Common Area charge for each Unit.

(c) Any "right of first refusal" contained in the condominium constituent documents shall not impair the rights of a first Mortgagee to foreclose or take title to a Condominium Unit pursuant to the remedies provided in the mortgage, or accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or interfere with a subsequent sale or lease of a Unit so acquired by the Mortgagee.

(d) The holders of first mortgages shall have the right to examine the books and records of the Committee and the Association and to require annual reports or other appropriate financial data.

(e) Any management agreement for the Project, or any other contract providing for services of the developer, sponsor or builder shall be terminable by either party without cause and without payment of a termination fee on sixty (60) days' written notice thereof and the term of any such agreement shall not exceed three years.

(f) In the event of substantial damage to or destruction of any Unit or any part of the Common Areas, the institutional holder of any first mortgage on a Unit shall be entitled to timely written notice to any such damage or destruction. No Unit Owner or other party shall be entitled to priority over such institutional holder with respect to the distribution to such Unit of any insurance proceeds.

(g) If any Unit or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to

be acquired by a condemning authority, the institutional holder of any first mortgage of a Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition and no Unit Owner or other party shall have priority over such institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

(h) The provisions in paragraph III 22(b) restricting leases of Units shall not apply to a lender in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure.

(i) Each holder of a first mortgage lien (including any purchaser from such holder) on a Unit who comes into possession of or title to a Unit by virtue of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of and shall not be liable for any unpaid claims or assessments and charges against the Unit which accrue prior to the time of such possession or acquisition of title.

(j) Any holder of a first mortgage, upon request, is entitled to written notification from the Management Committee acting for the Association of any default by the Mortgagor of such Unit in the performance of such Mortgagor's obligation under the Declaration which is not cured within sixty (60) days.

(k) Any lien which the Association acting through the Management Committee may have on any Unit in the Project for the payment of Common Expense assessments attributable to such Unit will be subordinate to the lien or equivalent security interest of any first mortgage on the Unit recorded prior to the date any such Common Expense assessments become due.

(l) Unless all first Mortgagees of Units have given their prior written approval neither the Management Committee nor the Association of Unit Owners shall:

(1) By act or omission, seek to abandon or terminate the Project;

(2) Change the pro-rata interest or obligations of any Unit for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (ii) determining the pro-rata share of ownership of each Unit in the appurtenant Common Areas.

(3) Partition or subdivide any Unit.

(4) Make any material amendment to the insurance provisions (paragraph III 23) or to these Mortgagee

Protection provisions (paragraph III 29) contained in this Declaration.

(5) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer, the Common Areas. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas of the Project shall not be deemed a transfer within the meaning of this subparagraph.)

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

(m) Upon the written request of any first Mortgagee, the Association agrees to provide such Mortgagee with a letter wherein the Association agrees to notify the Mortgagee or its designee whenever: (i) damage to a Condominium Unit covered by a mortgage purchased in whole or in part by such Mortgagee or its successors or assigns exceeds \$1,000, or (ii) damage to common elements and related facilities exceeds \$10,000.

30. Duty of Owner to Pay Taxes on Unit Owned. It is understood that under the Act each Unit (and its percentage of interest in the Common Areas) in the Project is subject to separate assessment and taxation of each taxing authority and the special district(s) for all types of taxes and assessments authorized by law, and that as a result thereof no taxes will be assessed or levied against the Project as such. Accordingly, each Unit Owner will pay and discharge any and all taxes and assessments which may be assessed against him on his Unit.

31. Enforcement. Each Unit Owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with the decisions adopted pursuant to this Declaration and the administrative rules and regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee or manager on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner.

32. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all cost, expenses, and liabilities whatsoever, including, without limitation, attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Committee.

33. Completion of Common Areas. All Common Area improvements as shown on the map, including but not limited to the swimming pool, shall be completed by Declarant within two years from the date hereof at Declarant's expense.

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

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

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

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

IN WITNESS WHEREOF, the undersigned, being the Declarant has caused this instrument to be executed and its seal be affixed hereto on the 13th day of November, 1979.

COTTONWOOD DEVELOPMENT COMPANY,
a Utah corporation

By [Signature]

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

On the 13th day of November, 1979, personally appeared before me LaMar Bradshaw who being by me duly sworn did say, that he, the said LaMar Bradshaw is the president, of said corporation by authority of a resolution of its board of directors and said LaMar Bradshaw each duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

Gail S. Smith
Notary Public
Residing at: Salt Lake City, Utah

My Commission Expires:

July 19, 1983



CONSENT TO RECORDATION BY MORTGAGEE

Tracy Mortgage Company, a lien holder on the property described in Article II of this Declaration by virtue of a Deed of Trust, hereby consents to the recordation of this Declaration and accompanying Bylaws and Record of Survey Map; provided, however, that in so doing it shall not be deemed either a Declarant or developer of the Project.

DATED this 13th day of November, 1979.

TRACY MORTGAGE COMPANY

By *T. May*
Its *President*

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

On this 13th day of November, 1979, personally appeared before me TED MAY, who being by me duly sworn, did say that he is a President of Tracy Mortgage Company, a Utah corporation, and that the foregoing "Consent to Recordation by Mortgagee" was signed by him in behalf of said corporation by authority of a resolution of its Board of Directors.

Beth Phillips
NOTARY PUBLIC
Residing at: Salt Lake City, Utah

My Commission Expires: 9/26/1982

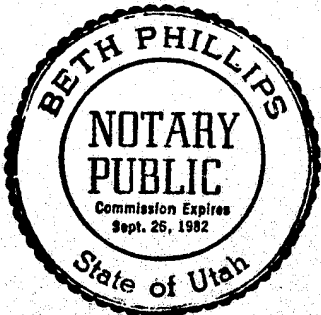


EXHIBIT "A"

| <u>Unit No.</u> | <u>Bldg.</u> | <u>Appurtenant Limited Common Area Assigned Parking Designation</u> | <u>Appurtenant Undivided Interest in Common Area</u> |
|-----------------|--------------|---|--|
| 1A | 1 | 1A | 1.66% |
| 1B | 1 | 1B | 1.66% |
| 1C | 1 | 1C | 1.66% |
| 1D | 1 | 1D | 1.66% |
| 2A | 2 | 2A | 1.66% |
| 2B | 2 | 2B | 1.66% |
| 2C | 2 | 2C | 1.66% |
| 2D | 2 | 2D | 1.66% |
| 3A | 3 | 3A | 1.66% |
| 3B | 3 | 3B | 1.66% |
| 3C | 3 | 3C | 1.66% |
| 3D | 3 | 3D | 1.66% |
| 4A | 4 | 4A | 1.66% |
| 4B | 4 | 4B | 1.66% |
| 4C | 4 | 4C | 1.66% |
| 4D | 4 | 4D | 1.66% |
| 5A | 5 | 5A | 1.66% |
| 5B | 5 | 5B | 1.66% |
| 5C | 5 | 5C | 1.66% |
| 5D | 5 | 5D | 1.66% |
| 6A | 6 | 6A | 1.66% |
| 6B | 6 | 6B | 1.66% |
| 6C | 6 | 6C | 1.66% |
| 6D | 6 | 6D | 1.66% |
| 7A | 7 | 7A | 1.66% |
| 7B | 7 | 7B | 1.66% |
| 7C | 7 | 7C | 1.66% |
| 7D | 7 | 7D | 1.66% |
| 8A | 8 | 8A | 1.66% |
| 8B | 8 | 8B | 1.66% |
| 8C | 8 | 8C | 1.66% |
| 8D | 8 | 8D | 1.66% |
| 9A | 9 | 9A | 1.66% |
| 9B | 9 | 9B | 1.66% |
| 9C | 9 | 9C | 1.66% |
| 9D | 9 | 9D | 1.66% |
| 10A | 10 | 10A | 1.66% |
| 10B | 10 | 10B | 1.66% |
| 10C | 10 | 10C | 1.66% |
| 10D | 10 | 10D | 1.66% |
| 11A | 11 | 11A | 1.66% |
| 11B | 11 | 11B | 1.66% |
| 11C | 11 | 11C | 1.66% |
| 11D | 11 | 11D | 1.66% |
| 12A | 12 | 12A | 1.66% |

| <u>Unit No.</u> | <u>Bldg.</u> | <u>Appurtenant Limited Common Area Assigned Parking Designation</u> | <u>Appurtenant Undivided Interest in Common Area</u> |
|-----------------|--------------|---|--|
| 12B | 12 | 12B | 1.66% |
| 12C | 12 | 12C | 1.66% |
| 12D | 12 | 12D | 1.66% |
| 13A | 13 | 13A | 1.66% |
| 13B | 13 | 13B | 1.66% |
| 13C | 13 | 13C | 1.66% |
| 13D | 13 | 13D | 1.66% |
| 14A | 14 | 14A | 1.66% |
| 14B | 14 | 14B | 1.66% |
| 14C | 14 | 14C | 1.66% |
| 14D | 14 | 14D | 1.66% |
| 15A | 15 | 15A | 1.66% |
| 15B | 15 | 15B | 1.66% |
| 15C | 15 | 15C | 1.66% |
| 15D | 15 | 15D | 1.66% |

BYLAWS

COVENTRY MANOR

An Association of Unit Owners Under the Utah Condominium Ownership Act

The administration of COVENTRY MANOR (the "property") and the COVENTRY MANOR HOME OWNERS ASSOCIATION ("Association") shall be governed by these Bylaws, by the Utah Condominium Ownership Act, Utah Code Ann. Sections 57-8-1 through 57-8-35 (Repl. Vol. 1973) (the "act") and by the Declaration.

1. Application of Bylaws

All present and future unit owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the property in any manner are subject to the Declaration, these Bylaws and all rules made pursuant hereto and any amendment thereof. The acceptance of a deed or conveyance or the entering into a lease or the act of occupancy of a unit shall constitute an agreement that the provisions of the Declaration and these Bylaws (and any rules and regulations made pursuant thereto), as they may be amended from time to time, are accepted, ratified and will be complied with.

2. Management Committee

2.1 The administration of the property on behalf of the Association shall be conducted by a Management Committee of seven natural individuals.

2.2 Any member of the Management Committee who fails to attend three consecutive Committee meetings or fails to attend at least 25% of the Committee meetings held during any calendar year shall forfeit his membership on the Committee.

2.3 Any member of the Management Committee may resign at any time by giving written notice to the remaining Committee members. Any member of the Committee may be removed from membership on the Committee by a two-thirds majority vote of the Association. Whenever there shall occur a vacancy on the Committee due to death, resignation, removal or any other cause, the remaining members shall elect a successor member to serve until the next annual meeting of the Association, at which time said vacancy shall be filled by the Association for the unexpired term, if any.

2.4 The members of the Management Committee shall receive no compensation for their services unless expressly approved by a majority of the Association; provided, however, that any member of the Committee may be employed by the Association in another capacity and receive compensation for such employment.

2.5 The meetings of the Management Committee shall be held at such places within or without the State of Utah as the Committee shall determine. Four (4) members of the Committee shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Committee. The Committee shall annually elect all of the officers of the Association. The meeting for the election of officers shall be held at the first meeting of the Committee immediately following the annual meeting of the Association.

2.6 Special meetings of the Management Committee may be called by any two Management Committee members.

2.7 Regular meetings of the Management Committee may be held without call or notice. The person or persons calling a special meeting of the Committee shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called; if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

2.8 Any member of the Management Committee may, at any time, waive notice of any meeting of the Committee in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Committee at a meeting shall constitute a waiver of notice of such meeting except if a Committee member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Committee are present at any meeting of the Committee, no notice shall be required and any business may be transacted at such meeting.

2.9 The first annual meeting of the Association shall be held within 30 days following the recording of the Declaration, at which time the Association shall elect the members of the Management Committee.

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

2.11 The fiscal year shall be determined by the Committee.

3. Meetings of the Association

3.1 The presence in person or by proxy at any meeting of the Association of fifty percent (50%) of the Unit Owners in response to notice to all Unit Owners of record properly given shall constitute a quorum. Each Unit shall be entitled to one vote. In the event that fifty percent (50%) of the Unit Owners are not present in person or by proxy, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and any number of Unit Owners present at such subsequent meeting shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the Unit Owners upon a majority vote of the Unit Owners who are present in person or by proxy and who are voting.

3.2 The annual meeting of the Association shall be held on the second Tuesday of February at 7:00 p.m. at the property or at such other reasonable place or time (not more than sixty (60) days before or after such date) as may be designated by written notice by the Management Committee delivered to the unit owners not less than fifteen (15) days prior to the date fixed for said meeting. At or prior to an annual meeting, the Management Committee shall furnish to the Unit Owners: (i) a budget for the coming fiscal year that shall itemize the estimated common expenses of the coming fiscal year with the estimated allocation thereof to each Unit Owner; and (ii) a statement of the common expenses itemizing receipts and disbursements for the previous and current fiscal year, together with the allocation thereof to each Unit Owner. Within ten (10) days after the annual meeting, that budget statement shall be delivered to the Unit Owners who were not present at the annual meeting.

3.3 Special meetings of the Association may be held at any time at the property or at such other reasonable place to consider matters which, by the terms of the Declaration, require the approval of all or some of the Unit Owners, or for any other reasonable purpose. Special meetings shall be called by written notice, signed by a majority of the Management Committee, or by Unit Owners representing at least one third (1/3) in interest of the undivided ownership of the Common Areas and facilities and delivered to all Unit Owners not less than fifteen (15) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting, and the matters to be considered.

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

4. Officers

4.1 All officers and employees of the Association shall serve at the will of the Management Committee. The officers shall be a president, vice president and secretary-treasurer. The Committee may appoint such other assistant officers as the Committee may deem necessary. Officers shall be required to be Unit Owners, and the president and vice president must be members of the Committee. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Committee and may be removed and replaced by the Committee. The Committee may, in its discretion, require that officers (and other employees of the Association) be subject to fidelity bond coverage.

4.2 The president shall be the chief executive of the Committee and shall preside at all meetings of the Unit Owners and of the Committee and may exercise the powers ordinarily allocable to the presiding officer of an Association, including the appointment of committees. The president shall exercise general supervision over the property and its affairs. He shall sign on behalf of the Association all conveyances, mortgages and contracts of material importance to its business. He shall do and perform all acts which the Management Committee may require.

In the absence or inability of the president, the vice president shall perform the functions of the president.

4.3 The secretary-treasurer shall keep minutes of all proceedings of the Committee and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Unit Owners and the Committee.

The secretary-treasurer shall also be responsible for the fiscal affairs of the Association but may delegate the daily handling of funds and the keeping of records to a manager or managing company.

5. Litigation

5.1 If any action is brought by one or more but less than all Unit Owners on behalf of the Association and recovery is had, the plaintiff's expenses, including reasonable counsel's fees, shall be a common expense; provided, however, that if such action is brought against the Unit Owners or against the Management Committee, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Unit Owners, the plaintiff's expenses, including counsel fees, shall not be charged to or borne by the other Unit Owners, as a common expense or otherwise.

5.2 Complaints brought against the Association, the Management Committee or the officers, employees or agents thereof, in their respective capacities as such, or the property as a whole,

shall be directed to the Management Committee which shall promptly give written notice thereof to the Unit Owners and any mortgagees and shall be defended by the Committee, and the Unit Owners shall have no right to participate other than through the Committee in such defense. Complaints against one or more, but less than all Unit Owners shall be directed to such Unit Owners, who shall promptly give written notice thereof to the Committee and to the mortgagees affecting such Units, and shall be defended by such Unit Owners.

6. Abatement and Enjoinment of Violations by Unit Owners

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

6.1 After fifteen (15) days written notice setting forth such violation or breach and requiring rectification thereof, to enter the Unit in which or as to which such violation or breach exists and to similarly correct, abate or remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and to thereafter individually assess such Unit for the reasonable expense of correcting such violation or breach and the Management Committee shall not thereby be deemed guilty in any manner or trespass; or

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

7. Accounting

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

7.2 At the close of each fiscal year, the books and records of the Committee shall be completed for the year by a public accountant approved by the Association. An audited report prepared by a certified public accountant shall not be required unless one-third or more of the Unit Owners require such audit.

7.3 The books and accounts of the Association shall be available for inspection at the office of the Association by any Unit Owner or his authorized representative during regular business hours.

8. Special Committees

The Management Committee by resolution may designate one or more special committees, each committee to consist of two (2) or more Unit Owners, which to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Management Committee. Such special committees shall keep regular minutes of their proceedings and report the same to the Management Committee when required. The members of such special committee or committees designated shall be appointed by the Management Committee or the president. The Management Committee or the president may appoint Unit Owners to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

9. Amendment of Bylaws

These Bylaws may be amended by a two thirds (2/3) affirmative vote of the Association at a meeting duly called for such purpose. Upon such an affirmative vote, the Management Committee shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the Unit Owners and the amendment shall be effective upon recording.

10. Severability

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

11. Captions

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

12. Effective Date

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

13. Conflict

In the event of any conflict between the provisions of these Bylaws and the Declaration, the provisions of the Declaration shall prevail.