

3442790

Recorded at Request of DALE A. KEHL
at 9/12 m Fee Paid \$ 8.700 KATIE L. DIXON, Recorder, JUN 12 1980
Salt Lake County, Utah, By C. Wayne Maberry Dept. Date _____
C. Wayne Maberry

P.O. Box
5255 So. 4015 W.
SLC. 84118

DECLARATION OF CONDOMINIUM

OF THE

STONE HOLLOW CONDOMINIUM

A Utah Condominium Project

TABLE OF CONTENTS

ARTICLE I

		<u>PAGE</u>
DEFINITIONS		
Section 1.01	Defined Terms	2
Section 1.02	Additional Land	2
Section 1.03	Association	2
Section 1.04	Board of Trustees	2
Section 1.05	Building	2
Section 1.06	Common Areas	2
Section 1.07	Common Expense Fund	2
Section 1.08	Common Facilities	2
Section 1.09	Condominium	2
Section 1.10	Condominium Act	3
Section 1.11	Convertible Land	3
Section 1.12	Convertible Space	3
Section 1.13	Declarant	3
Section 1.14	FHLMC	3
Section 1.15	FNMA	3
Section 1.16	Institutional Holder	3
Section 1.17	Land	3
Section 1.18	Lease	3
Section 1.19	Limited Common Areas	3
Section 1.20	Manager	3
Section 1.21	Map	3
Section 1.22	Mortgage	3
Section 1.23	Mortgagee	4
Section 1.24	Mortgage Servicer	4
Section 1.25	Owner	4
Section 1.26	Project	4
Section 1.27	Total Votes of the Association	4
Section 1.28	Unit	4
Section 1.29	Withdrawable Land	4

ARTICLE II

SUBMISSION AND DIVISION OF PROJECT

Section 2.01	Submission to Condominium Act	5
Section 2.02	Division into Condominiums	5

ARTICLE III

BUILDINGS AND IMPROVEMENTS

Section 3.01	Buildings and Improvements	5
Section 3.02	Description of Units	5
Section 3.03	Description of Common Areas	5
Section 3.04	Description of Limited Common Areas	6

ARTICLE IV

	<u>PAGE</u>
<u>NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP</u>	
Section 4.01	Interior of Units 6
Section 4.02	Maintenance of Units 6
Section 4.03	Right to Combine Units 6
Section 4.04	Title 7
Section 4.05	Ownership of Common Areas 7
Section 4.06	Inseparability 7
Section 4.07	No Partition 7
Section 4.08	Separate Mortgages by Owners 7
Section 4.09	Separate Taxation 7
Section 4.10	Mechanics Liens 8
Section 4.11	Description of Condominium 8

ARTICLE V

EASEMENTS

Section 5.01	Easements for Encroachments 8
Section 5.02	Easements for Maintenance, Cleaning and Repair 9
Section 5.03	Right to Ingress, Egress and Support 9
Section 5.04	Association's Right to Use Common Areas 9
Section 5.05	Easement for Completion of Project 9
Section 5.06	Easements Deemed Created 9

ARTICLE VI

RESTRICTIONS ON USE

Section 6.01	Primary Residential Use 9
Section 6.02	No Noxious or Offensive Activity 10
Section 6.03	Restriction on Signs 10
Section 6.04	Pets and Animals 10
Section 6.05	No Alterations 10
Section 6.06	No Obstructions 10
Section 6.07	No Overloading 11
Section 6.08	Prohibition of Damage and Certain Activities 11
Section 6.09	No Commercial Business 11
Section 6.10	No Lease for Transient or Hotel Purposes 11
Section 6.11	Rules and Regulations 11
Section 6.12	Construction Period Exemption 11

ARTICLE VII

		<u>PAGE</u>
<u>THE ASSOCIATION</u>		
Section 7.01	Membership	12
Section 7.02	Board of Trustees	12
Section 7.03	Votes	12
Section 7.04	Amplification	12

ARTICLE VIII

CERTAIN RIGHTS AND OBLIGATION OF THE ASSOCIATION AND BOARD OF TRUSTEES

Section 8.01	The Common Areas	13
Section 8.02	Manager	13
Section 8.03	Miscellaneous Goods and Services	14
Section 8.04	Real and Personal Property	14
Section 8.05	Rules and Regulations	14
Section 8.06	Granting Easements	14
Section 8.07	Statutory Duties and Powers	14
Section 8.08	Implied Rights	14

ARTICLE IX

ASSESSMENTS

Section 9.01	Agreement to Pay Assessments	15
Section 9.02	Annual Assessments	15
Section 9.03	Special Assessments	16
Section 9.04	Lien for Assessments	17
Section 9.05	Personal Obligation of Owner	17
Section 9.06	Statement of Account	18
Section 9.07	Personal Liability of Purchaser	18
Section 9.08	Amendment of Article	18

ARTICLE X

INSURANCE

Section 10.01	Types of Insurance	18
Section 10.02	Master Property and Public Liability Insurance Policy Requirements	20
Section 10.03	Custody of Insurance Policies	21
Section 10.04	Notice of Loss	22
Section 10.05	Additional Coverage	22
Section 10.06	Owner's Own Insurance	22
Section 10.07	Review of Insurance	22

ARTICLE XI

		<u>PAGE</u>
<u>DAMAGE OR DESTRUCTION</u>		
Section 11.01	Association as Attorney in Fact	22
Section 11.02	Definition of Repair and Reconstruction	23
Section 11.03	Procedures	23
Section 11.04	Repair or Reconstruction	24
Section 11.05	Disbursement of Funds for Repair and Reconstruction	25
Section 11.06	Amendment of Article	25

ARTICLE XII

<u>CONDEMNATION</u>		
Section 12.01	Condemnation	25
Section 12.02	Proceeds	25
Section 12.03	Complete Taking	25
Section 12.04	Partial Taking	25

ARTICLE XIII

<u>OBSOLESCENCE</u>		
Section 13.01	Adoption of Plan	28
Section 13.02	Payment for Renewal and Reconstruction	28
Section 13.03	Sale of Project	28
Section 13.04	Amendment of Article	29

ARTICLE XIV

<u>MORTGAGE PROTECTION</u>		
Section 14.01	Matters Requiring Prior Mortgage Holder Approval	29
Section 14.02	Matters That May Require Prior Mortgage Holder Approval	
Section 14.03	Prior Liens Relate Only to Individual Units	30
Section 14.04	Subordination of Common Expense Lien	30
Section 14.05	Information Made Available to Mortgage Holder Upon Request	30
Section 14.06	Priority of Mortgage Holder in Event of Damage	30
Section 14.07	Priority of Mortgage Holder in Event of Condemnation	30

Section 14.08	Mortgage Holder Rights in Event of Foreclosure	30
Section 14.09	Notice of First Mortgage Holders	31
Section 14.10	No Right of First Refusal	31
Section 14.11	Amendment	31

ARTICLE XV

PAGE

COMPLIANCE WITH DECLARATION AND BYLAWS

Section 15.01	Compliance	31
Section 15.02	Enforcement and Remedies	31

ARTICLE XVI

EXPANDABLE CONDOMINIUM

Section 16.01	Reservation of Right to Expand	32
Section 16.02	Description of Additional Land	32
Section 16.03	Declarant's Right to Add All or Portions of Additional Land	33
Section 16.04	Location of Improvements	33
Section 16.05	Maximum Number of Units	33
Section 16.06	Compatibility with Structures in Initial Project	33
Section 16.07	Other Improvements	33
Section 16.08	Units not Identical to Initial Units	33
Section 16.09	Limited Common Areas	33
Section 16.10	Convertible Spaces	33
Section 16.11	Convertible Land	34
Section 16.12	Withdrawable Land	34
Section 16.13	Reservation for Residential Use	34

ARTICLE XVII

GENERAL PROVISIONS

Section 17.01	Intent and Purpose	34
Section 17.02	Construction	34
Section 17.03	Notices and Registration of Mailing Address	35
Section 17.04	Audit	35
Section 17.05	Amendment	35
Section 17.06	Effective Date	35
Section 17.07	Agent for Service	35
Section 17.08	Limitation on Association's Liability	36
Section 17.09	Owner's Obligations	36
Section 17.10	Model Units, Sales Offices and Advertising Signs	36
Section 17.11	Termination	36

EXHIBITS

- Exhibit "A" Units, Undivided Ownership Interests, and Votes
- Exhibit "B" Record of Survey Map for Stone Hollow Condominium,
a Condominium Project
- Exhibit "C" Articles of Incorporation of Stone Hollow Condominium
Owners Association
- Exhibit "D" Bylaws of Stone Hollow Condominium Owners Association.

DECLARATION OF CONDOMINIUM

OF THE

STONE HOLLOW CONDOMINIUM

A UTAH CONDOMINIUM PROJECT

This Declaration of Condominium, hereinafter referred to as the "Declaration", is made and executed this _____ day of _____, 19____, by Arnold Development Company, a Utah corporation, hereinafter referred to as the "Declarant".

RECITALS

A. Description of Land. The Declarant is the owner of the following described parcels of land, hereinafter collectively referred to as the "land", which are located in the County of Salt Lake, State of Utah:

Beginning at a point on the West right-of-way line of 3600 West Street, said point being North 0°07'15" West 1320.20 feet and West 33.00 feet from the South Quarter Corner of Section 8, Township 2 South, Range 1 West, Salt Lake Base & Meridian, and running thence West 220.00 feet; thence South 68°52'56" West 51.88 feet; thence North 31°00' West 122.78 feet; thence South 73°30' West 36.00 feet; thence North 16°30' West 66.40 feet; thence North 30.00 feet; thence East 16.42 feet; thence North 110.00 feet to the South line of Southridge Subdivision No. 8; thence East along said South line 370.00 feet to the West right-of-way line of 3600 West Street; thence along said West right-of-way line South 0°07'15" East 280.00 feet to the point of beginning.

B. Building and Improvements. The Declarant has constructed or will construct on the land certain buildings and other improvements as shown on the Map referred to below.

C. Record of Survey Map. The Declarant intends to execute, acknowledge, and record in the office of the County Recorder of Salt Lake County, State of Utah, a certain instrument pertaining to the Project and entitled "Record of Survey Map for Stone Hollow Condominium, a Utah Condominium Project, Phase I."

D. Intent and Purpose. The Declarant intends by recording this Declaration and the Map to submit the land, the building, and all other improvements situated in or upon the land to the provisions of the Utah Condominium Ownership Act, Utah Code Annotated, Section 57-8-1, et seq. (hereinafter referred to as the "Condominium Act") as a fee simple Condominium Project and to impose upon said property mutually beneficial restrictions under a general plan of improvement for the benefit of all Condominiums within said Project and the Owners thereof.

NOW, THEREFORE, the Declarant does hereby make the following declaration:

ARTICLE I

DEFINITIONS

1.01 Defined Terms. Unless the context clearly indicates otherwise, certain terms as used in this Declaration shall have the meanings set forth in this Article I.

1.02 "Additional Land" shall mean the real property described in Section 16.02 which has not yet been submitted to the provisions of the Act, but which may hereafter be added as a whole or in part to the Project as provided in Article XVI and the Act.

1.03 "Association" shall mean Stone Hollow Condominium Owner's Association, a Utah nonprofit corporation, organized to be the Association referred to herein.

1.04 "Board of Trustees" shall mean the governing board or management committee of the Association, appointed or elected in accordance with the Declaration and in accordance with the Articles of Incorporation and Bylaws of Stone Hollow Condominium Owners Association, attached hereto as Exhibit "C" and Exhibit "D" respectively, and incorporated herein by this reference.

1.05 "Building" shall mean one of the four (4) buildings containing one or more units that have been or will hereafter be constructed on the land, as such buildings are shown on the Map.

1.06 "Common Areas" shall mean all physical portions of the Project, except all Units.

1.07 "Common Expense Fund" shall mean the fund created or to be created pursuant to the provisions of Article IX of this Declaration and into which all monies of the Association shall be deposited.

1.08 "Common Facilities" shall mean all furniture, furnishings, equipment, facilities, and other property (real, personal, or mixed) and interests therein at any time leased, acquired, owned, or held by the Association for the use and benefit of all Owners and all other property (real, personal or mixed) hereafter purchased in accordance with this Declaration with monies from the Common Expense Fund. Common Facilities shall be deemed to be part of the Common Areas, except to the extent otherwise expressly provided in this Declaration.

1.09 "Condominium" shall mean a Unit and the undivided interest (expressed as a percentage of the entire ownership interest) in the Common Areas appurtenant to such Unit, as set forth in Exhibit A attached hereto and by this reference made a part hereof.

1.10 "Condominium Act" shall mean the Utah Condominium Ownership Act, Utah Code Annotated, Section 57-8-1, et seq.

1.11 "Convertible Land" shall mean a building site; that is to say, a portion of the Land, described by metes and bounds, within which additional units, or limited Common Areas and Limited Common Facilities may be created in accordance with the provisions of Section 57-8-13.2 of the Condominium Act and Section 16.11 hereof.

1.12 "Convertible Space" shall mean a portion of a structure within the Project, which portion may be converted into one or more units or Common Areas or Common Facilities in accordance with the provisions of Section 57-8-13.4 of the Condominium Act and Section 16.10 hereof.

1.13 "Declarant" shall mean Arnold Development Company, a Utah corporation, and its successors and assigns.

1.14 "FHLMC" shall mean the Federal Home Loan Mortgage Corporation.

1.15 "FNMA" shall mean the Federal National Mortgage Association.

1.16 "Institutional Holder" shall mean a mortgagee which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency which has a first mortgage lien on any unit in the Project.

1.17 "Land" shall mean the land upon which the Project is situated, as more particularly described in Paragraph A of the Recitals above.

1.18 "Lease" shall mean any agreement for the leasing or rental of the property.

1.19 "Limited Common Areas" shall mean any Common Areas designated as reserved for use of a certain Unit or Units to the exclusion of the other Units in the Project. Structural separations between Units or the space which would be occupied by such structural separations may become Limited Common Areas for the exclusive use of the Owner or Owners of the Units on either side thereof as provided in Section 4.03 hereof. Any balconies, porches, parking stalls, or storage facilities that are identified on the Map with the same number or other designation by which a Unit is identified shall be Limited Common Areas for the exclusive use of the Owner of the Unit bearing the same number or designation.

1.20 "Manager" shall mean the person, firm, or company, if any, designated from time to time by the Association to manage, in whole or in part, the affairs of the Association and the Project.

1.21 "Map" shall mean the Record of Survey Map for Stone Hollow Condominium, a Condominium Project, attached hereto as Exhibit "B" and incor-

porated herein by this reference and any Supplemental Maps pertaining to the Project and recorded or to be recorded in the office of the County Recorder of Salt Lake County, State of Utah.

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

1.23 "Mortgagee" shall mean (i) any persons named as the mortgagee or beneficiary under any Mortgage or Deed of Trust by which the interest of any Owner is encumbered, or (ii) any successor to the interest of such person under such Mortgage or Deed of Trust.

1.24 "Mortgage Servicer" shall mean a Mortgagee who services any Mortgage or Deed of Trust on any individual Condominium Unit in the Project in behalf of FHLMC and/or FNMA.

1.25 "Owner" shall mean the person or persons, including the Declarant, owning in fee simple a Condominium in the Project, as such ownership is shown by the records of the County Recorder of Salt Lake County, State of Utah. The term "Owner" shall not refer to any Mortgagee (unless such Mortgagee has acquired title for other than security purposes) or to any person or persons purchasing a Condominium under contract (until such contract is fully performed and legal title conveyed of record).

1.26 "Project" shall mean the land, the buildings, and all improvements submitted by this Declaration and the Map to the provisions of the Condominium Act.

1.27 "Total Votes of the Association" shall mean the total number of votes appertaining to all Condominiums in the Project, as shown in Exhibit A attached hereto.

1.28 "Unit" shall mean an individual air space unit, consisting of enclosed rooms occupying part of a building and bounded by the unfinished interior surfaces of the walls, floors, ceilings, windows, and doors along the perimeter boundaries of the air space, as said boundaries are shown on the Map, together with all fixtures and improvements therein contained. Paint and other wall, ceiling, or floor coverings on interior surfaces shall be deemed to be part of the Unit. Notwithstanding the fact that they may be within the boundaries of such air space, the following are not part of a Unit insofar as they are necessary for the support or for the use and enjoyment of another Unit: Bearing walls floors, ceilings, and roofs (except the interior surfaces thereof), foundations, ceiling equipment, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires, and other utility installations, except the outlets thereof when located within the Unit. The interior surfaces of a window or door mean the points at which such surfaces are located when the window or door is closed.

1.29 "Withdrawable Land" shall mean one or more portions of the land within the Project which may be withdrawn in accordance with the provisions of this Declaration and the Act.

ARTICLE II

SUBMISSION AND DIVISION OF PROJECT

2.01 Submission to Condominium Act. The Declarant hereby submits the Land, the buildings, and all other improvements now or hereafter made in or upon the land to the provisions of the Condominium Act. All of said property is and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and improved as a fee simple Condominium Project to be known as Stone Hollow Condominium, a Utah Condominium Project. All of said property is and shall be subject to the covenants, conditions, restrictions, uses, limitations, and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of said Project and in furtherance of a plan for improvement of said property and division thereof into Condominiums; further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit on the land and shall be binding upon the Declarant, its successors and assigns, and to any person acquiring, leasing, or owning an interest in the real property and improvements comprising of the Project, and to their respective personal representatives, heirs, successors, and assigns.

2.02 Division into Condominiums. The Project is hereby divided into Condominiums, each such Condominium consisting of a Unit and an appurtenant undivided interest in the Common Areas, as set forth in Exhibit A attached hereto.

ARTICLE III

BUILDINGS AND IMPROVEMENTS

3.01 Buildings and Improvements. The buildings and other improvements constructed or to be constructed on the land are described on the Map. The following information regarding the buildings is also contained on the Map: (i) the number of floors and basements in a building; and (ii) the number of units on each floor of a building.

3.02 Description of Units. The Map contains the unit number, location, and dimensions of each Unit in the Project and all other information necessary to identify each such Unit. Each Unit shall have at least two parking spaces which are either part of the Unit or appurtenant to it and reserved for its exclusive use as a limited common area which shall not be severed from such Unit.

3.03 Description of Common Areas. The Map contains a description of the Common Areas of the Project.

3.04 Description of Limited Common Areas. The Map contains a description of the Limited Common Areas of the Project. The Map also designates the Unit or Units to which each of the Limited Common Areas is reserved.

ARTICLE IV

NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

4.01 Interior of Units. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper, carpet, or otherwise decorate the interior surfaces of the walls, ceilings, floors, and doors forming the boundaries of his Unit and the surfaces of all walls, ceilings, floors, and doors within such boundaries. Each Owner shall also have the right to construct partition walls, fixtures, and improvements within the boundaries of his Unit; provided, however, that such partition walls, fixtures and improvements (i) shall comply with all applicable laws, ordinances, and building codes, (ii) shall not interfere with facilities necessary for the support, use, or enjoyment of any other part of the Project, (iii) shall not impair the structural soundness or integrity of the Building in which it is located, and (iv) shall not encroach upon the Common Areas or any part thereof, unless the Board of Trustees shall consent in writing to such encroachment.

4.02 Maintenance of Units. Each Owner shall keep the interior of his Unit, including without limitation, interior walls, windows, ceilings, floors, and permanent fixtures and appurtenances thereto, in a clean and sanitary condition and in a state of good repair. In the event that any such Unit shall develop an unsanitary or unclean condition or fall into a state of disrepair, and in the event that the Owner of such Unit shall fail to correct such condition or state of disrepair promptly following written notice from the Board of Trustees, the Board of Trustees in behalf of the Association shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to enter said Unit and correct or eliminate said unsanitary or unclean condition or state of disrepair; provided, however, that the Association shall in no event have the obligation to correct or eliminate any such condition or state of disrepair.

4.03 Right to Combine Units. With the written consent of the Board of Trustees, which consent shall not be unreasonably withheld, two or more Units may be utilized by the Owner or Owners thereof as if they were one Unit. To the extent permitted in the written consent of the Association, any walls, floors, or other structural separations between any two such Units, or any space which would be occupied by such structural separations but for the utilization of the two Units as one Unit, may, for as long as the two Units are utilized as one Unit, be utilized by the Owner or Owners of the adjoining Units as Limited Common Areas, except to the extent that any such structural separations are necessary or contain facilities necessary for the support, use, or enjoyment of other parts of the Project. At any time, upon the request of the Owner of one of such adjoining Units, any opening between the two units which, but for joint utilization of the two Units, would have been occupied by structural separation, shall be closed, at the equal expense of the Owner or Owners of each of the two Units and the structural separations between the two Units shall thereupon become Common Areas.

4.04 Title. Title to a Condominium within the Project may be held or owned by any person or entity, or any combination thereof, and in any manner in which title to any other real property may be held or owned in the State of Utah, including without limitation joint tenancy or tenancy in common.

4.05 Ownership of Common Areas. The undivided interest in the Common Areas appurtenant to each Unit in the Project shall be as set forth in Exhibit A attached hereto. The percentages appurtenant to each Unit as shown in said Exhibit A shall have a permanent character and shall not be altered a) except with the unanimous written consent of all Owners expressed in an amendment to this Declaration duly recorded, or b) except to the extent necessary to allow for the expansion or phasing of the project as provided in Article XVI of this Declaration and the Condominium Act. Except as otherwise provided in this Declaration, any Owner shall be entitled to nonexclusive use of the Common Areas (other than limited Common Areas) in any manner that does not hinder or encroach upon the rights of other Owners and is not contrary to any rules and regulations promulgated by the Association. Except as otherwise provided in this Declaration, any Owner shall have the exclusive right to use and enjoy any Limited Common Areas that may be designated for exclusive use by such Owner.

4.06 Inseparability. Title to no part of a Condominium within the Project may be separated from any other part thereof, and each Unit and the undivided interest in the Common Areas appurtenant to each Unit shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium. Every devise, encumbrance, conveyance, or other disposition of a Condominium, or any part thereof, shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the entire Condominium, together with all appurtenant rights created by law or by this Declaration, including appurtenant rights created by law or by this Declaration, including appurtenant Membership in the Association as hereinafter set forth.

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

4.08 Separate Mortgages by Owners. Each Owner shall have the right separately to mortgage or otherwise encumber his Condominium. No Owner shall attempt to or shall have the right to mortgage or otherwise encumber the Common Areas or any part thereof, except the undivided interest therein appurtenant to his Condominium. Any mortgage or other encumbrance of any Condominium within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure, or otherwise.

4.09 Separate Taxation. Each Condominium within the Project including each Unit and appurtenant undivided interest in the Common Areas, shall be deemed to be a parcel and shall be assessed separately for all taxes,

BOOK 5110 PAGE 789

assessments, and other charges of the State of Utah or of any political subdivision or of any special improvement district or of any other taxing or assessing authority. For purposes of such assessment, the valuation of the Common Areas shall be apportioned among the Units in proportion to the undivided interests in Common Areas appurtenant to such Units. All such taxes, assessments, and other charges on each respective Condominium shall be separately levied against the Owner thereof. No forfeiture or sale of any Condominium for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title to any other Condominium.

4.10 Mechanics Liens. No labor performed or material furnished for use in connection with any Unit with the consent or at the request of an Owner or his agent or subcontractor shall create any right to file a statement of mechanic's lien against the Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the Common Areas, except the undivided interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished.

4.11 Description of Condominium. Every contract for the sale of a Condominium and every other instrument affecting title to a Condominium within the Project may describe a Unit by its identifying number or symbol as indicated in this Declaration or as shown on the Map. Such description will be construed to describe the Unit, together with its appurtenant undivided interest in the Common Areas, and to incorporate all of the rights incident to ownership of a Condominium within the Project and all of the limitations on such ownership.

ARTICLE V

EASEMENTS

5.01 Easements for Encroachments. If any part of the Common Areas encroaches or shall hereafter encroach upon any Unit, an easement for such encroachment and for the maintenance of 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, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of the Common Areas or any part of a Unit shall hereafter encroach on real property now owned by the Declarant outside the boundaries of the land, an easement for such encroachment shall and does exist. Such encroachments shall not be considered to be encumbrances either on 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 or any improvements constructed or to be constructed within the Project, 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, in accordance with the provisions of this Declaration.

5.02 Easements for Maintenance, Cleaning and Repair. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Association shall have the irrevocable right to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, cleaning, repair or replacement of any Common Areas or for making emergency repairs at any time therein necessary to prevent damage to the Common Areas or to any Unit. In addition, agents of the Association may enter any Unit when necessary in connection with any cleaning, maintenance repair, replacement, landscaping, construction, or reconstruction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association with funds from the Common Expense Fund.

5.03 Right to Ingress, Egress, and Support. Each Owner shall have the right to ingress and egress over, upon, and across the Common Areas as necessary for access to such Owner's Unit and to any Limited Common Areas appurtenant to such Unit, and shall have the right to horizontal, vertical, and lateral support of such Unit, and such rights shall be appurtenant to and pass with title to each Condominium.

5.04 Association's Right to Use Common Areas. The Association shall have an easement to make such use of the Common Areas as may be necessary or convenient to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration, including without limitation the right to construct and maintain in the common areas (other than Limited Common Areas) facilities for use by Owners generally or by the Association and its agents exclusively.

5.05 Easement for Completion of Project. The Declarant shall have a transferable easement over and on the Common Areas for the purpose of completing construction of the Project and making improvements therein as shown on the Map and for the purpose of doing all things reasonably necessary or appropriate in connection therewith. To the extent that damage is inflicted on any part of the Project by any person utilizing said easement, the Declarant and the person causing the damage shall be liable to the Association for the prompt repair of such damage.

5.06 Easements Deemed Created. All conveyances of Condominiums within the Project hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

ARTICLE VI

RESTRICTIONS ON USE

6.01 Primary Residential Use. All Units within the Project shall be used exclusively for primary residential and for no other purpose.

6.02 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on, in or upon any part of the Project, nor shall anything be done or placed in or upon any part of the Project which is or may become a nuisance or which may cause disturbance or annoyance to Owners. No activities shall be conducted, nor improvements constructed, in or upon any part of the Project which are or may become unsafe or hazardous to any person or property.

6.03 Restrictions on Signs. No signs, flags, or advertising devices of any nature, including without limitation, commercial, political, informational, or directional signs or devices, shall be erected or maintained on any part of the Project, without the prior inspection and written approval of the Board of Trustees, except as may be necessary temporarily to caution or warn of danger. If the Association consents to the erection of any such signs or devices, the same shall be removed promptly at the request of the Association.

6.04 Pets and Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept in any unit or in the Common Areas except that household pets may be kept or housed in units when expressly permitted in writing by the Board of Trustees. Each owner who desires to keep a pet in his unit shall apply in writing to the Board of Trustees for permission to keep such pet. In no event shall any pet be permitted in any portions of the Common Areas unless carried or on a leash. Each owner who keeps a pet in a unit shall indemnify and hold all other owners harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having such pet in the Project. If a pet disturbs other owners by barking or biting or in other ways becoming obnoxious, the Board of Trustees will give notice to the owner of such pet to cause such annoyance to be discontinued; and if such annoyance is not discontinued and corrected, the Board of Trustees may revoke its permission to keep the pet in the Project and the pet shall be removed therefrom.

6.05 No Alterations. No Owner shall, without the prior written consent of the Board of Trustees in each specific instance, make or cause to be made any alteration, addition, removal, or improvement in or to the Common Areas or any part thereof, or do any act that would impair the structural soundness or integrity of the Buildings or other improvements, or jeopardize the safety of persons or property or impair any easement or hereditament appurtenant to the Project; provided that the Owners shall have the right to landscape the Limited Common Areas appurtenant to their respective units without obtaining in each specific instance the prior written consent of the Board of Trustees so long as any landscaping undertaken in such Limited Common Areas is completed in a timely fashion, does not create a harmful or unsafe condition, and does not result in an increase in the cost of insurance on the Common Areas of the Project.

6.06 No Obstructions. No Owner shall obstruct the Common Areas or any part thereof. No Owner shall store or cause to be stored in the Common Areas any property whatsoever, unless the Board of Trustees shall consent thereto in writing.

6.07 No Overloading. No Owner shall bring anything into his Unit or permit anything to be done in his Unit that will cause damage to the Building. No Owner shall overload the floor of his Unit. No Owner shall permit the use or operation in his Unit of any equipment, machinery, or other apparatus that will in any manner injure, vibrate, or shake the Building or portions thereof.

6.08 Prohibition of Damage and Certain Activities. Except with the prior written consent of the Board of Trustees, nothing shall be done or kept in any Unit, in the Common Areas, or in any other part of the Project that would result in cancellation of the insurance on the Project or any part thereof, nor shall anything be done or kept in any Unit that would increase the rate of insurance on the Project or any part thereof over that which the Association, but for such activity, would pay. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental authority. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or guest of any Owner, and each Owner shall indemnify and hold harmless the Association and the other Owners from and against all loss resulting from any such damage or waste caused by such Owner or by the guests, tenants, licensees, or invitees of such Owner.

6.09 No Commercial Business. No commercial business shall be permitted within the Project.

6.10 No Lease for Transient or Hotel Purposes. With the exception of a lender in possession of a condominium unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no unit owner shall be permitted to lease his unit for transient or hotel purposes. No Unit owner shall lease less than the entire unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, the Articles, and the Bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

6.11 Rules and Regulations. Each Owner shall comply strictly with all rules and regulations adopted by the Association for the governance of the Units, the Common Areas, and the Project, as such rules and regulations may be modified, amended, and construed by the Association in the sole discretion of its Board of Trustees.

6.12 Construction Period Exemption. During the course of actual construction of any permitted structures or improvements within the Project, the provisions, covenants, conditions, and restrictions contained in this Declaration shall be deemed waived to the extent necessary or convenient to permit such construction; provided, however, that during the course of such construction, nothing shall be done which will result in a violation of any said provisions, covenants, conditions, or restrictions upon completion of the construction.

ARTICLE VII

THE ASSOCIATION

7.01 Membership. Each Owner shall be entitled and required to be a Member of the Association; Membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Condominium is held by more than one person, the Membership appurtenant to that Condominium shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Condominium is held. An Owner shall be entitled to one Membership for each Condominium owned by him. Each Membership shall be appurtenant to the Condominium to which it relates and shall be transferred automatically by conveyance of that Condominium. Ownership of a Condominium within the Project cannot be separated from Membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance, or other disposition, respectively, of the Owner's Membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association, and Membership in the Association may not be transferred except in connection with the transfer of a condominium.

7.02 Board of Trustees. Until such time as the responsibility for electing the Trustees of the Association is turned over to the Owners in accordance with Utah law, the Declarant shall have the exclusive right to appoint and to remove all such trustees. This exclusive right shall terminate after the first to occur of the following:

(a) Six years from the date on which this Declaration is recorded,
or

(b) After units to which three-fourths (3/4) of the undivided interest in the common areas and facilities appertain have been conveyed or, after all additional land has been added to the Project or all Convertible Space has been converted, whichever last occurs.

7.03 Votes. The number of votes appurtenant to each respective condominium shall be as set forth in Exhibit A. The number of votes appurtenant to each Condominium as set forth in said Exhibit A shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in a duly recorded amendment to this Declaration.

7.04 Amplification. The provisions of this Article VII may be amplified by the Articles of Incorporation and Bylaws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration. The initial Bylaws of the Association shall be in the form of Exhibit D.

ARTICLE VIII

CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION AND BOARD OF TRUSTEES

8.01 The Common Areas. The Board of Trustees, acting on behalf of the Association and, subject to the rights and duties of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including the Common Facilities), and shall keep the same in a good, clean, attractive, safe, and sanitary condition, order, and repair; provided, however, that unless otherwise stated herein, each Owner shall keep the Limited Common Areas designated for use in connection with his Unit, if any, in a clean, sanitary, and attractive condition. The Association shall be responsible for the maintenance and repair of the exterior of the Buildings, other improvements and grounds, including without limitation painting thereof, repair and replacement of exterior trim, roofs and fences, and maintenance of landscaping, walkways, driveways, and parking areas (except that the Owners shall, at their own expense, be responsible for the maintenance, upkeep and replacement of all landscaping located in the Limited Common Areas appurtenant to their respective units). In the event that an Owner fails to adequately maintain, care for, and replace the landscaping located in the Limited Common Areas appurtenant to his Unit, the Board of Trustees shall have the right to cause such maintenance, upkeep and replacement of the landscaping to be done and to charge the cost thereof to such Owner. The Board of Trustees shall also be responsible for maintenance, repair, and replacement of Common Areas within the Buildings, including without limitation landings, stairways, utility lines, Common Facilities, and all improvements and other items located within or used in connection with the Common Areas. The specification of duties of the Board of Trustees with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas. All goods and services procured by the Board of Trustees in performing its responsibilities under this Section shall be paid for with funds from the Common Expense Fund.

8.02 Manager. Except as provided in Section 14.01(c), the Board of Trustees shall retain at all times the services of an experienced, professional Manager to manage the Project. Appropriate fidelity bond coverage shall be required for any employee of the Manager who handles funds of the Association. The Board of Trustees may by written contract delegate in whole or in part to a Manager such of the duties, responsibilities, functions, and powers hereunder of the Board of Trustees as are delegable. The services of any Manager retained by the Board of Trustees shall be paid for with funds from the Common Expense Fund. Any management agreement or contract providing for services of Declarant for the Project will be terminable by the Board of Trustees for cause upon thirty (30) days written notice thereof, and such agreement may be terminated by either party without cause and without payment of a termination fee on ninety (90) days written notice. The term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods.

8.03 Miscellaneous Goods and Services. The Board of Trustees may, in behalf of the Association, obtain and pay for the services of such personnel as the Board of Trustees shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Board of Trustees may, in behalf of the Association, 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. In addition to the foregoing, the Board of Trustees may, in behalf of the Association, acquire and pay for out of the Common Expense Fund water, sewer, garbage collection, electrical, gas, and other necessary or desirable utility services for the Common Areas (and for the Units to the extent not separately metered or billed), insurance, bonds, and other goods and services common to the units.

8.04 Real and Personal Property. The Board of Trustees may acquire and hold on behalf of the Association real, personal, and mixed property of all types for the use or benefit of all of the Owners and may dispose of such property by sale or otherwise; provided that any acquisition or disposition of any real, personal or mixed property by the Board of Trustees wherein the value of such property exceeds \$5,000 must be approved by a vote of at least fifty-one percent (51%) of the Total Votes of the Association at a meeting duly called for that purpose. All such property, including Common Facilities, shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall be part of such fund.

8.05 Rules and Regulations. The Board of Trustees may make reasonable rules and regulations governing the use of the Units, the Common Areas, the Limited Common Areas, and all parts of the Project, which rules and regulations shall be consistent with the rights and duties established by this Declaration. The Board of Trustees in behalf of the Association may take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations of such Owner arising hereunder, or to obtain damages for noncompliance therewith, as permitted by law. In the event of such judicial action, the Association shall be entitled to recover its costs, including reasonable attorneys' fees, from the offending Owner.

8.06 Granting Easements. The Board of Trustees may, without the vote or consent of the Owners or of any other person, grant or create, on such terms as it deems advisable, utility and similar easements and rights-of-way over, under, across, and through the Common Areas.

8.07 Statutory Duties and Powers. All duties, responsibilities, rights, and powers imposed upon or granted to the "management committee" or to the "manager" under the Condominium Act shall be duties, responsibilities, rights, and powers of the Board of Trustees hereunder.

8.08 Implied Rights. The Association may exercise any right, power, or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE IX

ASSESSMENTS

9.01 Agreement to Pay Assessments. The Declarant, for each Condominium owned by it within the Project, and for and as the owner of the Project and every part thereof, hereby covenants and each Owner of any Condominium by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association to pay to the Association all assessments made by the Association for the purposes provided in this Declaration. Such assessments shall be fixed, established, and collected from time to time as provided in this Article IX.

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

(a) Common Expense. Annual Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with maintenance and operation of the Common Areas and/or furnishing utility services and other common items to the Units. Such estimated expenses may include, among other things, the following: Expenses of management; real property taxes and special assessments (unless and until the Condominiums are separately assessed); premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs and maintenance; wages for Association employees, including fees for a Manager (if any); utility charges, including charges for utility services to the Units to the extent not separately metered or billed; legal and accounting fees; any deficit remaining from a previous period; creation of an adequate contingency reserve, major maintenance reserve, and/or sinking fund; creation of an adequate reserve fund for maintenance repairs, and replacement of those Common Areas and Facilities that must be replaced on a periodic basis, and such reserve shall be funded by monthly payments rather than extraordinary special assessments; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration. Such shall constitute the Common Expense, and all funds received from assessments under this Section 9.02 shall be part of the Common Expense Fund.

(b) Apportionment. Expenses attributable to the Common Expense or to the Project as a whole shall be apportioned among and assessed to all Owners in proportion to their respective undivided interests in the Common Areas. The Declarant shall be liable for the amount of any assessments against Condominiums owned by it.

(c) Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year beginning January 1 and ending December 31 next following; provided the first fiscal year shall begin on the date of

this Declaration and on or before December 15 of each year thereafter, the Board of Trustees shall prepare and furnish to each Owner, or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated expenses of Common Expense for such fiscal year, anticipated receipts (if any), and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as the major guideline under which the Project shall be operated during such annual period. Such budgets shall be unnecessary for Annual Assessments relative to, or for operation of the Project during, any operating period ending before January 1, 1981.

(d) Notice and Payment. Except with respect to the first fiscal year, the Board of Trustees shall notify each Owner as to the amount of the Annual Assessment against his 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; provided, however, the Annual Assessment for the first fiscal year shall be based upon such portion of the first fiscal year and shall be payable in such installments and at such times as the Association, in the sole discretion of its Board of Trustees, may determine. All unpaid installments of any Annual Assessment shall bear interest at the rate of fifteen percent (15%) 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 this 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 this Declaration.

(e) Inadequate Funds. In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including non-payment 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 Section 9.03 below, except that the vote therein specified shall be unnecessary.

9.03 Special Assessments. In addition to the Annual Assessments authorized by this Article, the Board of Trustees may, on behalf of the Association, levy, at any time and from time to time, upon affirmative vote of at least fifty-one percent (51%) of the Total Votes of the Association, Special Assessments, 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 this Declaration (including without limitation Common Expenses). This Section 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 Sections or Articles hereof. Any amounts assessed pursuant hereto shall be assessed to owners in proportion to their respective undivided interests in the Common Areas. 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 fifteen percent (15%) 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. All funds received from assessments under this Section shall be part of the Common Expense Fund.

9.04 Lien for Assessments. All sums assessed to Owners of any Condominium within the Project pursuant to the provisions of this Article IX, together with penalties and interest thereon as provided herein, shall be secured by a lien on such Condominium in favor of the Association. To evidence a lien for sums assessed pursuant to this Article IX, the Board of Trustees may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Condominium, and a description of the Condominium. Such a notice shall be signed and acknowledged by a duly authorized officer of the Association and may be recorded in the office of the County Recorder of Salt Lake County, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by sale or foreclosure conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law by the Association in the same manner in which mortgages on real property may be foreclosed under the laws of the State of Utah. In any such 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 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.

9.05 Personal Obligation of Owner. The amount of any Annual or Special 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

BOOK 5110 PAGE 799

any of the Common Areas or by abandonment of his Condominium or by waiving any services or amenities provided for in this 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.

9.06 Statement of Account. Upon payment of a reasonable fee not to exceed \$10.00 and upon written request of any Owner, Mortgagee, or prospective purchaser of a Condominium, the Board of Trustees shall issue a written statement setting forth the following: The amount of the unpaid assessments, if any, with respect to such Condominium; the amount of the current Annual Assessment and the date or dates upon which installments thereof become due; credit for advanced payments or prepaid items, including without limitation the Owner's share of prepaid insurance premiums. Such statements shall be conclusive upon the Association in favor of persons who rely thereon in good faith. In the event that the Board of Trustees fails upon written request to issue such a written statement, any unpaid assessments with respect to such Condominium which became due prior to the written receipt of such written request by the Board of Trustees shall become subordinate to a lien held by the person or entity requesting such statement.

9.07 Personal Liability of Purchaser. Subject to the provisions of Section 9.06, a purchaser of a Condominium shall be jointly and severally liable with the seller thereof for all unpaid assessments against such Condominium up to the time of the grant or conveyance; provided, however, that the provisions of this Section shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

9.08 Amendment of Article. This Article IX shall not be amended unless the Owners of all Condominiums in the Project unanimously consent and agree to such amendment in a duly recorded instrument.

ARTICLE X

INSURANCE

10.01 Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following types of insurance coverage, provided by companies licensed to do business in the State of Utah:

(a) Master Property Insurance. The Association shall obtain and maintain a "master" or "blanket" multi-peril policy of property insurance equal to a full replacement value (i.e., 100% of current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage) of the Project (including all building service equipment and the like and any fixtures or equipment within the condominium unit which are financed under the mortgage) with an Agreed Amount Endorsement or its equivalent, if available, or an Inflation Guard Endorsement and, if required by FNMA or FHLMC, Demolition and Contingent Liability From Operation of Building Laws Endorsements, an Increased Cost

of Construction Endorsement, an Earthquake Damage Endorsement, and other endorsements as necessary. Such insurance shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage; and such other risks as are customarily covered in similar projects or as are commonly required by private institutional mortgage investors for projects similar in construction, location and use. All policies or property insurance shall provide that, despite any provisions giving the insurance carrier the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any Insurance Trustee) or when in conflict with the provisions of any Insurance Trust Agreement to which the Association may be a party, or any requirement by law. Any blanket policy of property insurance shall contain or have attached a standard mortgagee clause (without contribution) customarily used in the area in which the Project is located which must be endorsed to provide that any proceeds shall be paid to the Stone Hollow Condominium Owners Association for the use and benefit of first mortgagees as their interests may appear and naming the Mortgage Servicer, its successors and assigns as the first mortgagee.

(b) Public Liability Insurance. The Association shall obtain and maintain a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities, commercial spaces and public ways (if any) in the Project, with a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of a condominium unit owner because of the negligent acts of the Association or another condominium unit owner, with limits acceptable to FNMA and FHLMC (not less than \$1,000,000 covering all claims for personal injury and/or property damage arising out of a single occurrence), including protection against water damage liability, liability for non-owned and hired automobile, liability for property of others, and such other risks as are customarily covered in similar projects. The scope of coverage also includes all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use.

(c) Workmen's Compensation Insurance. The Association shall obtain and maintain workmen's compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

(d) Fidelity Insurance or Bond. The Association shall obtain and maintain adequate fidelity coverage to protect against dishonest acts by its officers, members of the Board of Trustees, and employees and all others who are responsible for handling funds of the Association. Such fidelity bonds shall meet the following requirements:

- (i) all shall name the Association as an obligee;

(ii) all shall be written in an amount equal to at least 150% of the estimated annual operating expenses and reserves of the Project, including reserves, unless a greater amount is required by FNMA;

(iii) all shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression, or shall contain an appropriate endorsement to the policy to cover any persons who serve without compensation if the policy would not otherwise cover volunteers;

(iv) all shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to the Mortgage Servicer on behalf of FNMA.

(e) Flood Insurance. The Project is not located in an area identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. In the event that at some future time the Project should be declared to be in such a flood area, the Association shall at that time obtain and maintain at all times a blanket policy of flood insurance that meets the then existing FHLMC/FNMA flood insurance requirements for similar condominium projects. Such policy shall contain the standard mortgagee clause customarily used in the area in which the Project is located and provided that any proceeds shall be paid to the Stone Hollow Condominium Owners Association for the use and benefit of mortgagees as their interest may appear.

(f) Notwithstanding any other provisions contained herein to the contrary, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium development projects established by Federal National Mortgage Association and Government National Mortgage Association, so long as either is a mortgagee or owner of a Condominium within the Project, except to the extent such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association.

10.02 Insurance Policy Requirements. The Master Multi-Peril Property, Public Liability and Flood Insurance policies obtained by the Association pursuant to Section 10.01 (a), (b), (c) and (e) shall be subject to the following:

(a) the named insured under any such policies shall be the Association, as a trustee for the unit owners, or its authorized representative, including any trustee with which such Association may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be referred to as the "Insurance Trustee" who shall have exclusive authority to negotiate losses under these policies; and

(b) insurance coverage obtained and maintained pursuant to the requirement of Section 10.01 (a) and (b) shall not be brought into contribution with insurance purchased by the unit owners or their mortgagees;

(c) coverage must not be prejudiced by (i) an act or neglect of the unit owners when such act or neglect is not within the control of the Association or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no control;

(d) coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to any and all insured, including the Mortgage Servicers on behalf of FNMA; and

(e) all policies must contain a waiver of subrogation by the insurer as to any and all claims against the Association, the owner of any condominium unit and/or their respective agents, employees or tenants, and of any defenses based on co-insurance or on invalidity arising from the acts of the insured.

(f) each hazard insurance policy shall be written by a hazard insurance carrier which has a financial rating by Best's Insurance Reports of Class VI or better.

(g) policies shall be deemed unacceptable where (i) under the terms of the carrier's charter, bylaws or policy, contributions or assessments may be made against a Condominium Unit Owner, his first mortgager or any first mortgager's designee or such designee's designee; of (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 a Condominium Unit Owner, his first mortgagee or any first mortgagee's designee or such designee's designee from collecting insurance proceeds.

(h) all policies of hazard insurance shall 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 shall provide that the insurance carrier shall notify the Mortgage Servicer at the Mortgage Servicer's address at least 10 days in advance of the effective date of any reduction in or cancellation of the policy.

10.03 Custody of Insurance Policies. The Board of Trustees shall provide the Mortgage Servicer with a copy of the "master" or "blanket" policy of Multi-Peril property insurance, including copies of endorsements to such policy as required by FHLMC or FNMA, and where applicable, a copy of any flood insurance policy, a copy of the comprehensive policy of public liability insurance, an appropriate certificate or memorandum of insurance as to

BOOK 5110 PAGE 803

each unit in the Project which is the subject of a mortgage being serviced for FHLMC or FNMA and all other insurance drafts, policies, notices, invoices and other similar documents.

10.04 Notice of Loss. The Association shall notify the Mortgage Servicer at Servicer's address whenever (a) damage to a unit covered by a mortgage owned by FNMA or FHLMC exceeds \$1,000, and/or (b) damage to common areas and related facilities exceeds \$10,000.

10.05 Additional Coverage. The provisions of this 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 this Declaration, in such amounts and in such forms as the Association may deem appropriate from time to time.

10.06 Owner's Own Insurance. Each Owner, at his own expense, may procure and maintain at all times fire and extended coverage insurance covering personal property of such owner and additional fixtures and improvements added by such owner against loss by fire and other casualties, including without limitation vandalism and malicious mischief. All policies providing such casualty insurance shall provide that they do not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Article. Notwithstanding the provisions hereof, each Owner may obtain insurance at his own expense providing such other coverage upon his Condominium, his personal property, for his personal liability, and covering such other risks as he may deem appropriate; provided that each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Article. If obtainable under industry practice without an unreasonable additional charge for such waiver, all such insurance shall contain a waiver of the insurance company's right of subrogation against the Association, the Declarant, the Manager, other Owners, and their respective servants, agents and guests.

10.07 Review of Insurance. The Association 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 XI

DAMAGE OR DESTRUCTION

11.01 Association as Attorney in Fact. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in fact in their name, place, and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any

grantee of a deed from the Declarant or from any Owner shall constitute an appointment by said grantee of the Association as his attorney in fact as herein provided. As attorney in fact, the Association shall have full and complete authorization, right and power to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted.

11.02. Definition of Repair and Reconstruction. Repair and reconstruction of the improvements as used herein means restoring the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as before.

11.03. Procedures. In the event any part of the Project is damaged or destroyed, the Association shall proceed as follows:

(a) Notice to First Mortgage Holders. The Association shall give timely written notice to any institutional holder of any first mortgage on a unit in the event of substantial damage to or destruction of any unit or any part of the Common Areas.

(b) Estimate of Costs. As soon as practicable after an event causing damage to or destruction of any part of the Project, the Association shall obtain complete and reliable estimates of the costs to repair and reconstruct that part of the Project damaged or destroyed.

(c) Sufficient Insurance. If the proceeds of the insurance maintained by the Association exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, such repair and reconstruction shall be carried out.

(d) Insufficient Insurance--Less than 75% Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if less than seventy-five percent (75%) of the Project is damaged or destroyed, such repair and reconstruction shall nevertheless be carried out. The Association shall levy a Special Assessment sufficient to provide funds to pay the actual costs of such repair and reconstruction to the extent that such insurance proceeds are insufficient to pay such costs. Such Special Assessment shall be allocated and collected as provided in Section 9.03 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

(e) Insufficient Insurance--75% or More Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if seventy-five percent (75%) or more of the Project is damaged or destroyed, such damage or destruction shall be repaired and reconstructed as provided in Section 11.03(c) hereof if, but only if, within one hundred (100) days following the damage or destruction, the Owners shall elect by a vote of at least seventy-five percent (75%) of the Total Votes of the Association to carry out such repair and reconstruction. If, however, the Owners shall not, within one hundred (100) days after such damage or destruction, elect by a vote of at least seventy-five percent (75%) of the Total Votes of the Association to carry out such repair and reconstruction, the Association shall record in the office of the County Recorder of Salt Lake County, State of Utah, a notice setting forth such facts. Upon the recording of such notice, the following shall occur:

(i) The Project shall be deemed to be owned in common by the Owners;

(ii) The undivided interest in the Project owned in common which shall appertain to each Owner shall be the percentage of the undivided interest previously owned by such Owner in the Common Areas;

(iii) Any liens affecting any of the Condominiums shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest of the respective Owner in the Project; and

(iv) The Project shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance of the Project, if any, shall be considered as one fund and shall be divided among all Owners in a percentage equal to the percentage of undivided interest owned by each respective Owner in the Common Areas, as set forth in Exhibit A hereto, after first paying out of the respective share of each Owner, to the extent sufficient for the purposes, all liens on the undivided interest in the Project owned by such Owner.

(f) In no event shall an owner of a unit or any other party have priority over the institutional holder of any first mortgage on such unit with respect to the distribution to such unit of any insurance proceeds.

11.04 Repair or Reconstruction. If the damage or destruction is to be repaired and reconstructed as provided above, the Association shall, as soon as practicable after receiving the said estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or

appropriate action to effect repair and reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The Project shall be restored or repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having the same vertical and horizontal boundaries as before.

11.05 Disbursement of Funds for Repair and Reconstruction. If repair or reconstruction is to occur, the insurance proceeds held by the Association and any amounts received from assessments made pursuant to Sections 11.03(c) and (d) hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair and reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to their respective percentages of Ownership of the Common Areas.

11.06 Amendment of Article. This Article XI shall not be amended unless the Owners of all Condominiums in the Project unanimously consent and agree to such amendment by duly executed and recorded instruments.

ARTICLE XII

CONDEMNATION

12.01 Condemnation. If at any time or times all or any part of the Project shall be taken or condemned by any public authority under power of eminent domain, the provisions of this Article shall apply. A voluntary sale or conveyance of all or any part of the Project in lieu of condemnation, but under threat of condemnation, shall be deemed to be a taking by power of eminent domain. If any unit or portion thereof or the common areas and facilities 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 Board of Trustees shall give prompt written notice of any such proceeding or proposed acquisition to each unit owner in the Project and to any Institutional Holder of any first mortgage on a unit in the Project.

12.02. Proceeds. All compensation, damages, and other proceeds from any such taking by power of eminent domain (hereinafter the "condemnation award") shall be made payable to the Association and shall be distributed by the Board of Trustees, on behalf of the Association as herein provided.

12.03 Complete Taking. In the event the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall terminate and the condemnation award shall be allocated among and distributed to the Owners in proportion to their respective undivided interests in the Common Areas. Such distribution shall be made by check payable jointly to the respective Owners and their respective Mortgagees, as appropriate.

12.04 Partial Taking. In the event less than the entire Project is taken by power of eminent domain, the following shall occur:

(a) Allocation of Award. As soon as practicable, the Board of Trustees shall, on behalf of the Association, reasonably and in good faith, apportion the condemnation award between compensation, severance damages, or other proceeds, and shall allocate such apportioned amounts and pay the same to the Owners as follows:

(i) The total amount apportioned to taking of or injury to the Common Areas shall be allocated among and distributed to all Owners (including Owners whose entire Units have been taken) in proportion to their respective undivided interests in the Common Areas;

(ii) The total amount apportioned to severance damages shall be allocated among and distributed to the Owners of those Condominiums that have not been taken, in proportion to their respective undivided interests in the Common Areas;

(iii) The respective amounts apportioned to the taking of or injury to a particular Unit shall be allocated and distributed to the Owner of such Unit;

(iv) The total amount apportioned to consequential damages and any other takings or injuries shall be allocated and distributed as the Association determines to be equitable under the circumstances;

(v) If apportionment or allocation is already established by negotiation, judicial decree, statute, or otherwise, the Association shall employ such apportionment and allocation to the extent it is relevant and applicable;

(vi) Distribution of allocated proceeds shall be made by check payable jointly to individual Owners and their respective Mortgagees, as appropriate; and

(vii) No provision of this Article XII or any other provisions in this Declaration, the Articles, or the Bylaws shall entitle the owner of a unit or other party to priority over any Institutional Holder of any first mortgage on such unit with respect to the distribution to such unit of the proceeds of any award, settlement, or proceeds from any eminent domain or condemnation proceeding.

(b) Continuation and Reorganization. If less than the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall not terminate, but shall continue. In such event the Project shall be reorganized as follows:

BOOK 5110 PAGE 8C8

(i) If any partial taking results in the taking of an entire Unit, then the Owner thereof shall cease to be a Member of the Association and all voting rights and the undivided interest in the Common Areas appertaining to such Unit shall be reallocated to, and shall appertain to, the remaining Units in proportion to their respective undivided interests in the Common Areas.

(ii) If any partial taking results in the taking of a portion of a Unit and if no determination is made by the Board of Trustees that such taking makes it impractical to use the remaining portion of such Unit for any lawful purpose permitted by this Declaration, then the fair market value of such remaining portion of the Unit shall be determined by the Board of Trustees and all voting rights and the undivided interest in the Common Areas appertaining to such Unit shall be reduced in proportion to the diminution in fair market value of such Unit resulting from the taking. The voting rights and undivided interest in the Common Areas so divested from such Unit shall be reallocated to, and shall appertain to, such Unit and the other Units in the Project in proportion to their respective undivided interests in the Common Areas; provided, however, that such Unit shall participate in such reallocation on the basis of the undivided interest reduced in accordance with the preceding sentence.

(iii) If any partial taking results in the taking of a portion of a Unit and if there is a determination made by the Board of Trustees that such taking makes it impractical to use the remaining portion of such Unit for any lawful purpose permitted by this Declaration, then all voting rights and the entire undivided interest in the Common Areas appertaining to such Unit shall be reallocated to, and shall appertain to, the remaining Units in proportion to their respective undivided interests in the Common Areas, and the remaining portion of such Unit shall thenceforth be part of the Common Area.

(iv) The Board of Trustees shall have the duty and authority to make all determinations and to take all actions necessary or appropriate to effectuate reorganization of the Project under the provisions of this Section 12.04(b); provided, however, that if any such determination shall have been or such action taken by judicial decree, the Board of Trustees shall defer thereto and proceed in accordance therewith.

(c) Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by its provisions specified in Article XI hereof for cases of Damage or Destruction; provided, however, that the provisions of said Article dealing with sufficiency or insufficiency of insurance proceeds shall not be applicable.

BOOK 5110 PAGE 809

ARTICLE XIII

OBSOLESCENCE

13.01 Adoption of Plan. Subject to the provisions of Section XIV hereof, Owners holding seventy-five percent (75%) or more of the Total Votes of the Association may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction of the Project. Written notice of adoption of such a plan shall be given to all Owners and Institutional Holders.

13.02 Payment for Renewal and Reconstruction. The Association shall levy a Special Assessment sufficient to provide funds to pay the estimated expenses of renewal or reconstruction. Such Special Assessment shall be allocated and collected as provided in Section 9.03 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected prove insufficient to pay the actual expenses of such renewal or reconstruction. In the event amounts collected pursuant hereto are in excess of the amounts required for renewal or reconstruction, such excess shall be distributed to the Owners in proportion to their respective percentages of ownership of the Common Areas.

13.03 Sale of Project. Subject to the provisions of Section XIV hereof, the Owners may at any time, by an affirmative vote of at least seventy-five percent (75%) of the Total Votes of the Association, at a special meeting of the Members of the Association duly called for such purpose, elect to sell or otherwise dispose of the Project. In such event, the Board of Trustees shall forthwith record in the office of the County Recorder of Salt Lake County, State of Utah, a notice setting forth such facts, and upon the recording of such notice by the Board of Trustees, the Project shall be sold or otherwise disposed of by the Board of Trustees as attorney in fact for all of the Owners. Such action shall be binding upon all Owners and each Owner shall have the duty to execute and deliver such instruments and to perform all acts in such manner and form as may be necessary or appropriate to effect such sale or other disposition of the Project. The proceeds of such sale or disposition shall be apportioned among the Owners in proportion to their respective undivided interests in the Common Areas, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium. Each such account shall remain in the name of the Association, and shall be further identified by the Condominium designation and the name of the Owner. The Board of Trustees, as attorney in fact, shall use and disburse the total amount of each such account, without contribution from one account to another, first to the payment of valid tax and special assessment liens on the Condominium in favor of any governmental assessing authority, second to the payment of any Institutional Holder of a first mortgage lien on the Condominium, third to the payment of assessments made pursuant to this Declaration, fourth to the payment of other holders of liens or encumbrances on the Condominium in the order of priority of their liens, and the balance remaining, if any, to the respective Owner.

13.04 Amendment of Article. This Article XIII shall not be amended unless the Owners of seventy-five percent (75%) of the Condominiums in the Project and at least seventy-five percent (75%) of all Institutional Holders which have a first mortgage lien on any unit in the Project, based on one vote for each mortgage, unanimously consent and agree to such amendment by duly executed and recorded instruments.

ARTICLE XIV
MORTGAGE PROTECTION

14.01 Matters Requiring Prior Mortgage Holder Approval. Unless all First Mortgagees (including Institutional Holders) which hold first mortgage liens on Condominium Units in the Project (based upon one vote for each First Mortgage Owned) have given their prior written approval, neither the Association nor the Owners shall be entitled to:

(a) Abandon or terminate the Project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(b) Cause any amendment to be made to the Declaration, the Articles, or the Bylaws, which would change the percentage interests of the Owners in the Project except to the extent necessary to allow for the expansion or phasing of the Project as provided in Article XVI of the Declaration and the Condominium Act; and

(c) Terminate professional management and assume self-management of the Project so long as FNMA is a Mortgagee or Owner of a Condominium within the Project.

(d) Partition or subdivide any Condominium Unit;

(e) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas and Common Facilities of the Project; or

14.02 Matters That May Require Prior Mortgage Holder Approval. Unless at least two-thirds (2/3) of the First Mortgagees (based upon one vote for each First Mortgage owned), or, (subject to the provisions of Section 17.11 hereof and the Condominium Act) at least two-thirds (2/3) of the Owners (other than Declarant) of the individual Condominium Units have given their prior written approval, the Association shall not be entitled to use hazard insurance proceeds for losses to any Condominium property (whether to the Condominium Units, or to the Common Areas or Common Facilities) for other than repair, replacement or reconstruction of such condominium property, except as

provided by the Condominium Act In case of substantial loss to the Condominium Units and/or Common Areas or Common Facilities of the Project.

14.03 Prior Liens Relate Only to Individual Units. All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual condominium units and not to the Project as a whole.

14.04 Subordination of Common Expense Lien. Any lien which the Association may have on any unit in the Project for the payment of common expense assessments attributable to such unit shall be subordinate to the lien or equivalent security interest of any first mortgage on the unit recorded prior to the date on which any such common expense assessments became due.

14.05 Information Made Available to Mortgage Holder Upon Request. Any Institutional Holder of a first mortgage on a unit in the Project shall, upon request, be entitled to: (a) inspect the books and records of the Association during normal business hours; and (b) receive an annual audited financial statement of the Association within 90 days following the end of any fiscal year of the Project; and (c) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

14.06 Priority of Mortgage Holder in Event of Damage. In the event of substantial damage to or destruction of any unit or any part of the common areas and facilities, the Holder of any first mortgage on a unit shall be entitled to timely written notice of any such damage or destruction and no provision of the Declaration, Articles, or Bylaws or any amendment thereto shall entitle the owner of a unit or other party to priority over such holder with respect to the distribution to such unit of any insurance proceeds.

14.07 Priority of Mortgage Holder in Event of Condemnation. If any unit or portion thereof or the common areas and facilities 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, then the Holder of any first mortgage on a unit shall be entitled to timely written notice of any such proceeding or proposed acquisition and no provision of the Declaration, Articles, or Bylaws or any amendment thereto, shall entitle the Owner of a unit or other party to priority over such holder with respect to the distribution to such unit of the proceeds of any award or settlement.

14.08 Mortgage Holder Rights in Event of Foreclosure. Each Holder of a first mortgage lien on a unit who comes into possession of the unit by the virtue of mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the unit free of any claims for unpaid assessments and charges against the unit which accrue prior to the time such holder comes into possession of the unit, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units in the Project, including the mortgage unit.

14.09 Notice to First Mortgage Holders. The Association shall give Institutional Holders of first mortgages prompt notice of any default in the unit mortgagor's obligations under the condominium documents not cured within thirty (30) days of default.

14.10 No Right of First Refusal. No "right of first refusal" shall be included in or added by amendment to the Declaration, article or bylaws.

14.11 Amendment. No provision of this Article XIV shall be amended without the prior written consent of at least seventy-five percent (75%) of all First Mortgagees (including all Institutional Holders which have a first mortgage on any Condominium Unit in the Project), based on one vote for each mortgage.

ARTICLE XV
COMPLIANCE WITH DECLARATION AND BYLAWS

15.01 Compliance. Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, rules and regulations promulgated by the Association, and the decisions and resolutions of the Association adopted pursuant thereto, as the same may lawfully be modified and amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or for injunctive relief or for both, maintainable by the Association or, in a proper case, by an aggrieved Owner.

15.02 Enforcement and Remedies. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration, or in any Supplemental or Amended Declaration, with respect to the Association or Condominiums within the Project shall be enforceable by the Declarant or by any Owner or a Condominium within the Project, subject to this Declaration, by a proceeding for a prohibitive or mandatory injunction. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration, or in any Supplemental or Amended Declaration, with respect to a person or entity or property of a person or entity other than the Association or the Declarant shall be enforceable by the Declarant or by the Association or, in a proper case, by an aggrieved Owner by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages or to recover any amount due or unpaid.

ARTICLE XVI
EXPANDABLE CONDOMINIUM

16.01 Reservation of Right to Expand. The Declarant hereof expressly reserves the option and right to expand the Stone Hollow Condominium pursuant to Section 57-8-13.6 of the Condominium Act and subject to the provisions of this Article:

(a) Consent of Owners Not Required. The consent of the unit owners in the Project shall not be required for such expansion and the Declarant may proceed with such expansion at its sole option;

(b) Preparation and Recording of Supplemental Map and Amendment. Prior to adding all or any portion of the Additional Land to the Project, the Declarant shall:

(i) record, with regard to the Additional Land or any portion thereof that is being added to the Project, a supplemental record of survey map (the "Supplemental Map") which shall describe the land added to the Project and comply in all respects with Section 57-8-13.6 of the Act. Each such Supplemental Map shall be certified as to its accuracy and compliance with the requirements of Section 57-8-13.6 of the Act by the land surveyor who prepared or supervised the preparation thereof; and

(ii) prepare, execute and record simultaneously with each Supplemental Map an amendment to the Declaration (the "Amendment") which shall contain a legal description by metes and bounds of the land added to the Project and shall reallocate individual interests in the Common Areas so that the Units created in the land added to the Project shall be allocated undivided interests in the Common Areas on the same basis as Units initially constructed in the Project. Each such Amendment shall assign an identifying number to each Unit, if any, formed out of the land added to the Project. Each such Amendment shall describe or delineate the Limited Common Areas and Limited Common Facilities, if any, formed out of the Land added to the Project.

(c) Submission of Supplemental Map and Amendment to Mortgage Servicer. Prior to expanding the Project by adding all or any portion of the Additional Land to the Project, the Declarant shall provide the Mortgage Servicer with a copy of the Supplemental Record of Survey Map and the Amendment to the Declaration describing each such expansion of the Project.

(d) Expiration of Right to Expand. This option to expand the Project shall expire seven (7) years after the recording of this Declaration; however, the Declarant may, at any time prior to the expiration of such period, terminate its option to expand by recording among the land records wherein this Declaration is recorded an executed and notarized document terminating this option.

16.02 Description of Additional Land. The additional land which may, at the option of Declarant, be made part of the Project is located in Salt Lake County, State of Utah, and is more particularly described as follows, to-wit:

PARCEL I

Beginning at a point on the South line of Southridge Subdivision No. 8, said point being North 0°07'15" West 1600.20 feet and West 403.00 feet from the South Quarter Corner of Section 8, Township 2 South, Range 1 West, Salt Lake Base & Meridian, and running thence South 110.00 feet; thence West 16.42 feet; thence South 30.00 feet; thence South 16°30' East 66.40 feet; thence North 73°30' East 36.00 feet; thence South 31°00' East 122.78 feet; thence South 68°52'56" West 308.95 feet; thence West 177.00 feet; thence North 300.00 feet; thence East 70.00 feet; thence North 110.00 feet to the South line of Southridge Subdivision No. 8; thence East along said South line 295.00 feet to the point of beginning.

PLUS:

PARCEL II

Beginning at a point on the North right-of-way line of 5400 South, said point being South 89°56'30" West 253.00 feet and North 0°07'15" West 53.00 feet from the South Quarter Corner of Section 8, Township 2 South, Range 1 West, Salt Lake Base & Meridian, and running thence South 89°56'30" 919.90 feet along said right-of-way to a point on the East right-of-way line of West Valley Highway; thence along said East right-of-way line for the following 3 courses: North 18°05'44" West 193.97 feet; thence 1076.40 feet to the right along the arc of a curve with a radius of 2476.48 feet (the chord bears North 5°37'07" West 1067.91 feet); thence North 6°51'30" East 265.32 feet; thence East 2.03 feet to the Southwest Corner of Southridge Subdivision No. 8; thence along said Southridge Subdivision No. 8 for the following 3 courses: East 193.68 feet; thence North 6°52'30" East 38.09 feet; thence East 437.49 feet; thence leaving said South Line and running South 110.00 feet; thence West 70.00 feet; thence South 300.00 feet; thence East 177.00 feet; thence North 68°52'56" East 360.82 feet; thence East 222.00 feet to the West right-of-way line of 3600 West Street; thence along said West right-of-way line South 0°07'15" East 1020.24 feet; thence leaving said West right-of-way line and running South 89°56'30" West 220.00 feet; thence South 0°07'15" East 247.00 feet to the point of beginning.

Less the following:

Beginning at a point which is North 0°07'15" West 577.20 feet and South 89°55'04" West 183.00 feet from the South Quarter Corner of Section 8, Township 2 South, Range 1 West, Salt Lake Base & Meridian, and running thence South 89°55'04" West 187.00 feet; thence North 0°07'15" West 180.00 feet; thence North 89°55'04" East 187.00 feet; thence South 0°07'15" East 180.00 feet to the point of beginning.

16.03 Declarant's Right to Add All or Portions of Additional Land. The Declarant need not add all or any portion of the additional land to the Project; however, the Declarant may, at its sole discretion and without limitation, add all or any portion or portions of the additional land to the Project and may do so at different times.

16.04 Location of Improvements. Declarant makes no assurances as to the locations of any improvements that may be made on any portions of the additional land added to the Project.

16.05 Maximum Number of Units. The improvements to be placed on the additional land shall contain no more than 475 residential condominium units; and no more than eleven (11) units per acre may be created on any portions of the additional land hereafter added to the Project.

16.06 Compatibility with Structures in Initial Project. Although Declarant intends to erect structures on any portion of the additional land added to the Project that will be compatible with the structures on the land initially within the Project, Declarant makes no assurances in those regards. Declarant hereby reserves the right to select the design and configuration of any improvements erected on any portion of the additional land added to the Project that in the judgment of the Declarant may be required to achieve the best development of the Project.

16.07 Other Improvements. Other improvements to be placed on the additional land shall be limited to parking, recreational and service facilities.

16.08 Units Not Identical to Initial Units. Although Declarant intends to create units in the improvements on the additional land that will be compatible with the units initially constructed within the Project, Declarant makes no assurances as to whether units that may be created in the improvements on the additional land will be compatible with or identical to units initially constructed within the Project.

16.09 Limited Common Areas. The Declarant reserves the right, in its sole discretion and without limitation, to create Limited Common Areas within any portion of the additional land and to designate Common Areas and Common Facilities therein which may subsequently be assigned as Limited Common Areas for the purpose of making parking spaces, carports, patios, decks, entries, and such other traditional types of Limited Common Areas as the Declarant may see fit to create.

16.10 Convertible Spaces. The Declarant hereby reserves the right, in its sole discretion and without limitation, to create Convertible Spaces according to the requirements of the Condominium Act within any structure constructed on any portion of the Additional Land which may hereafter be added to the Project. Declarant shall not be required to obtain the consent of the Owners or mortgagees prior to creating such Convertible Spaces. Further, the Declarant reserves the sole and exclusive right to convert any Convertible

Spaces so created to Units, Common Areas and Limited Common Areas; provided that Declarant does so in compliance with the requirements set forth in Section 57-8-13.4 of the Condominium Act.

16.11 Convertible Land. The Declarant hereby reserves the right, in its sole discretion and without limitation, to create Convertible Land according to the requirements of Section 57-8-10(3) of the Condominium Act within any portion of the additional land which may hereafter be added to the Project. Declarant shall not be required to obtain the consent of the Owners or mortgagees prior to creating such Convertible Land. Further, the Declarant reserves the sole and exclusive right to convert all or any portion of the Convertible Land so created to Units, Common Areas and Limited Common Areas; provided that Declarant does so in compliance with the requirements set forth in Section 57-8-13.4 of the Condominium Act.

16.12 Withdrawable Land. The Declarant hereby reserves the right, in its sole discretion and without limitation, to create Withdrawable Land according to the requirements of Section 57-8-10(5) of the Condominium Act within any portion of the Additional Land which may hereafter be added to the Project. Declarant shall not be required to obtain the consent of the Owners or mortgagees prior to creating such Withdrawable Land. Further, the Declarant reserves the sole and exclusive right to withdraw all or any portion or portions of any Withdrawable Land so created from the Project; provided that Declarant does so in compliance with the requirements set forth in Section 57-8-13.8 of the Condominium Act.

16.13 Reservation for Residential Use. Any portion of the Additional Land which is hereafter added to the Project and any units created thereon shall be restricted primarily to residential purposes, including, but not limited to, both owner and tenant occupied condominium structures. Not more than 20% of the aggregate land and floor area of all of the Units that may be created on any portion of the additional land which is hereafter added to the Project shall be used for any purpose other than for residential purposes.

ARTICLE XVII

GENERAL PROVISIONS

17.01 Intent and Purpose. The provisions of this Declaration, and any Supplemental or Amended Declaration, shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a Condominium Project. Failure to enforce any provision, restriction, covenant, or condition contained in this Declaration, or in any Supplemental or Amended Declaration, shall not operate as a waiver of any such provision, restriction, covenant, or condition or of any other provisions, restrictions, covenants, or conditions.

17.02 Construction. The provisions of this Declaration shall be in addition and supplemental to the provisions of the Condominium Act and all

BOOK 5110 PAGE 817

other provisions of law. Whenever used herein, unless the context shall otherwise require, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both genders. The Article and Section headings set forth herein are for convenience and reference only and are not intended to expand, limit, or otherwise affect the meaning or interpretation of this Declaration or any provision hereof. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provisions hereof.

17.03 Notices and Registration of Mailing Address. Each Owner shall register from time to time with the Association his current mailing address. All notices, demands, and other communications to any Owner as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally served or if sent by first class U.S. mail, postage prepaid, addressed to the Owner at his registered mailing address or, if no address has been registered, to the Unit of such Owner. All notices, demands, and other communications to the Association as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally served or if sent by first class U.S. mail, postage prepaid, addressed to the Association at its offices at 5400 South 3600 West, Salt Lake City, Utah 84118, or to such other address as the Association may hereafter specify to the Owners in writing. Any notice, demand, or communication referred to in this Declaration shall be deemed to have been given and received when personally served or when deposited in the U.S. mail, postage prepaid, and in the form provided for in this Section, as the case may be.

17.04 Audit. Any Owner may at any reasonable time, upon appointment and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association. The Association, at the expense of the Common Expense Fund, shall obtain an audit, by certified public accountants, of all books and records pertaining to the Project at no greater than annual intervals, and copies thereof shall be furnished to the Owners.

17.05 Amendment. Except as otherwise provided herein, this Declaration may be amended if Owners holding at least two-thirds (2/3) of the Total Votes in the Association consent and agree to such amendment by instruments which are duly recorded in the office of the County Recorder of Salt Lake County, State of Utah.

17.06 Effective Date. This Declaration shall take effect upon recording.

17.07 Agent for Service. The name and address of the person to receive service of process in all cases provided by the Condominium Act shall be the registered agent and address of the Association as shown on the official corporate records maintained in the office of the Secretary of State of the State of Utah. On the date of this Declaration, the registered agent of the Association is Dale Kehl, whose address is 5050 Jordan Canal Road, Salt Lake City, Utah 84118.

17.08 Limitation on Association's Liability. The Association shall not be liable for any failure of water service or other utility service (if any) to be obtained and paid for by the Association hereunder, or for injury or damage to any person or property caused by the elements or by another Owner or person in or upon the Project, or resulting from electricity, water, rain, snow, or ice which may leak or flow from outside or from any parts of the Building or its drains, pipes, conduits, appliances, or equipment, or from any other place, unless caused by the grossly negligent or willful misconduct of the Association. No diminution or abatement of any assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of any repairs or improvements to or maintaining the Project or any part thereof, or from any action taken to comply with the provisions of this Declaration or with the laws, ordinances, regulations, rules, or order of any governmental authority.

17.09 Owner's Obligations. All obligations of an Owner, under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may be leasing, renting, or selling under contract his Condominium. The Owner of a Condominium within the Project shall have no obligation for expenses or other obligations accruing after he conveys such Condominium.

17.10 Model Units, Sales Offices and Advertising Signs. Declarant and Declarant's duly authorized agents, representatives and employees shall have the right to establish and maintain model units and sales offices on the land within the Project, and the right to use such model units and sales offices during the period that units in the Project remain unsold. No more than two model units and one sales office will be established and maintained by Declarant in the Project. Declarant reserves the right to relocate the same from time to time within the Project. Based on interior measurements of perimeter walls, any two-bedroom models shall not be larger than 1500 square feet in size, any three-bedroom models shall not be larger than 1750 square feet in size and any sales office will not be larger than 3,000 square feet in size. Declarant further reserves the right to maintain advertising signs on the Project and to place the same in any location, and to relocate, replace, and remove the same at the sole discretion of Declarant during the period that units in the Project remain unsold.

17.11 Termination. The prior written approval of (a) all First Mortgagees (including Institutional Holders) which hold first mortgage liens on Condominium Units in the Project, based on one vote for each First Mortgage owned, and (b) all of the Owners of Condominium Units in the Project shall be required before the Project may be abandoned or terminated, except as provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

IN WITNESS WHEREOF, the undersigned declarant has executed this Declaration the day and year first above written.

DECLARANT:

ARNOLD DEVELOPMENT COMPANY,
a Utah Corporation

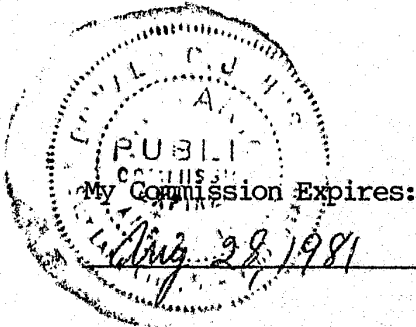
[Signature]
By: President

ATTEST:

[Signature]
Secretary

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

On the 11th day of June, 1980 personally appeared before me DALE A KEHL and ROGER L KEHL, who being by me duly sworn, did say that they are the President and Secretary, respectively, of ARNOLD DEVELOPMENT COMPANY, a Utah corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors, and said DALE A KEHL and ROGER L KEHL duly acknowledged to me that said corporation executed the same.



[Signature]
Notary Public
Residing at: *[Signature]*

BOOK 5110 PAGE 820

CONSENT OF MORTGAGEE

TO SUBMIT PROPERTY TO CONDOMINIUM OWNERSHIP

FIRST SECURITY BANK OF UTAH, NA. the undersigned, a corporation of the United States, with its principal office at Salt Lake City, Utah

being the Trustee and Beneficiary of the Trust Deed affecting the real property hereinbefore submitted by Declarant to the provisions of the Utah Condominium Ownership Act, does hereby consent to such submission by the Declarant. In so consenting, the undersigned merely submits its interests in said real property to the provisions of the said Act. The undersigned has made no representations or warranties in the Declaration and does not assume any of the obligations of a sponsor of the said Condominium Project.

Dated this 12th day of June, 1980.

FIRST SECURITY BANK OF UTAH, N.A.

William H. Starkweather
By William H. Starkweather
Its Vice President

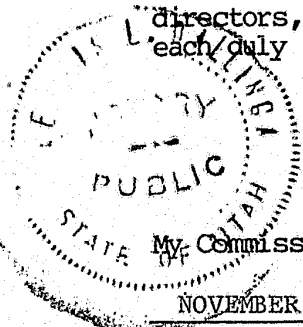
ATTEST:

Norval H. Lambert
~~Secretary~~ Vice President

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

On the 12th day of June, 1980, personally appeared before me William H. Starkweather and Norval H. Lambert, who being by me duly sworn, did say, each for himself, that he, the said William H. Starkweather is the Vice President and he, the said Norval H. Lambert is the Vice President of First Security Bank of Utah Corporation of the United States, and that the within and foregoing instrument was signed in behalf of said Corporation by the authority of a resolution of its board of directors, and the said William H. Starkweather and Norval H. Lambert each duly acknowledged to me that said Corporation executed the same.

Alvin L. Allred
Notary Public
Residing at: CLEARFIELD, UTAH



My Commission Expires:
NOVEMBER 8, 1983

BOOK 5110 PAGE 821

EXHIBIT A

(Attached to and forming a part of the Declaration of Condominium of the Stonehollow Condominium, a Utah Condominium Project.)

UNITS, UNDIVIDED OWNERSHIP INTERESTS, AND VOTES:

UNIT NO.	SIZE* (Square Feet)	UNDIVIDED OWNERSHIP INTERESTS** (Percentage)	VOTES
1	1715	10.781	10.781
2	1177	7.399	7.399
3	1715	10.781	10.781
4	1177	7.399	7.399
5	1715	10.781	10.781
6	1177	7.399	7.399
33	1574	9.895	9.895
34	1278	8.035	8.035
35	1278	8.035	8.035
36	1653	10.392	10.392
37	1448	9.103	9.103
		<u>100.000</u>	<u>100.000</u>

*Size has been determined on the basis of the approximate number of square feet of floor space within each respective Unit, as shown on the Map and rounded off.

**Undivided Ownership Percentages have been computed on the basis of the relative sizes of the Units, as shown above and rounded off.

RECORD OF SURVEY MAP

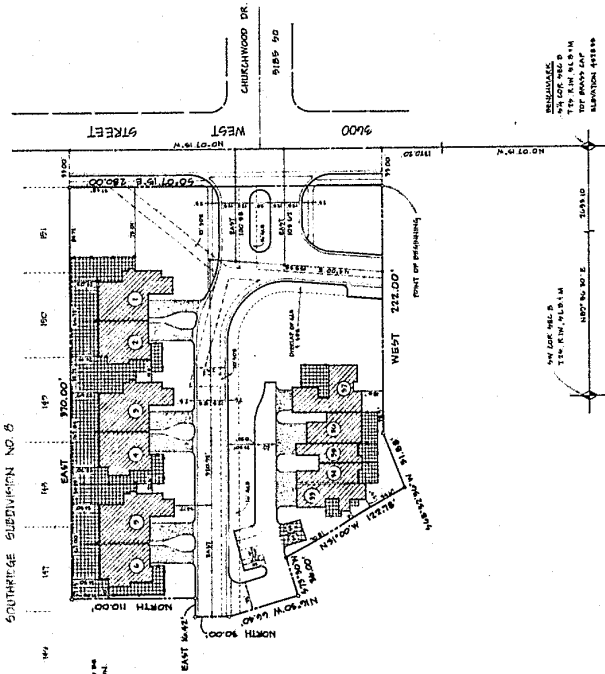
STONE HOLLOW CONDOMINIUM

Phase I

A UTAH LANDMINIUM PROJECT



- LEGEND**
- PRIVATE OWNERSHIP
 - LIMITED COMMON OWNERSHIP
 - COMMON OWNERSHIP
 - CONCRETE AREA, LIMITED COMMON OWNERSHIP
 - UNIT NUMBER
 - FINISH LINE
 - FINISH, GRAVEL DRIVE
 - LIMITED COMMON OWNERSHIP
 - VEHICULAR DRIVEWAY
 - AS THE BARRETT



SOUTHPLATE SUBDIVISION NO. 8

UTAH LAWS 6-14-48 TO BE LOCATED BY REFERENCE

UNIT AREAS		
UNIT	UNIT	FT ²
1	1	1,000
2	2	1,000
3	3	1,000
4	4	1,000
5	5	1,000
6	6	1,000
7	7	1,000
8	8	1,000
9	9	1,000
10	10	1,000
11	11	1,000
12	12	1,000
13	13	1,000
14	14	1,000
15	15	1,000
16	16	1,000
17	17	1,000
18	18	1,000
19	19	1,000
20	20	1,000
21	21	1,000
22	22	1,000
23	23	1,000
24	24	1,000
25	25	1,000
26	26	1,000
27	27	1,000
28	28	1,000
29	29	1,000
30	30	1,000
31	31	1,000
32	32	1,000
33	33	1,000
34	34	1,000
35	35	1,000
36	36	1,000
37	37	1,000
38	38	1,000
39	39	1,000
40	40	1,000
41	41	1,000
42	42	1,000
43	43	1,000
44	44	1,000
45	45	1,000
46	46	1,000
47	47	1,000
48	48	1,000
49	49	1,000
50	50	1,000
51	51	1,000
52	52	1,000
53	53	1,000
54	54	1,000
55	55	1,000
56	56	1,000
57	57	1,000
58	58	1,000
59	59	1,000
60	60	1,000
61	61	1,000
62	62	1,000
63	63	1,000
64	64	1,000
65	65	1,000
66	66	1,000
67	67	1,000
68	68	1,000
69	69	1,000
70	70	1,000
71	71	1,000
72	72	1,000
73	73	1,000
74	74	1,000
75	75	1,000
76	76	1,000
77	77	1,000
78	78	1,000
79	79	1,000
80	80	1,000
81	81	1,000
82	82	1,000
83	83	1,000
84	84	1,000
85	85	1,000
86	86	1,000
87	87	1,000
88	88	1,000
89	89	1,000
90	90	1,000
91	91	1,000
92	92	1,000
93	93	1,000
94	94	1,000
95	95	1,000
96	96	1,000
97	97	1,000
98	98	1,000
99	99	1,000
100	100	1,000

SURVEYOR'S CERTIFICATE

I, MATIN & BOMAL, A REGISTERED UTAH LAND SURVEYOR, IN WITNESS WHEREOF, I HAVE HEREBY SET MY HAND AND SEAL AT SALT LAKE CITY, UTAH, THIS 15TH DAY OF MARCH, 1980.



DESCRIPTION

REQUIRING AT A POINT ON THE WEST RIGHT OF WAY LINE OF WEST STREET, AND POINT BEING 100 FT TO THE WEST CORNER OF SECTION 8, T12N, R14E, S14SW, AND RUNNING THENCE WEST 100.00 FEET, THENCE S 45° 00' 00" W 51.81 FEET, THENCE WEST 100.00 FEET, THENCE NORTH 100.00 FEET, THENCE EAST 14.41 FEET, THENCE NORTH 100.00 FEET TO THE SOUTH LINE OF CONGRESSIONAL SUBDIVISION NO. 8, THENCE EAST 100.00 FEET TO THE WEST CORNER OF SAID CONGRESSIONAL SUBDIVISION, THENCE NORTH 100.00 FEET TO THE RIGHT OF WAY LINE OF WEST STREET, THENCE ALONG SAID WEST STREET TO THE POINT OF BEGINNING, BEING 100.00 FEET TO THE WEST CORNER OF SAID SECTION 8.

OWNER'S CERTIFICATE OF CONSENT TO RECORD

I, THE OWNER OF THE ABOVE DESCRIBED PROPERTY, HEREBY CONSENT TO THE RECORDING OF THIS SURVEY MAP, AND HEREBY AUTHORIZE THE SURVEYOR TO EXECUTE THIS SURVEY MAP IN ACCORDANCE WITH THE UTAH CONDOMINIUM ACT, WHICH IS PART OF THE UTAH CONDOMINIUM ACT, WHICH IS PART OF THE UTAH CONDOMINIUM ACT, WHICH IS PART OF THE UTAH CONDOMINIUM ACT.

ACKNOWLEDGEMENT

STATE OF UTAH }
 COUNTY OF UTAH }
 ON THE _____ DAY OF _____ A.D. 1980, PERSONALLY APPEARED BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, IN AND FOR SAID COUNTY OF UTAH, _____, WHO HAS DECLARED TO ME THAT HE IS THE OWNER OF SAID PROPERTY, AND THAT HE HAS DECLARED TO ME THAT HE IS THE OWNER OF SAID PROPERTY, AND THAT HE HAS DECLARED TO ME THAT HE IS THE OWNER OF SAID PROPERTY, AND THAT HE HAS DECLARED TO ME THAT HE IS THE OWNER OF SAID PROPERTY.

BY COMMISSION TYPES: _____ NOTARY PUBLIC: _____

RECORDED: _____ SHEET 1 OF 3

STATE OF UTAH, COUNTY OF UTAH, RECORDED AND FILED AT THE OFFICE OF: _____

DATE: _____ TIME: _____ ROOM: _____ FLOOR: _____

PLANNING COMMISSION: _____ SHEET NO. 1010

APPROVED THIS _____ DAY OF _____ BY THE COUNTY PLANNING COMMISSION: _____

CONTRACTING ENGINEERS: CALDWELL, RICHARDS & SORESENSEN, INC. SALT LAKE CITY, UTAH

DIVISION OF LAND SURVEYS, UTAH DEPARTMENT OF HERITAGE AND ARTS

RECORD OF SURVEY MAP

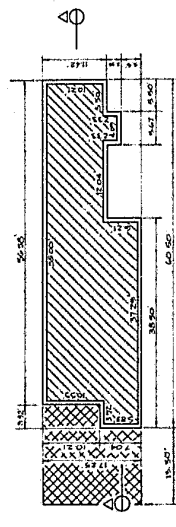
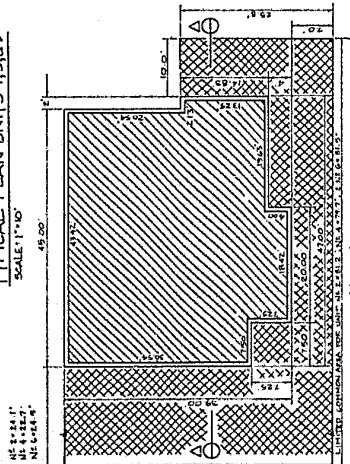
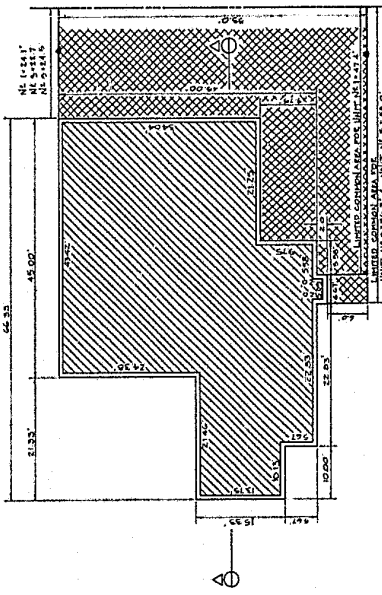
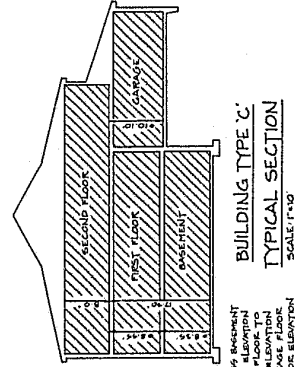
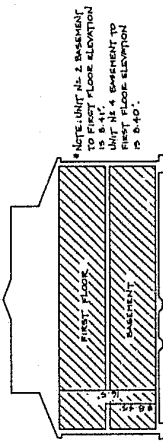
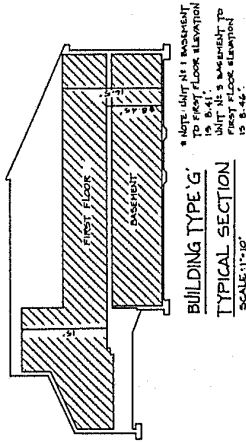
STONE HOLLOW CONDOMINIUM phase I

A UTAH CONDOMINIUM PROJECT

REMARKS:
TOP CORNER CAP AT THE INTERSECTION
OF 3400 WEST ST. & 5400 SOUTH ST.
ELEVATION 4428.35.

UNIT	ELEVATIONS	NO. OF TYPE	1 st FLOOR	2 nd FLOOR	BASEMENT	GARAGE
1-A	81.47	---	72.56	71.31	---	---
2-B	81.54	---	72.56	71.31	---	---
3-C	80.95	---	72.07	71.18	---	---
4-D	80.45	---	71.07	71.14	---	---
5-E	80.80	---	71.07	71.18	---	---
6-F	80.80	---	71.07	71.18	---	---
7-G	81.00	---	71.07	71.18	---	---
8-H	81.00	---	71.07	71.18	---	---
9-I	81.00	---	71.07	71.18	---	---
10-J	81.00	---	71.07	71.18	---	---
11-K	81.00	---	71.07	71.18	---	---
12-L	81.00	---	71.07	71.18	---	---
13-M	81.00	---	71.07	71.18	---	---
14-N	81.00	---	71.07	71.18	---	---
15-O	81.00	---	71.07	71.18	---	---
16-P	81.00	---	71.07	71.18	---	---
17-Q	81.00	---	71.07	71.18	---	---
18-R	81.00	---	71.07	71.18	---	---
19-S	81.00	---	71.07	71.18	---	---
20-T	81.00	---	71.07	71.18	---	---
21-U	81.00	---	71.07	71.18	---	---
22-V	81.00	---	71.07	71.18	---	---
23-W	81.00	---	71.07	71.18	---	---
24-X	81.00	---	71.07	71.18	---	---
25-Y	81.00	---	71.07	71.18	---	---
26-Z	81.00	---	71.07	71.18	---	---

* STREPOWLN LINING ROOM IS 0.60' BELOW FIRST FLOOR ELEVATION.
* UNITS # 1 & 2 ARE TO BE CONSTRUCTED AS SHOWN.



LEGEND

- [Diagonal Hatching] PRIVATE OWNERSHIP
- [Cross-hatching] LIMITED COMMON OWNERSHIP
- [Horizontal Hatching] COMMON OWNERSHIP
- [Circle with dot] INDICATES SECTION CUT

OWNERS CERTIFICATE OF CONSENT TO RECORD

KNOW ALL MEN BY THESE PRESENTS THAT ARNOLD ROSSER, OWNER OF THE TRACT OF LAND IN SALT LAKE COUNTY, UTAH, DESCRIBED ON THIS SHEET DOES HEREBY CONSENT TO THE RECORDED MAP, IN ACCORDANCE WITH THE UTAH CONDOMINIUM ACT, THIS _____ DAY OF _____ A. D. 1980.

DALE A. KEHL - PRESIDENT ROGER L. KEHL - SECRETARY

ACKNOWLEDGEMENT

ON THE _____ DAY OF _____ A. D. 1980 PERSONALLY APPEARED BEFORE ME THE UNDERSIGNED NOTARY PUBLIC, IN AND FOR SAID COUNTY OF SALT LAKE, IN SAID STATE OF UTAH, DALE A. KEHL AND ROGER L. KEHL, OWNERS OF THIS RECORD, WHO ARE PRESIDENT AND SECRETARY RESPECTIVELY OF ARNOLD DEVELOPMENT CORPORATION, A UTAH CORPORATION, AUTHORITY FOR SAID CONSTRUCTION IN GROUP OF AND BY _____ NOTARY PUBLIC

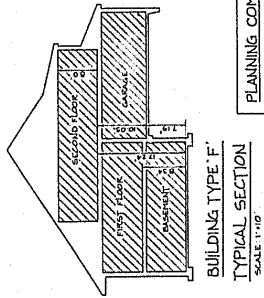
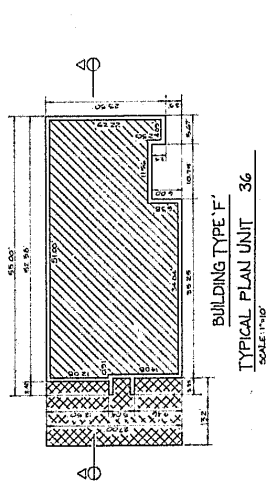
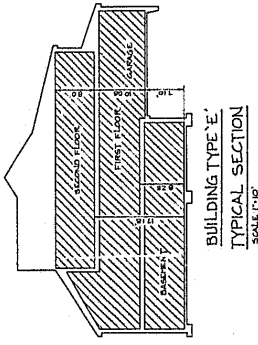
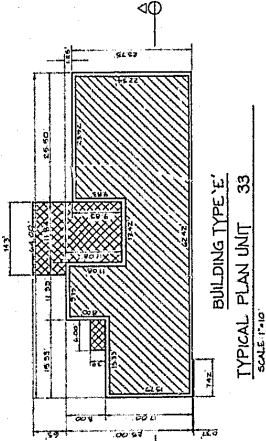
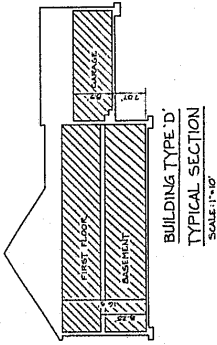
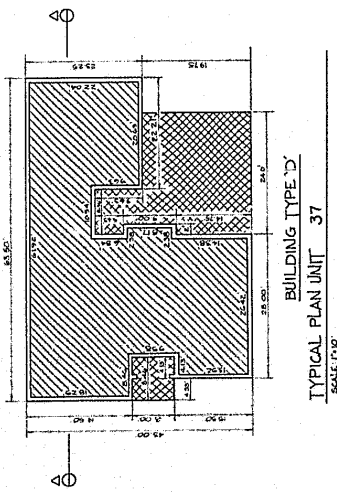
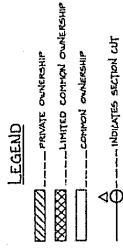
PLANNING COMMISSION
APPROVED THIS _____ DAY OF _____ A. D. 1980
BY THE COUNTY PLANNING COMMISSION
SALT LAKE COUNTY PLANNING COMMISSION

PREPARED BY:
CALDWELL, RICHARDS & SORESENSEN, INC.
CONSULTING ENGINEERS
SALT LAKE CITY, UTAH

DRAWN BY: RSH
DRAWING NO. 7100

RECORDED NO. _____
STATE OF UTAH COUNTY OF SALT LAKE, RECORDED AND FILED
AT THE REQUEST OF _____
DATE _____ TIME _____ BOOK _____ PAGE _____
SEE _____ SALT LAKE COUNTY RECORDS

RECORD OF SURVEY MAP
**STONE HOLLOW
 CONDOMINIUM**
 phase I
 A UTAH CONDOMINIUM PROJECT



**OWNERS CERTIFICATE OF
 CONSENT TO RECORD**

I, the undersigned, hereby certify that the above described project is a condominium project, as defined in the Utah Condominium Act, Chapter 10, Utah Code, and that I am the owner of the project as a whole, and that I have the authority to execute this certificate.

DATE: _____ BY: _____ TITLE: _____

ACKNOWLEDGEMENT

ON THIS DAY OF _____, 1988, the above described project was recorded in the public records of the State of Utah, County of Salt Lake, and the recording officer has acknowledged that the project is a condominium project, as defined in the Utah Condominium Act, Chapter 10, Utah Code, and that the recording officer has the authority to execute this certificate.

BY: _____ TITLE: _____

RECORDED NO. _____
DATE _____
BOOK _____
PAGE _____

PREPARED BY:
 CALDWELL, RICHARDS & SORENSON, INC.
 CONSULTING ENGINEERS
 SALT LAKE CITY, UTAH
 DRAWN BY: RSN

PLANNING COMMISSION
 APPROVED THIS _____ DAY OF _____, A.D. 1988
 BY THE COUNTY PLANNING COMMISSION
 CLARENCE-CORRY PLANNING COMMISSION

PLANNING COMMISSION
 APPROVED THIS _____ DAY OF _____, A.D. 1988
 BY THE COUNTY PLANNING COMMISSION
 CLARENCE-CORRY PLANNING COMMISSION

PLANNING COMMISSION
 APPROVED THIS _____ DAY OF _____, A.D. 1988
 BY THE COUNTY PLANNING COMMISSION
 CLARENCE-CORRY PLANNING COMMISSION

EXHIBIT "C"

ARTICLES OF INCORPORATION
OF
STONE HOLLOW CONDOMINIUM
OWNERS ASSOCIATION

A Utah Nonprofit Corporation

ARTICLE XIII
BYLAWS, RULES, AND REGULATIONS

The Board of Trustees may adopt, amend, repeal, and enforce Bylaws and reasonable rules and regulations governing the operation of the Association and the operation and use of the Project, to the extent that the same are not inconsistent with these Articles of Incorporation or the Declaration.

ARTICLE XIV
INCORPORATOR

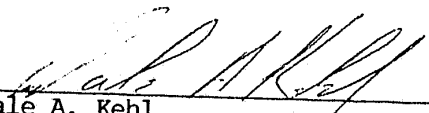
The name and address of the incorporator of the Association are as follows:

Dale A. Kehl
5050 Jordan Canal Road
Salt Lake City, Utah 84118

ARTICLE XV
AMENDMENTS

Except as otherwise provided by law or by the Declaration (Eg., Article XIV), these Articles of Incorporation may be amended in accordance with Utah law upon the affirmative vote of not less than fifty-one percent (51%) of the Total Votes of the Association.

DATED this VI day of June, 1980.


Dale A. Kehl

VERIFICATION

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

On the 11th day of June, 1980, personally appeared before me Dale A. Kehl, who being by me duly sworn did say that he is the incorporator of Stone Hollow Condominium Owners Association, that he signed the foregoing Articles of Incorporation of Stone Hollow Condominium Owners Association as incorporator of such nonprofit corporation, and that the statements therein contained are true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of June, 1980.

Donald Johnson
Notary Public
Residing at: Salt Lake City

My Commission Expires:
Aug 28, 1981

ARTICLES OF INCORPORATION
OF
STONE HOLLOW CONDOMINIUM OWNERS ASSOCIATION
A Utah Nonprofit Corporation

Dale A. Kehl, the undersigned natural person over the age of twenty-one years, acting as incorporator of a non-profit corporation pursuant to the Utah Nonprofit Corporation and Co-Operative Association Act, hereby adopts the following Articles of Incorporation for such nonprofit corporation.

ARTICLE I
NAME

The name of the nonprofit corporation is Stone Hollow Condominium Owners Association, hereinafter referred to as the "Association."

ARTICLE II
DEFINITIONS

Except as otherwise provided herein or as may be required by the context, all terms defined in Article I of the Declaration of Condominium for Stone Hollow Condominium, a Utah Condominium Project, hereinafter referred to as the "Declaration", shall have such defined meanings when used in these Articles of Incorporation.

ARTICLE III
DURATION

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

ARTICLE IV
PURPOSES

The Association is organized as a nonprofit corporation and shall be operated exclusively for the purpose of maintaining, operating, and governing Stone Hollow Condominium, a Utah Condominium Project, hereinafter referred to as the "Project," which is located upon the following described real property in the County of Salt Lake, State of Utah:

Beginning at a point on the West right-of-way line of 3600 West Street, said point being North 0°07'15" West 1320.20 feet and West 33.00 feet from the South Quarter Corner of Section 8, Township 2 South, Range 1 West, Salt Lake Base & Meridian, and running thence West 220.00 feet; thence South 68°52'56" West 51.88 feet; thence North 31°00' West 122.78 feet; thence South 73°30' West 36.00 feet; thence North 16°30' West 66.40

feet; thence North 30.00 feet; thence East 16.42 feet; thence North 110.00 feet to the South line of Southridge Subdivision No. 8; thence East along said South line 370.00 feet to the West right-of-way line of 3600 West Street; thence along said West right-of-way line South 0°07'15" East 280.00 feet to the point of beginning.

The Association is organized and shall be operated to perform the functions and provide the services contemplated in the Declaration, which document is to be recorded in the office of the County Recorder of Salt Lake County, State of Utah. No dividend shall be paid and no part of the net income of the Association, if any, shall be distributed to the Members, Trustees, or Officers of the Association, except as otherwise provided herein, in the Declaration, or under Utah law. Except as otherwise provided herein or as may be required by the context, all terms defined in the Declaration shall have such defined meanings when used herein.

ARTICLE V POWERS

Subject to the purposes declared in Article IV above and any limitations herein expressed, the Association shall have and may exercise each and all of the following powers and privileges:

(a) The power to do any and all things that the Association is authorized or required to do under the Declaration, as the same may from time to time be amended, including, without limiting the generality of the foregoing, the specific power to fix, levy, and collect the charges and assessments provided for in the said Declaration;

(b) The power to purchase, acquire, own, hold, lease, mortgage, sell, and dispose of any and all kinds and character of real, personal, and mixed property (the foregoing particular enumeration in no sense being used by way of exclusion or limitation), and while the owner of any of the foregoing, to exercise all rights, powers, and privileges appertaining thereto; and

(c) The power to do any and all things that a non-profit corporation may now or hereafter do under the laws of the State of Utah.

ARTICLE VI MEMBERSHIP

The Members of the Association shall be all of the record owners of Condominiums in the Project, as such owners are shown on the records of the County Recorder of Salt Lake County, State of Utah. The term record owner shall not include any mortgagee, trustee, or beneficiary under any mortgage,

trust deed, or other security instrument by which a Condominium or any part thereof is encumbered (unless such mortgagee, trustee, or beneficiary has acquired title for other security purposes), nor shall it include persons or entities purchasing a Condominium under contract (until such contract is fully performed and legal title conveyed). If record ownership of a Condominium in the Project is jointly held, the Membership appertaining to such Condominium shall also be jointly held. Membership in the Association shall be mandatory and not optional. Each Membership in the Association shall be appurtenant to and shall not be separated from the Condominium to which it relates. No person or entity other than an owner of a Condominium in the Project may be a Member of the Association.

ARTICLE VII MEMBERSHIP CERTIFICATES

The Association may issue certificates of Membership, but such certificates shall not be necessary to evidence Membership in the Association. Membership in the Association shall begin immediately and automatically upon becoming a record owner of the Condominium to which such Membership appertains and shall cease immediately and automatically upon an Owner ceasing to be a record owner of such Condominium.

ARTICLE VIII VOTING RIGHTS

All voting rights of the Association shall be exercised by the Members, each Membership being entitled to the number of votes relating to the Condominium appertaining to such Membership, as set forth in the Declaration. If a Membership is jointly held, any or all holders thereof may attend any meeting of the Members, but such holders must act unanimously to cast the votes relating to their joint Membership. Any designation of a proxy to act for joint holders of a Membership must be signed by all such holders. With respect to matters to be voted upon by the Members as provided in the Declaration, the voting requirements and proportions shall be as set forth in the Declaration. Cumulative voting is not permitted.

ARTICLE IX ASSESSMENTS

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

ARTICLE X
PRINCIPAL OFFICE AND REGISTERED AGENT

The address of the initial principal office of the Association is 3600 West 5200 South, Salt Lake City, Utah 84118, and the name of the initial registered agent of the Association at such address is Dale A. Kehl.

ARTICLE XI
BOARD OF TRUSTEES

The affairs of the Association shall be managed by a Board of Trustees, consisting of not less than three (3) nor more than nine (9) Trustees, as prescribed in the Bylaws. Until such time as the responsibility for electing the Trustees of the Association is turned over to the Members in accordance with Utah law, Arnold Development Company, a Utah corporation, or its successor or assign, shall have the exclusive right to appoint and remove such Trustees. Except for Trustees appointed as herein provided, Trustees must be Members of the Association. The number of Trustees constituting the initial Board of Trustees shall be five (5). The names and addresses of the persons who are to serve as Trustees until the first annual meeting of the Members held after responsibility for electing Trustees is turned over to the Members and until the successors of such Trustees are elected and shall qualify are as follows:

<u>NAME</u>	<u>ADDRESS</u>
1. Dale A. Kehl	5050 Jordan Canal Road Salt Lake City, Utah 84118
2. Mervyn B. Arnold	5026 Jordan Canal Road Salt Lake City, Utah 84118
3. Roger L. Kehl	4076 Symphony Circle Salt Lake City, Utah 84110
4. Gene Vanshaar	3528 Charing Cross Road West Jordan, Utah 84084
5. Greg Thueson	6569 Melrose Circle West Jordan, Utah 84084

ARTICLE XII
MANAGER

The Board of Trustees may by written contract delegate to a professional management organization or individual such of its managerial duties, responsibilities, functions, and powers as are properly delegable.

EXHIBIT "D"

BYLAWS
OF
STONE HOLLOW CONDOMINIUM
OWNERS ASSOCIATION
A Utah Nonprofit Corporation

BOOK 5110 PAGE 833

TABLE OF CONTENTS

ARTICLE I
NAME AND PRINCIPAL OFFICE

Section 1.01	Name	1
Section 1.02	Offices	1

ARTICLE II

DEFINITIONS

Section 2.01	Definitions	1
--------------	-----------------------	---

ARTICLE III

MEMBERS

Section 3.01	Annual Meetings	1
Section 3.02	Special Meetings	1
Section 3.03	Place of Meetings	2
Section 3.04	Notice of Meetings	2
Section 3.05	Members of Record	2
Section 3.06	Quorum.	2
Section 3.07	Proxies	3
Section 3.08	Votes	3
Section 3.09	Waiver of Irregularities	3
Section 3.10	Informal Action by Members	3

ARTICLE IV

BOARD OF TRUSTEES

Section 4.01	General Powers	3
Section 4.02	Number, Tenure, and Qualifications	4
Section 4.03	Regular Meetings	4
Section 4.04	Special Meetings	4
Section 4.05	Quorum and Manner of Acting	4
Section 4.06	Compensation	4
Section 4.07	Resignation and Removal	5
Section 4.08	Vacancies and Newly Created Trusteeships	5
Section 4.09	Informal Action by Trustees	5

ARTICLE V

OFFICERS

Section 5.01	Officers	5
Section 5.02	Election, Tenure, and Qualifications	5
Section 5.03	Subordinate Officers	6
Section 5.04	Resignation and Removal	6
Section 5.05	Vacancies and Newly Created Offices	6
Section 5.06	The President	6
Section 5.07	The Vice President	6
Section 5.08	The Secretary	6
Section 5.09	The Treasurer	6
Section 5.10	Compensation	7

ARTICLE VI

COMMITTEES

Section 6.01	Designation of Committees	7
Section 6.02	Proceedings of Committees	7
Section 6.03	Quorum and Manner of Acting	7
Section 6.04	Resignation and Removal	7
Section 6.05	Vacancies	8

ARTICLE VII

INDEMNIFICATION

Section 7.01	Indemnification Third Party Actions	8
Section 7.02	Indemnification Association Actions	8
Section 7.03	Determinations	9
Section 7.04	Advances	9
Section 7.05	Scope of Indemnification	9
Section 7.06	Insurance	9
Section 7.07	Payments and Premiums	9

ARTICLE VIII

FISCAL YEAR AND SEAL

Section 8.01	Fiscal Year	10
Section 8.02	Seal	10

ARTICLE IX

RULES AND REGULATIONS

Section 9.01	Rules and Regulations	10
--------------	-----------------------	----

ARTICLE X

AMENDMENTS

Section 10.01	Amendments	10
---------------	------------	----

BYLAWS
OF
STONE HOLLOW CONDOMINIUM OWNERS ASSOCIATION
A Utah Nonprofit Corporation

Pursuant to the provisions of the Utah Nonprofit Corporation and Cooperative Association Act, the Board of Trustees of Stone Hollow Condominium Owners Association, a Utah nonprofit corporation, hereby adopts the following Bylaws for such nonprofit corporation.

ARTICLE I
NAME AND PRINCIPAL OFFICE

1.01 Name. The name of the nonprofit corporation is Stone Hollow Condominium Owners Association, hereinafter referred to as the "Association".

1.02 Offices. The principal office of the Association shall be at Stone Hollow Condominium, a Utah Condominium Project, hereinafter referred to as the "Project", located at 3600 West 5200 South, County of Salt Lake, State of Utah.

ARTICLE II
DEFINITIONS

2.01 Definitions. Except as otherwise provided herein or as may be required by the context, all terms defined in Article I of the Declaration of Condominium for Stone Hollow Condominium, a Utah Condominium Project, 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 shall be held on the second Saturday in February of each year at the hours of 10:00 o'clock a.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 ten percent (10%) 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 of the Members may designate any place, either within or without the State of Utah, as the place for holding such meeting. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be at the principal office of the Association.

3.04 Notice of Meetings. The Board of Trustees shall cause written or printed notice of the time, place, and purposes of all meetings of the Members (whether annual or special) to be delivered, not more than fifty (50) nor less than ten (10) 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 U.S. mail addressed to the Member at his 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, a Member's Unit address shall be deemed to be his registered address for purposes of notice hereunder.

3.05 Members of Record. Upon purchasing a Condominium in the Project, each Owner shall promptly furnish to the Association a certified copy of the recorded instrument by which ownership of such Condominium 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 Condominiums 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 by his 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 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 Condominium of such Member, as shown in the Declaration. 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.

3.09 Waiver of Irregularities. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting form of proxies, and 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.

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, by 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 organization or person such of its duties, responsibilities, functions, and powers as are properly delegable.

4.02 Number, Tenure and Qualifications. The number of Trustees of the Association shall be five (5). The initial Board of Trustees specified in the Articles of Incorporation shall serve until the Declarant turns over to the Members, as provided in Section 7.02 of the Declaration, the responsibility for electing Trustees. At the first annual meeting of the Members held after the Declarant turns over to the members responsibility for electing Trustees, the Members shall elect five (5) Trustees to serve for the following respective terms: Two (2) Trustees to serve for terms of three (3) years each; two (2) Trustees to serve for a term of two (2) years each; and one (1) Trustee to serve for a term of one (1) year. At each annual meeting thereafter, the Members shall elect for terms of three (3) years each the appropriate number of Trustees to fill all vacancies created by expiring terms of Trustees. All Trustees, except Trustees appointed by the Declarant, shall be Members of the Association.

4.03 Regular Meetings. The regular annual meeting of the Board of Trustees shall be held without other notice 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 additional regular meetings without other notice than such resolution.

4.04 Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of any Trustee. 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 registered address, or by Telegram. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail so addressed, with first-class postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to have been 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 then authorized number of Trustees 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 shall receive compensation for any services that he may render to the Association as a Trustee; provided, however, that a Trustee may be reimbursed for expenses incurred in performance of his duties as a Trustee to the extent such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as a Trustee.

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, except a Trustee appointed by the Declarant, may be removed at any time, for or without cause, by the affirmative vote of seventy-five percent (75%) 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 by reason of the death, resignation or disqualification of a Trustee (other than a Trustee appointed by Declarant), 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 vacancy in the Board of Trustees occurring by reason of removal of a Trustee by the Members may be filled by election at the meeting at which such Trustee is removed. If vacancies shall occur in the Board of Trustees by reason of death, resignation or removal of a Trustee appointed by the Declarant, such vacancies shall be filled by appointments to be made by the Declarant. 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.

ARTICLE V OFFICERS

5.01 Officers. The officers of the Association shall be a President, Vice President, 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 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, disqualification, 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. No person holding two or more offices shall act in or execute any instrument in the capacity of more

than one office. The President, Vice President, Secretary and Treasurer shall be and remain Trustees of the Association during the entire term of their respective offices. No other officer need be a Trustee.

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 deliver. 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 and at meetings of the Members. He 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. The Vice President shall act in the place and stead of the President in the event of the President's absence or inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Trustees.

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. The Secretary shall also act in the place and stead of the President in the event of the President's absence or inability or refusal to act. 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 shall perform such other duties as the Board of Trustees may require of him.

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 shall perform such other duties as the Board of Trustees may require of him.

5.10 Compensation. No officer shall receive compensation for any services that he may render to the Association as an officer; provided, however, that an officer may be reimbursed for expenses incurred in performance of his duties as an officer to the extent such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as an officer.

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 one (1) Trustee. No committee member shall receive compensation for services that he may render to the Association as a committee member; provided, however, that a committee member may be reimbursed for expenses incurred in performance of his duties as a committee member to the extent that such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as a committee member.

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 a 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 members constituting at least a majority of the authorized membership of such committee (but in no event less than two members) shall constitute a quorum for the transaction of business, and the act of a majority of the 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 to the President, the Board of Trustees, or the presiding officer of the committee of which he 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 members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more 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 Third Party Actions. The Association shall 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 is or was a Trustee or officer 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 such action, suit, or proceeding, if he acted in good faith and in a manner he 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 no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgment, order, settlement, or 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 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 conduct was unlawful.

7.02 Indemnification Association Actions. The Association shall 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 is or was a Trustee or officer 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 attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he 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 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 indemnify for such expenses which such court shall deem proper.

7.03 Determinations. To the extent that a person 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, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith. Any other indemnification under Sections 7.01 or 7.02 hereof shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because he 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 disinterested Trustees or (ii) by independent legal counsel in a written opinion, or (iii) by the Members 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.

7.04 Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article may be paid by the Association in advance of 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 person 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 or otherwise.

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 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 shall 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), as may be required by Article X of the Declaration.

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 first day of January each year and 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, 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.

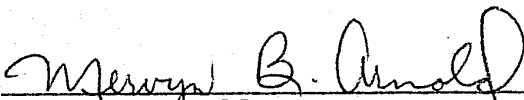
ARTICLE X
AMENDMENTS

10.01 Amendments. Except as otherwise provided by law, by the Articles of Incorporation, by the Declaration (Eg., Article XIV), or by these Bylaws, these Bylaws may be amended, altered, or repealed and new bylaws may be made and adopted by the Members upon the affirmative vote of at least fifty-one percent (51%) of the Total Votes of the Association; provided, however, that such action shall not be effective unless and until a written instrument setting forth (i) the amended, altered, repealed, or new bylaw, (ii) the number of votes cast in favor of such action, and (iii) the Total Votes of the Association, shall have been executed and verified by the current President of the Association and recorded in the office of the County Recorder of Salt Lake County, State of Utah.

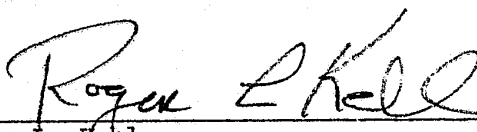
IN WITNESS WHEREOF, the undersigned, constituting all of the Trustees of Stone Hollow Condominium Owners Association, have executed these Bylaws on the 11th day of June, 1980.



Dale A. Kehl



Mervyn B. Arnold



Roger L. Kehl


Gene Vanshaar

Greg Thueson

OWNER'S CONSENT

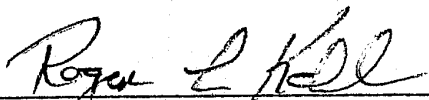
On this 11 day of June, 1980, the undersigned Arnold Development Company, a Utah corporation, as the Declarant and owner of the land upon which the Project is located, does hereby consent to and execute these Bylaws in accordance with the provisions of the Utah Condominium Ownership Act.

ARNOLD DEVELOPMENT COMPANY,
A Utah Corporation

By: 

President

ATTEST:



Secretary

CONSENT OF FIRST SECURITY BANK OF UTAH, N.A., TO
SUBMIT PROPERTY TO CONDOMINIUM OWNERSHIP

First Security Bank of Utah, N.A., the undersigned, a corporation of the United States, with its principal office as 79 South Main Street, Salt Lake City, Utah 84111 being the Trustee and Beneficiary of the Trust Deed affecting the real property hereinbefore submitted by Declarant to the provisions of the Utah Condominium Ownership Act, does hereby consent to such submission by the Declarant. In so consenting, the undersigned merely submits its interests in said real property to the provisions of the said Act. The undersigned has made no representations or warranties in the Declaration and does not assume any of the obligations of a sponsor of the said Condominium Project.

Dated this 11 day of June, 1980.

By: William H. Anderson

ATTEST:

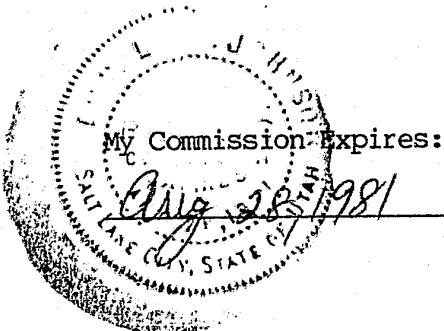
Wm. H. Anderson
Its

ACKNOWLEDGMENTS

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

On the 11th day of June, 1980, personally appeared before me DALE A. KEHL, MERVYN B. ~~ARNOLD~~, ROGER L. KEHL, ~~GENE VANSHAAR~~, and ~~GREG THUESON~~, the signers of the within and foregoing Bylaws of Stone Hollow Condominium Owners Association, each of whom duly acknowledged to me that he executed the same.

Donald O. Johnson
Notary Public
Residing at: Salt Lake City



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

On the 11th day of June, 1980, personally appeared before me DALE A KEHL and ROGER L KEHL, who being by me duly sworn, did say that they are the President and Secretary, respectively, of ARNOLD DEVELOPMENT COMPANY, a Utah corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors, and said ROGER L KEHL and DALE A KEHL duly acknowledged to me that said corporation executed the same.

Donald O Johnson
Notary Public
Residing at: Salt Lake City

