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AFTER RECORDING, PLEASE RETURN TO:
PARSONS & CROWTHER
Paul H. Shaphren, Esquire
455 South 300 East, Suite 300
Salt Lake City, Utah 84111

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SALT LAKE COUNTY,
UTAH
PATRICIA R. BROWN

DECLARATION OF CONDOMINIUM
OF THE
CROSSPOINTE CONDOMINIUM PROJECT

[An Expandable Condominium Project]

THIS DECLARATION is made and executed this 31ST day of July, 1985, by San Francisco Construction, Inc., a Utah corporation (hereinafter referred to as "Declarant").

R E C I T A L S:

A. Declarant is the record owner of that certain Tract of real property more particularly described in Article II hereof.

B. Various improvements have been or will be made to the Tract so as to enable its use and operation as a Condominium project. The construction of all of such improvements has been or will be performed in accordance with the information contained in this Declaration and in the Record of Survey Map.

C. Declarant desires, by filing this Declaration and the Survey Map, to submit said Tract and all improvements now or hereafter constructed thereon to the provisions of the Act as a Condominium Project to be known as the "Crosspointe Condominium Project." As more fully set forth in Article III hereof, Declarant reserves the right to expand the Project to include certain additional real property and improvements thereto.

D. Declarant intends to sell and convey to various persons fee title to the individual Units contained in the Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, restrictions, and limitations herein set forth.

NOW, THEREFORE, for the foregoing purposes, Declarant hereby makes the following Declaration:

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I. DEFINITIONS

When used in this Declaration (including in that portion hereof entitled "Recitals"), each of the following terms shall have the meaning indicated. Any term used herein which is defined by the Act shall, to the extent permitted by the context hereof, have the meaning ascribed by the Act.

1. Act shall mean and refer to the Utah Condominium Ownership Act, Utah Code Annotated Sections 57-8-1 through 57-8-36 (Supp. 1983).

2. Additional Land shall mean, refer to, and consist of the following described parcel of real property situated in Salt Lake County, State of Utah:

See Exhibit "C" attached hereto and incorporated herein by this reference.

A description of the Additional Land is set forth in this Declaration solely for purposes of identification. This Declaration is not intended as and should not be deemed to constitute any lien, encumbrance, restriction, or limitation upon any portion of the Additional Land unless and until such portion is added to the Project in accordance with law and the provisions hereof (and in particular, in accordance with the provisions of Article III, Sections 36. through 40. hereof).

3. Affiliate of Declarant shall mean and refer to any person or entity which controls, is controlled by, or is under common control with Declarant. A person or entity shall be considered to control the Declarant if that person or entity is a general partner, officer, director, or employee of the Declarant who: (i) directly or indirectly or acting in concert with one or more persons, or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing, more than twenty percent (20%) of the voting shares of Declarant; (ii) controls in any manner the election of a majority of the directors of Declarant; or (iii) has contributed more than twenty percent (20%) of the capital of Declarant. A person or entity shall be considered to be controlled by Declarant if Declarant is a general partner, officer, director, or employee of that person or entity who: (i) directly or indirectly or acting in concert with one or more persons or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing, more than twenty percent (20%) of the voting shares of that persons or entity; (ii) controls in any manner the election of a majority of the directors of that person or entity; or (iii) has contributed more

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than twenty percent (20%) of the capital of that person or entity.

4. Association of Unit Owners, Owners Association or Association shall mean and refer to all of the Owners taken as, or acting as, a group in accordance with this Declaration.

5. Building shall mean and refer to a structure containing or to contain Units.

6. Building Number or Building Letter shall mean and refer to the number, letter, or combination thereof (if any) which designates a Building in the attached Exhibit "A" and on the Record of Survey Map.

7. Common Areas and Facilities or Common Areas shall mean, refer to, and include:

(a) The real property and interests in real property which this Declaration submits to the terms of the Act, including the entirety of the Tract (but excluding individual Units).

(b) All Common Areas and Facilities designated as such in the Survey Map.

(c) All Limited Common Areas and Facilities.

(d) All foundations, roofs, and lobbies constituting a portion of or included in the improvements which comprise a part of the Project, and any halls, corridors, stairs, stairways, entrances, and exits which are designed for the use of more than one Unit.

(e) All installations for and all equipment connected with the furnishing of Project utility services such as electricity, gas, water, and sewer; excepting, however, all such installations located within the boundaries of a specific Unit which serve only that Unit.

(f) All tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus, installations, and facilities included within the Project and existing for common use.

(g) The Project outdoor lighting, fences, landscaping, sidewalks, open parking spaces, and roads.

(h) All portions of the Project not specifically included within the individual Units.

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

8. Common Expenses shall mean and refer to all sums which are expended on behalf of all the Unit Owners and all sums which are required by the Management Committee to perform or exercise its functions, duties, or rights under the Act, this Declaration, any Management Agreement which may be entered into for operation of the Project, and such rules and regulations as the Management Committee may from time to time make and adopt.

9. Condominium Project or Project shall mean and refer to the Crosspointe Condominium Project.

10. Condominium Unit shall mean, and refer to, and include a Unit together with its appurtenant undivided ownership interest in the Common Areas and Facilities, and its appurtenant right to exclusive use of Limited Common Areas associated with such Unit.

11. Declarant shall mean and refer to San Francisco Construction, Inc., a Utah corporation and/or any successor to said corporation which, either by operation of law or through a voluntary conveyance, transfer, or assignment, comes to stand in the same relation to the Project and/or to the Additional Land (or a portion thereof) as did its predecessor.

12. Declaration shall mean and refer to this Declaration of Condominium of the Crosspointe Condominium Project, as the same may hereafter be modified, amended, supplemented, or expanded in accordance with law and the provisions hereof (and in particular, in accordance with the provisions of Article III, Sections 36. through 40. hereof concerning amendments and supplements to this Declaration which are to occur in conjunction with each addition to the Project of a portion of the Additional Land).

13. Eligible Insurer or Guarantor shall mean and include an insurer or governmental guarantor of a Mortgage which has requested notice of certain matters from the Association in accordance with the sixth Paragraph of Section 41. of Article III of this Declaration.

14. Eligible Mortgagee shall mean and include a Mortgagee which has requested notice of certain matters

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from the Association in accordance with the sixth Paragraph of Section 41. of Article III of this Declaration.

15. Limited Common Areas and Facilities or Limited Common Areas shall mean and refer to those Common Areas and Facilities designated in this Declaration or in the Survey Map as reserved for the use of a certain Unit to the exclusion of the other Units.

16. Management Committee or Committee shall mean and refer to the Management Committee of the Crosspointe Condominium Project.

17. Mortgage shall mean and include both a first mortgage on any Condominium Unit and a first deed of trust on any Condominium Unit.

18. Mortgagee shall mean and include both a mortgagee under a first mortgage on any Condominium Unit and a beneficiary under a first deed of trust on any Condominium Unit.

19. Par Value shall mean and refer to a number of points assigned to each Unit as reflected on Exhibit "A" hereto which shall be used in determining each Unit's interest in Common Areas and Common Expenses. Par Value for a Unit shall be computed and determined by assigning the Unit one point for each square foot of Size (as defined herein) of the Unit up to and including 600 square feet; one-half of a point for each square foot of Size of the Unit exceeding 600, but less than or equal to 750 square feet; and one-quarter of one point for each square foot of Size of the Unit in excess of 750, in all cases rounded up to the nearest whole number of points. So long as it substantially complies with the provisions of this Section 19 and is not arbitrary, Declarant's determination of the Par Value of a Unit, as set forth in this Declaration or in any amendment or supplement hereto prepared pursuant to Article III, Section 38 hereof, shall be conclusive.

20. Record of Survey Map, Survey Map, or Map shall mean and refer to the Record of Survey Map, filed herewith, entitled "Record of Survey Map for Crosspointe Condominiums," executed and acknowledged by Declarant on _____, 1985, consisting of _____ sheets, and prepared and certified to by Kenneth L. Watson, a duly registered Utah Land Surveyor holding Certificates Nos. 4300 and 5190, as the same may hereafter be modified or amended in accordance with law and the provisions hereof (and in particular, in accordance with the provisions of

Article III, Sections 36. through 40. hereof concerning amendments and supplements to the Survey Map which are to occur in conjunction with each addition to the Project of a portion of the Additional Land).

21. Size shall mean and constitute the area of the floor space within a Unit, in square feet, rounded to the nearest whole number ending in zero (e.g., 550, 750, 1180), and computed and determined as follows on the basis of dimensions shown on the Survey Map. The measurements used in determining Size shall run from the interior surfaces of the walls surrounding the Unit concerned and each separate level, story, or floor contained within or making up the Unit shall be taken into account and, subject to the following provisions, shall augment the Size thereof. For purposes of determining Size the area of any space in a Unit intended for garage or vehicle parking purposes or as an unfinished attic or basement shall be completely excluded. So long as it substantially complies with the provisions of this Section 21 and is not arbitrary, Declarant's determination of the Size of a Unit, as set forth in this Declaration or in any amendment or supplement hereto prepared pursuant to Article III, Section 38 hereof, shall be conclusive.

22. Tract shall mean, refer to, and consist of the real property which Article II of this Declaration submits to the terms of the Act, together with each and every portion of the Additional Land which is added (from and after the time such portion is added) to the Project in accordance with law and the provisions of this Declaration.

23. Unit shall mean and refer to one or more rooms or spaces located in a Building and intended for independent use and which is designated as a Unit on the Record of Survey Map and in Exhibit "A" attached hereto (and incorporated herein by this reference). All walls on the perimeters of a Unit (up to the interior surface) shall constitute a part of the Common Areas and Facilities. A Unit shall include any walls, partitions, floors, ceilings, and stairs which are wholly contained within its vertical and horizontal perimeters and the interior surfaces of any floors, ceilings, walls, or coverings which bound it; provided, however, that a Unit shall not include pipes, wires, conduits, or other utility lines running through it which are utilized for or which serve more than one Unit and shall not include any load bearing walls or floors comprising a part of the Building in which the Unit is contained. A Unit shall also include all fixtures contained within its vertical and horizontal perimeters and intended for the sole use of such Unit.

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

25. Unit Owner or Owner shall mean and refer to the person(s) who is/are the owner(s) of record (in the office of the County Recorder of Salt Lake County, State of Utah) of a fee or an undivided fee interest in a Condominium Unit. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Unit Owner or Owner shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

II. SUBMISSION

There is hereby submitted to the provisions of the Act, as the Tract initially associated with the Crosspointe Condominium Project, the following-described parcel of real property situated in Salt Lake County, State of Utah:

See Exhibit "B" attached hereto and incorporated herein by this reference.

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the Tract.

ALL OF THE FOREGOING IS SUBJECT TO: all liens for current and future taxes, assessments, and charges imposed or levied by governmental, or quasi-governmental authorities; all Patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described Tract or any portion thereof, including, without limitation, any mortgage or deed of trust; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies shown on or revealed by the Survey Map or otherwise existing; an easement for each and every pipe, line, cable,

wire, utility line, or similar facility which traverses or partially occupies the above-described Tract at such time as construction of all Project improvements are complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables wires, utility lines, and similar facilities.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across, through, and under the above-described Tract and any improvements now or hereafter constructed thereon as may be reasonably necessary for Declarant or for any assignee or successor of Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration): (i) To construct and complete each of the Buildings and all of the other improvements described in this Declaration or in the Survey Map recorded concurrently herewith and to do all things reasonably necessary or proper in connection therewith; and (ii) To construct and complete on the Additional Land or any portion thereof such improvements as Declarant or said assignee or successor shall determine to build in its sole discretion (and whether or not the Additional Land or said portion has been or thereafter will be added to the Project); and (iii) To improve portions of the Tract with such other or additional improvements, facilities, or landscaping designed for the use and enjoyment of all the Owners as Declarant or as such assignee or successor may reasonably determine to be appropriate. If, pursuant to the foregoing reservations, the above described Tract or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the

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excepting of such perpetual easements, the reservations hereby effected shall, unless sooner terminated in accordance with their terms, expire seven (7) years after the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah.

III. COVENANTS, CONDITIONS, AND RESTRICTIONS

The foregoing submission is made upon and under the following covenants, conditions, and restrictions:

1. Description of Improvements. The improvements included in the Project are now or will be located upon the Tract. The significant improvements contained in the Project include six (6) Buildings; forty-five (45) Units; a swimming pool and related facilities; a pool building containing changing rooms and restrooms for men and women, and storage area for pool equipment; common parking areas; garages and asphalt or concrete driveways. The location and configuration of the improvements referred to in the foregoing sentence are depicted on the Survey Map. The Project also contains other improvements of a less significant nature, such as outdoor lighting, fencing, landscaping and concrete sidewalks and walkways. There may also be located within the Common Areas certain man-made ponds or small streams. The water and water rights for such ponds or streams are to be provided, if at all, by and at the expense of the Association, and the Declarant has not conveyed to the Association or the Owners any water rights or water stock for such purposes. The Survey Map shows the number of stories and the number of Units which are contained in the Buildings included in the Project. Each of said Buildings is composed of the following materials: all load bearing and non-load bearing walls are wooden frame and studded with wood; the foundation walls are of concrete; the ground floor and second floor are of wooden joists covered with plywood; the roof is of wooden trusses, joists, or laminated beams surfaced with plywood and asphalt shingles; interior walls are surfaced with sheetrock or gypsum board; and exterior walls are surfaced with masonite, wood, stucco and/or brick siding.

2. Description and Legal Status of Units. The Record of Survey Map shows the Unit Number of each Unit, its location, dimensions from which its Size may be determined, and the Common Areas and Facilities to which it has immediate access. Each Condominium Unit shall be capable

of being separately owned, encumbered, and conveyed. The undivided ownership interest in the Common Areas and Facilities appurtenant to a Unit may not be partitioned from the balance of the Common Areas and Facilities by an action pursuant to Chapter 39 of Title 78, Utah Code Annotated (1953). The immediately foregoing sentence shall not prejudice or otherwise affect the rights set forth in Sections 30. through 34., inclusive, in the event of substantial destruction, condemnation, or obsolescence. There shall not be any restriction upon any Unit Owner's right of ingress to and egress from his Unit.

3. Contents of Exhibit "A". Exhibit "A" to this Declaration furnishes the following information with respect to each Unit contained in the Project: (i) The Unit Number; (ii) The Letter of the Building in which it is contained; (iii) The Size of the Units; (iv) The Par Value of the Unit; and (v) The percentage of undivided ownership interest in the Common Areas which is appurtenant to the Unit.

4. Computation of Undivided Interests. The percentage of undivided ownership interest in the Common Areas and Facilities which, at any point in time, is appurtenant to a Unit shall be equal to the ratio between the Par Value of such Unit and the aggregate Par Values of all Units then included in the Project. The percentage of undivided ownership interest which is initially appurtenant to each Unit currently contained in the Project has been computed in the aforesaid manner and through use of the minor adjustments described at the end of this Section 4. From time to time in the future and under the circumstances described in Sections 36. through 40. of this Article III, the undivided ownership interest appurtenant to each Unit theretofore contained in the Project may be recomputed and redetermined, but always through use of the formula described at the outset of this Section 4. In utilizing said formula, however, Declarant shall have the right to make minor adjustments in some or all of the percentage interests which result from a strict application thereof for the purpose, but only for the purpose, of assuring that at all times the total undivided ownership interest respecting the Project equals 100.00%.

5. Limited Common Areas. The Limited Common Areas and Facilities which are contained in the Project (other than Limited Common Areas located on or otherwise associated with portions of the Additional Land) consist of all of the following which are labelled as such on the Survey Map: All patios, porches, balconies, decks, private yard areas and storage shed, if any, attached or adjacent to a

Unit. The exclusive use of each patio, porch, balcony, deck, private yard area or storage shed, is reserved to the Unit which it adjoins, with which it is associated, or as designated on the Survey Map.

6. Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering a Condominium Unit shall describe the interest or estate involved substantially as follows:

Unit No. ____ contained within the Crosspointe Condominium Project as the same is identified in the Record of Survey Map recorded in Salt Lake County, Utah, as Entry No. ____ (As said Record of Survey Map may have heretofore been amended or supplemented) and in the Declaration of Condominium of the Crosspointe Condominium Project recorded in Salt Lake County, Utah, as Entry No. ____ in Book ____ at Page ____ (as said Declaration may have heretofore been amended or supplemented). TOGETHER WITH the undivided ownership interest in said Project's Common Areas and Facilities which is appurtenant to said Unit (the referenced Declaration of Condominium providing for periodic alteration both in the magnitude of said undivided ownership interest and in the composition of the Common Areas and Facilities to which said interest related) as more particularly described in said Declaration.

Whether or not the description employed in any such instrument is in the above specified form, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Unit. Neither the percentage of undivided ownership interest in the Common Areas and Facilities nor the right of exclusive use of a Limited Common Area and Facility shall be separated from the Unit to which it appertains; and, even though not specifically mentioned in the instrument of transfer, such percentage of undivided ownership interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

7. Use Restrictions. All Units and Limited Common Areas are intended to be used for residential housing and

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are restricted to such use. No Unit or Limited Common Areas shall be used, occupied, or altered in violation of law, so as to detract from the appearance or value of any other Unit, so as to create a nuisance or to interfere with the rights of any Unit Owner, or in a way which would result in an increase in the cost of any insurance covering the Project as a whole. Without limiting the breadth of the foregoing sentence, aluminum foil, newspapers, or any other similar materials may not be used to cover the windows in any Unit. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units. Without limiting the breadth of the foregoing sentence: (i) No automobile or other vehicle shall be parked in front of a garage or parking stall, in front of a walkway, or at any location within the Project which impairs or tends to impair vehicular or pedestrian access within the Project or to and from its various parts; (ii) No radio or television antenna or any wiring for any purpose may be installed on the exterior of any Building without the prior written approval of the Management Committee; (iii) No sign, advertisement, notice, or other lettering shall be exhibited, inscribed, painted, or affixed by any Owner at any location within the Common Areas or at any location within each Unit visible from the Common Areas without the prior written consent of the Management Committee; (iv) No sidewalk, entrance, passage, vestibule, stairway, corridor, or hall, comprising a part of the Common Areas (other than Limited Common Areas), may be obstructed or encumbered or used for any purpose other than ingress and egress to and from Units; (v) No garments, rugs, other household items, or wash lines of any kind may be hung, erected, or maintained outside of an Owner's Unit; (vi) No Unit Owner shall discard or permit to fall any items from the windows of the Owner's Unit; (vii) No articles belonging to Owners shall be kept within or upon Common Areas (other than Limited Common Areas associated with the Owner's Unit); (viii) No mechanical repairs to vehicles shall be made on Common Areas (other than Limited Common Areas associated with the Owner's Unit); (ix) No recreational vehicles, boats or trailers shall be parked on Common Areas or Limited Common Areas associated with the Owner's Unit, except that such vehicles, boats and trailers may be kept in a garage that is part of an Owner's Unit if the garage doors may be completely closed; and (x) No Unit Owner shall materially change the landscaping in the private yard designated as Limited Common Areas without prior written consent of the Management Committee. No leases, charges for use, rental agreements, licenses, or similar arrangements shall be employed or entered into with

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respect to any portion of the Common Areas and Facilities. Neither animals other than small dogs, cats or birds, nor other household pets, except as allowed by the Management Committee in reasonable numbers, shall be kept or allowed in any part of the Project. The foregoing sentence shall be deemed to prohibit, among other things, the keeping of any dog weighing more than twenty (20) pounds and the keeping in any Unit of more than two, in any combination, dogs and/or cats and/or birds. Whenever a pet is allowed to leave a Unit, it shall be firmly held, on a leash or in a cage. Owners shall be responsible for their pets while on the Common Areas and shall promptly remove from the Common Areas any feces left by their pet.

8. Declarant's Sales Program. Notwithstanding the provisions of the foregoing Section 7., until the happening of the event described in the second Paragraph of this Section 8., Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Units owned or to be owned by Declarant:

(i) Declarant shall have the right to maintain eight (8) or less sales offices and/or model Units. Such offices and/or model Units may be one or more Units (of any floor area and at any location) owned by it, one or more separate structures or facilities placed on the Tract for the purpose of aiding Declarant's sales efforts, or any combination of the foregoing. If one or more separate structures or facilities is so employed by Declarant, each shall be reasonably located given the layout of the Project, and each shall have an aggregate floor area not substantially in excess of twice the aggregate floor area of the largest Unit contained in the Project or on the Additional Land.

(ii) Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners, awnings, flags, or similar devices at any place or places on the Tract, but any such device shall be of a size and in a location as is reasonable and customary.

Declarant shall have the right from time to time to locate or relocate any of its sales offices, model Units, and/or signs, banners, or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Section. Within a reasonable period of time after the happening of the event described in the second Paragraph of this Section 8., Declarant shall have the right to remove from

the Project any signs, banners, or similar devices and any separate structure or facility which was placed on a portion of the Tract for the purpose of aiding Declarant's sales effort.

The event referred to in the first Paragraph of this Section 8. shall be the first to occur of the following:

(a) Declarant ceases to be a Unit Owner or all of the Additional Land has been added to the Project, whichever last occurs, or

(b) The expiration of seven (7) years after the date on which this Declaration is filed of record in the office of the County Recorder of Salt Lake County, Utah.

9. Completion Obligation. Declarant hereby covenants in favor of each person who contracts with Declarant for the purchase of a Unit located or to be located on any portion of the Tract that no later than twenty-three (23) months after the date on which such contract is entered into: (i) The Unit which such person has contracted to purchase, the Building within which such Unit is contained or is to be contained, and each Limited Common Area appurtenant to such Unit shall be fully constructed and ready for use or occupancy (as the case may be); and (ii) There shall be substantially completed and usable as part of the Common Areas all proposed or planned roadways, parking spaces, sidewalks, fences, outdoor lighting, landscaping, and utility lines and conduits necessary to enable full use and enjoyment of the Unit concerned.

10. Condition and Maintenance of Units and Limited Common Areas. Each Unit, and all utility facilities, lines, ducts, and other such apparatus serving solely such Unit, and located within the boundary of such Unit shall be maintained by the Owner thereof so as not to detract from the appearance of the Project and so as not to affect adversely the value or use of any other Unit or other portions of the Project. Each Unit Owner shall keep his appurtenant patio(s), porch(es), balcony(s), deck(s), storage shed(s) and/or private yard area(s), if any, in a clean, sanitary and orderly condition, but shall not otherwise repair or maintain the same. The Committee shall have no obligation regarding cleaning or care which is required to be accomplished by the Owners.

11. Encroachments. In the event that any portion of the Common Areas, a Limited Common Area, a Unit, and/or a Building (whether constructed by Declarant or reconstructed so as to substantially duplicate a Unit or

Building originally constructed by Declarant) encroaches or comes to encroach on the Common Areas, another Limited Common Area, another Unit, and/or another Building, as a result of construction, reconstruction, repair, shifting, settlement, or movement, an easement for such encroachment is created hereby and shall exist so long as such encroachment exists.

12. Status and General Authority of Committee. The Condominium Project shall be managed, operated, and maintained by the Management Committee on behalf of the Unit Owners. The Committee shall, in connection with its exercise of any of the powers delineated in subparagraphs (a) through (j) below, constitute a legal entity capable of dealing in its Committee name. The Management Committee shall have, and is hereby granted, the following authority and powers:

(a) The power and authority to enter upon any Condominium Unit and any Limited Common Area to make emergency repairs and a reasonable right of entry thereupon to do other work reasonably necessary for the proper maintenance and operation of the Project.

(b) The authority, without the vote or consent of the Unit Owners, Mortgagees, insurers or guarantors of Mortgages, or of any other person(s), to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and easements over, under, across, and through the Common Areas and Facilities for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Project.

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

(d) The power to sue and be sued.

(e) The authority to enter into contracts which in any way concern the Project, so long as any vote or consent necessitated by the subject matter of the agreement has been obtained.

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

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

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

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

(j) The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions on behalf of the Unit Owners.

Any instrument executed by the Management Committee that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

13. Professional Management. Unless approval for self-management is obtained by a two-thirds majority vote of the Committee, the Committee shall carry out through a professional manager those of its functions which are properly the subject of delegation. The professional manager so engaged shall be an independent contractor and not an agent or employee of the Committee, shall be responsible for managing the Project for the benefit of the Committee and the Unit Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself. Any such management agreement entered into prior to the happening of the event described in the second Paragraph of Section 14. of this Article III shall provide that either party, with or without cause and without payment of any termination fee or being subject to any penalty, may terminate same upon not in excess of thirty (30) days written notice to the other party thereto.

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14. Composition of Management Committee. The Committee shall be composed of five members. At the first regular Owners meeting, three Committee members shall be elected for two-year terms and two members for one-year terms. At each annual Owners meeting thereafter, any vacant seat on the Committee shall be filled with a member elected for a two-year term. Only Unit Owners and officers and agents of Owners other than individuals shall be eligible for Committee membership. At each annual meeting, the percentage of undivided ownership interest appurtenant to a Unit may be voted in favor of as many candidates for Committee membership as there are seats on the Committee to be filled; provided, however, that until the happening of the event described in the second Paragraph of this Section 14., Declarant alone shall be entitled to select four of the five Committee members. Notwithstanding the foregoing provisions, until the first annual meeting of the Owners, the members of the Committee, although numbering less than five, shall be the following persons and each shall hold the office(s) indicated opposite his name:

Dave Kocherhans	President
James Skillen	Vice President
Douglas Wells	Secretary/ Treasurer

Any Committee member who fails on three successive occasions to attend Committee meetings (whether regular or special) or who has failed to attend at least twenty-five percent (25%) of all Committee meetings (whether regular or special) held during any 12-month period shall automatically forfeit his seat. In the event a Committee seat which was filled by Declarant becomes vacant prior to the happening of the event described in the second Paragraph of this Section 14., whether by reason of forfeiture or due to another cause, Declarant shall select a replacement member to sit on the Committee for the balance of the term associated with the term of the vacated seat. In all other cases of vacancy, the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected. Unless he forfeits or otherwise loses his seat as herein provided, a member shall serve on the Committee until his successor is elected and qualifies. Committee members shall be reimbursed for all expenses reasonably incurred in connection with Committee business. The Committee may fix such compensation for any member as

may be reasonable in light of the Committee duties which that member is required to perform.

The event referred to in the first Paragraph of this Section 14. shall be the first to occur of the following:

(a) The date Declarant has conveyed to purchasers seventy-five percent (75%) of the Condominium Units included in the Project or all Additional Land has been added to the Project, whichever last occurs; or

(b) The expiration of six (6) years after the date on which the first Condominium Unit is conveyed by Declarant to a purchaser.

15. Committee Officers and Agents. The Committee shall perform its functions through those members who are elected as officers by the Committee and through such agents or employees as the Committee may appoint. Any Committee officer, agent, or employee may at any time be removed with or without cause by the vote of a majority of the Committee members. The officers of the Committee, and their respective powers and functions, shall be as follows:

(a) President. The President shall be the chief executive of the Committee and shall exercise general supervision over the property and affairs of the Project. He shall preside over all meetings of the Committee and of the Unit Owners. He shall execute all instruments on behalf of the Committee.

(b) Vice-President. The Vice-President shall have all the powers of the President in the event of the latter's absence or inability to act.

(c) Secretary. The Secretary shall keep minutes of meetings of the Committee and of the Unit Owners and shall keep all records which are required or made necessary by the Act, this Declaration, or the Committee.

(d) Treasurer. The Treasurer shall have custody and control of the funds available to the Committee. If the Project comes to contain fifty (50) or more Units, the Treasurer shall cause to be prepared an annual audited financial statement for each fiscal year of Project operation. Upon request of the Committee he shall furnish it with a bond in the amount specified by the Committee, conditioned upon the faithful performance of his duties. The offices of Secretary and Treasurer or of Vice-

President and Treasurer may be held by the same Committee member.

16. Committee Meetings. A regular meeting of the Committee shall be held immediately after the adjournment of each annual Owners meeting. Other regular meetings shall be held at periodic intervals at such time and place as the Committee may provide. Either oral or written notice shall be given to each Committee Member of the time and place of each regular Committee meeting at least three (3) days prior to such meeting. Special Committee meetings shall be held whenever called by the President or by any two members of the Committee. Reasonable effort shall be made to give either oral or written notice of a special meeting to each Committee member at least three (3) days (but in the event of an emergency twenty-four (24) hours) before the time fixed for the meeting. Adequate notice of a special meeting shall be deemed to have been given to a member if such effort is made, even though the member concerned does not actually receive notice. The propriety of holding any meeting which is attended by all Committee members may not be challenged on grounds of inadequate notice. A quorum for the transaction of business at any Committee meeting shall consist of a majority of all the members then in office.

17. Owners Meetings. The annual meeting of the Unit Owners shall be held at 7:00 p.m. on the second Monday in June, 1986, and on the second Monday in June of each succeeding year. Whenever such day is a legal holiday, the meeting shall occur on the first business day thereafter. The place of meeting shall be at a location in Salt Lake County, Utah, specified in the notice of meeting. At least ten (10) but not more than thirty (30) days before the date of the annual meeting, a written notice thereof shall be personally delivered or mailed postage prepaid to each person who appears as an Owner, at the latest address for such person appearing, in the records of the Committee at the time of delivery or mailing. Such notice shall state the time, place, and general purpose of the meeting.

Special meetings of the Owners may be called by the President, by any two members of the Committee, or by Unit Owners cumulatively holding at least one fourth (1/4) of the undivided ownership interest in the Project. At least two (2) but not more than thirty (30) days before the date set for a special meeting, written notice thereof shall be given in the manner described in the immediately preceding Paragraph.

No notice of any Owners meeting shall be required if a waiver of such notice is signed by all of the Owners. Whenever all the Owners meet in person or by proxy, such meeting may not be challenged on grounds of inadequate notice. The presence of Owners entitled to cast a majority of all the undivided ownership interest in the Project shall constitute a quorum for the transaction of business at any Owners meeting. In the event a quorum is not present at any Owners meeting, whether regular or special, the meeting may be adjourned and rescheduled for a time no earlier than forty-eight (48) hours, and no later than thirty (30) days, after the time set for the original meeting. No notice of such rescheduled meeting shall be required. The presence of Owners entitled to cast twenty-five percent (25%) of all the undivided ownership interest in the Project shall constitute a quorum at the rescheduled meeting. Notwithstanding the foregoing provisions of this Paragraph, however, in any case in which the Act or this Declaration requires the affirmative vote of at least a specified percentage of the Project's undivided ownership interest for authorization or approval of a matter, the presence of Owners entitled to cast such percentage shall be necessary to constitute a quorum at any meeting (whether original or rescheduled) at which action on such matter is taken.

18. Voting - Multiple Ownership. The vote attributable to and exercisable in connection with a Unit shall be the percentage of undivided ownership interest which is then appurtenant thereto. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

19. Lists of Unit Owners, Eligible Mortgagees, and Eligible Insurers or Guarantors. The Committee shall maintain up-to-date records showing: (i) the name of each person who is an Owner, the address of such person, and the Unit which is owned by such Owner; (ii) the name of each person or entity who is an Eligible Mortgagee, the address of such person or entity, and the Unit which is encumbered by the Mortgage held by such person or entity; and (iii) the name of each person or entity who is an Eligible Insurer or Guarantor, the address of such person or entity, and the Unit which is encumbered by the

Mortgage insured or guaranteed by such person or entity. In the event of any transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the Committee with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Salt Lake County, Utah. The Committee may for all purposes act and rely on the information concerning Owners and Unit ownership which is thus acquired by it, or at its option, the Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Salt Lake County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such person unless the Committee is otherwise advised.

20. Limitation on Improvements by Association. Until occurrence of the event described in the second Paragraph of this Section, neither the Association nor the Management Committee shall, without the written consent of Declarant, make any improvement to or alteration in any of the Common Areas and Facilities other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as originally created or constructed by Declarant.

The event referred to in the first Paragraph of this Section shall be the first to occur of the following:

(a) The date Declarant has conveyed seventy-five percent (75%) of the Units included in the Project or all Additional Land has been added to the Project, whichever last occurs; or

(b) The expiration of six (6) years after the date on which the first condominium Unit is conveyed by Declarant to a purchaser.

21. Capital Improvements. Additions or capital improvements to the Project which cost no more than Five Thousand Dollars (\$5,000.00) may be authorized by the Management Committee alone. Additions or capital improvements the cost of which will exceed such amount must, prior to being constructed or accomplished, be authorized by at least a majority of the undivided ownership interest in the Project. Any addition or capital improvement which would materially alter the nature of the Project must, regardless of its cost and prior to being constructed or accomplished, be authorized by at least sixty-seven percent (67%) of the Project's undivided ownership interest.

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All provisions of this Section 21. are subject to the limitations imposed by the foregoing Section 20.

22. Operation and Maintenance. The Management Committee shall, as a portion of the Common Expenses, pay for, or provide for the payment of, all utility services furnished to the Project which are not separately metered and billed to individual Units by the utility or other party furnishing such service. Except as otherwise provided in the balance of this Section 22. or in Section 10. of this Article III, the Committee shall provide for such maintenance and operation of the Common and Limited Common Areas and Facilities as may be reasonably necessary to make them appropriately usable in conjunction with the Units and to keep them clean, functional, attractive, and generally in good condition and repair. Without limiting the breadth of the foregoing, the Committee shall provide for necessary maintenance and cleaning of any storm water drainage or catch basin within the Project.

23. Payment of Expenses. Before January 15 of each year, the Committee shall prepare a budget which sets forth an itemization of the Common Expenses which are anticipated for the 12-month period commencing with the following April 1. Such budget shall take into account any deficit or surplus realized during the current fiscal year and such sums as may be necessary to fund the reserve required under the second Paragraph of this Section. The total of such expenses shall be apportioned among all the Units on the basis of their respective appurtenant percentages of undivided ownership interest (subject, however, to the provision which appears at the end of this Paragraph). Prior to the tenth (10th) day of each month during the fiscal year covered by the budget, each Unit Owner shall pay to the Committee as such Owner's share of the Common Expenses one-twelfth (1/12) of the amount so apportioned to such Owner's Unit. If the aggregate of monthly payments attributable to all of the Units is too large or too small as a result of unanticipated income or expenses or if the monthly payments attributable to a particular Unit or Units are too large or too small as a result of an additional Unit or Units being produced by the addition to the Project of a portion of the Additional Land, the Committee may from time to time effect an equitable change in the amount of said payments. The dates and manner of payment shall be determined by the Committee. The foregoing method of assessing the Common Expenses to the Units shall commence when Declarant conveys the first Unit to a purchaser and may be altered by the Committee thereafter so long as the method it adopts is consistent with good accounting practice and requires that the por-

tion of Common Expenses borne by each Unit during a 12 month period be determined on the basis of its appurtenant undivided ownership interest as set forth in this Declaration; provided, however, that an uncompleted Unit shall not be required to share in Common Expenses required to be borne by a Unit until the earlier of the following has occurred: (i) Title to such Unit is no longer vested in Declarant or such Unit is occupied for the first time for residential purposes following recordation of this Declaration, whichever first occurs; or (ii) the completion of a Unit. A Unit shall be complete only upon all construction and finishing being completed so that the Unit is ready for residential purposes including, but not limited to, completion of interior and exterior painting.

The Committee shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of the Common Areas and Facilities and those Limited Common Areas which the Committee is obligated to maintain. As provided in the immediately foregoing Paragraph, such fund shall be maintained out of regular monthly payments of Common Expenses. Such fund shall be maintained in a reasonably liquid, interest bearing investment or account as determined by the Management Committee.

The Committee shall also establish a working capital fund for the initial months of the Project's operation equal to at least two months estimated Common Expenses. Each Condominium Unit's share of the working capital fund shall be collected and transferred to the Committee at the time of closing of the sale of such Condominium Unit by Declarant. Notwithstanding the foregoing, the contribution to the working capital fund for each unsold Condominium Unit shall be paid to the Committee at the time such Condominium Unit is first occupied for residential purposes or the completion of the Unit, whichever first occurs. With respect to each Condominium Unit for which the Declarant pays the contribution to the working capital fund, the Declarant shall be reimbursed for such contribution by the purchaser of such Unit at the time of the closing of the sale to such purchaser. The purpose of the working capital fund is to insure that the Committee will have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Committee. Amounts paid into the working capital fund are not to be considered as advance payment or regular monthly payments of Common Expenses.

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24. Remedies for Nonpayment. No Unit Owner may exempt himself from liability for his contribution to common expenses by waiver of the use or enjoyment of any of the Common Areas. Should any Unit Owner fail to pay when due such Owner's share of the Common Expenses, the Unit Owner shall pay a ten dollar (\$10.00) late fee and the delinquent payment shall bear interest at the rate of the higher of eighteen percent (18%) per annum or the prime rate then being charged by First Security Bank of Utah on the date such payment became delinquent. The Committee may enforce any remedy provided in the Act or otherwise available for collection of delinquent Common Expense assessments. Regardless of the terms of any agreement to the contrary, liability for the payment of Common Expense assessments shall be joint and several, and any remedy for the collection of such assessments may be enforced against any Owner of the Unit concerned or against the Unit itself. The personal obligation of an Owner to pay such Owner's share of the Common Expenses shall not pass to successors in title unless assumed by them. Any relief obtained, whether or not through foreclosure proceedings, shall include the Committee's costs and expenses and reasonable attorneys' fees. In the event of foreclosure, after institution of the action the Committee shall, without regard to the value of the Unit or the extent of the Owner's equity therein, be entitled to the appointment of a receiver to collect any income or rentals which may be produced by the Unit concerned.

25. Management Committee Liability. No member of the Management Committee shall be liable to the Unit Owners for any mistake of judgment, for negligence, or on other grounds, except for such member's own individual and willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each member of the Management Committee from and against all liability to third parties arising out of any contract made by the Management Committee on behalf of the Owners, unless such contract was made in bad faith or contrary to the provisions of the Act or this Declaration. The liabilities of any Unit Owner arising out of any contract made by the Management Committee or out of the indemnification provision set forth in the foregoing portion of this Section 25. shall be limited to the total liability concerned multiplied by such Owner's percentage of undivided ownership interest in the Common Areas.

26. Hazard Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force, and pay the premiums for, hazard insurance meeting the following requirements:

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(i) A "master" or "blanket" type policy of property insurance shall be maintained covering the entire Project, including: Common Areas and Facilities; Limited Common Areas; Units; fixtures, building service equipment, personal property, and supplies comprising a part of the Common Areas and Facilities or owned by the Management Committee or the Owners Association; and fixtures, equipment, or other property comprising a part of or located within any Unit and which are of a class typically encumbered by Mortgages held by the Federal National Mortgage Association (hereinafter, "FNMA") or other similar institutional Mortgage investors; but excluding land, foundations, excavation, and other items normally not covered by such policies. References herein to a "master" or "blanket" type policy of property insurance are intended to denote single entity condominium insurance coverage. As a minimum, such "master" or "blanket" policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to condominium projects similar to the Project in construction, location, and use, including (without limitation) all perils normally covered by the standard "all risk" endorsement, where such endorsement is available. Such "master" or "blanket" policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Project covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage.

(ii) If a steam boiler is or comes to be in operation in the Project, there shall be maintained a policy of insurance providing coverage against loss or damage resulting from steam boiler equipment accidents in an amount not less than One Hundred Thousand Dollars (\$100,000.00) per accident per location or such greater amount as deemed prudent based on the nature of the Project.

(iii) If the Project is or comes to be situated in an area having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program ("NFIP"), a "master" or "blanket" policy of flood insurance shall be maintained covering the Buildings and any other property covered by the required form of policy (hereinafter, "Insurable Property") in an amount deemed appropriate, but not less than the lesser of: (1) the maximum limit of coverage available under NFIP for all Buildings and Insurable Property within any

portion of of the Project located within a designated flood hazard area; or (2) one hundred percent (100%) of current replacement cost of all such Buildings and Insurable Property. Such policy shall be in a form which meets the criteria set forth in the most current Guidelines on the subject issued by the Federal Insurance Administrator.

(iv) The name of the insured under each policy required to be maintained by the foregoing items (i), (ii), and (iii) shall be set forth therein substantially as follows: "Association of Unit Owners of the Crosspointe Condominium Project for the use and benefit of the individual Owners." [Said Owners shall be designated by name, if required.] Notwithstanding the requirement of the two immediately foregoing sentences, each such policy may be issued in the name of an authorized representative of the Association, including any insurance Trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor to such Trustee, for the use and benefit of the individual Unit Owners. Loss payable shall be in favor of the Owners Association (or Insurance Trustee), as a trustee for each Unit Owner and each such Owner's Mortgagee. Each Unit Owner and each such Owner's Mortgagee, if any, shall be beneficiaries of such policy in the percentage of such Owner's undivided ownership interest in the Common Areas and Facilities. Evidence of insurance shall be issued to each Unit Owner and Mortgagee upon request.

(v) Each policy required to be maintained by the foregoing items (i), (ii), and (iii) shall contain the standard mortgage clause or equivalent endorsement (without contribution), commonly accepted by private institutional Mortgage investors in the area in which the Project is located. If FNMA is a holder of one or more Mortgages on Condominium Units within the Project, such mortgage clause shall name FNMA or FNMA's servicer of such Mortgages as Mortgagee. If FNMA's servicer is named as Mortgagee in such mortgage clause, such servicer's name shall be followed therein by the phrase "its successors and assigns." In addition, such mortgage clause or another appropriate provision of each such policy shall provide that the policy may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the policy.

(vi) Each policy required to be maintained by the foregoing items (i), (ii), and (iii) shall also contain or

provide for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against Unit Owners individually; the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Unit Owners collectively; and the policy is primary in the event the Unit Owner has other insurance covering the same loss. The requirements stated in this item (vi) are generally provided by the insurer in the form of a "Special Condominium Endorsement" or its equivalent.

(vii) Each policy required to be maintained by the foregoing items (i), (ii), and (iii) shall also contain or provide for the following: (1) an "Agreed Amount and Inflation Guard Endorsement," if available; and (2) "Construction Code Endorsements" (such as a "Demolition Cost Endorsement," a "Contingent Liability from Operation of Building Laws Endorsement," and an "Increased Cost of Construction Endorsement"), if the Project is subject to a construction code provision which would become operative upon Partial or Substantial Destruction and require changes to undamaged portions of the Building(s), thereby imposing significant costs in the event of such Destruction of the Project by an insured peril.

27. Fidelity Bonds. The Management Committee or the Association of Unit Owners shall at all times maintain in force and pay the premiums for "blanket" fidelity bonds for all officers, members, and employees of the Committee and the Association and for all other persons handling or responsible for funds of or administered by the Committee or the Association. Furthermore, where the Committee or the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such bonds are required for the management agent's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Committee or the Association. The fidelity bond shall be written in an amount sufficient to afford the protection reasonably necessary but in no event less than one hundred fifty percent (150%) of the Project's estimated annual operating expenses and reserve. The bonds required shall meet the following additional requirements: (1) the fidelity bonds shall name the Committee and the Owners Association as obligees; (2) the bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions; (3) the premiums on all bonds required herein for the Committee and the Association (except for premiums on fidelity bonds maintained by a management agent for its

officers, employees and agents) shall be paid by the Committee or the Association as part of the Common Expenses; and (4) the bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Committee and the Association, to any Insurance Trustee, and to each servicer of loans on behalf of FNMA.

28. Liability Insurance. The Management Committee or Association of Unit Owners shall maintain in force and pay the premium for a policy providing comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, public ways in the Project, if any, and commercial spaces owned by the Association, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in amounts generally required by private institutional Mortgage investors for condominium projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least One Million Dollars (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Common Areas and Facilities, and legal liability arising out of lawsuits related to employment contracts of the Committee or the Association. Additional coverages under such policy shall include protection against such other risks as are customarily covered with respect to condominium projects similar to the Project in construction, location, and use, including but not limited to, host liquor liability, contractual and all-written contract insurance, employers liability insurance, and comprehensive automobile liability insurance. Such policy shall provide that it may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.

29. Insurance Trustees and General Requirements Concerning Insurance. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Committee and the Association, the Association's authorized representative, including any trustee with whom the Committee and the Association may enter into any Insurance Trust Agreement or any successor to such

trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Such Unit Owner hereby appoints the Committee, or any Insurance Trustee or substitute Insurance Trustee designated by the Committee, as his or her attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Committee, or any Insurance Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their mortgagees as their interests may appear.

Each insurance policy maintained pursuant to the foregoing Sections 26., 27., and 28. shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Key Rating Guide of Class VI or better. No such policy shall be maintained where: (i) under the terms of the carrier's charter, by-laws, or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a borrower, a Mortgagee, the Management Committee, the Association of Unit Owners, FNMA, or the designee of FNMA; (ii) by the terms of the carrier's charter, by-laws, or policy, loss payments are contingent upon action by the a carrier's board of directors, policy holders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled (including, without limitation, the Committee, the Association, a Unit Owner, FNMA, or the borrowers) from collecting insurance proceeds. The provision of this Section 29. and of the foregoing Sections 26., 27., and 28. shall not be construed to limit the power or authority of the Management Committee or Association of Unit Owners to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Management Committee or Association may deem appropriate from time to time.

30. Destruction, Condemnation, and Obsolescence. The provisions of this Section 30. and of the following Sections 31. through 34. shall apply with respect to the destruction, condemnation, or obsolescence of the Project. As used in such Sections each of the following terms shall have the meaning indicated:

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(a) Destruction. "Substantial Destruction" shall exist whenever, as a result of any damage or destruction to the Project or any part thereof, the excess of Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value of the Project. "Partial Destruction" shall mean any other damage or destruction to the Project or any part thereof.

(b) Condemnation. "Substantial Condemnation" shall exist whenever a complete taking of the Project or a taking of part of the Project has occurred under eminent domain or by grant or conveyance in lieu of condemnation, and the excess of the Estimated Costs of Restoration over Available Fund is twenty-five percent (25%) or more of the estimated Restored Value of the Project. "Partial Condemnation" shall mean any other such taking by eminent domain or grant or conveyance in lieu thereof.

(c) Obsolescence. "Substantial Obsolescence" shall exist whenever the Project or any part thereof has reached such a state of obsolescence or disrepair that the excess of Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value of the Project. "Partial Obsolescence" shall mean any state of obsolescence or disrepair which does not constitute Substantial Obsolescence.

(d) Restoration. "Restoration" shall mean restoration of the Project, to the extent reasonably possible, in accordance with the Declaration, the Survey Map, and the original plans and specification for the Project and to a condition the same or substantially the same as the condition in which the Project existed prior to the damage or destruction concerned; and to the extent not so possible, "Restoration" shall mean restoration of the Project to an attractive, sound, and desirable condition. Any "Restoration" not in accordance with the Declaration, the Survey Map, and the original plans and specifications for the Project shall require the consent of Eligible Mortgagees holding Mortgages on Condominium Units which have appurtenant at least fifty-one percent (51%) of the undivided ownership interest in the Common Areas and Facilities which is then subject to Mortgages held by Eligible Mortgagees.

(e) Restored Value. "Restored Value" shall mean the value of the Project after Restoration.

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(f) Estimated Costs of Restoration. "Estimated Costs of Restoration" shall mean the estimated costs of Restoration.

(g) Available Funds. "Available Funds" shall mean any proceeds of insurance, condemnation awards, payments in lieu of condemnation, and any uncommitted funds of the Management Committee or Association, including amounts contained in any reserve or contingency fund. Available Funds shall not include that portion of insurance proceeds legally required to be paid to any party other than the Association, including a Mortgagee, or that portion of any condemnation award or payment in lieu of condemnation payable to the Owner or Mortgagee of a Condominium Unit for the condemnation or taking of the Unit in which they are interested.

31. Determination by Committee. Upon the occurrence of any damage or destruction to the Project or any part thereof, or upon a complete or partial taking of the Project under eminent domain or by grant or conveyance in lieu thereof, the Committee shall make a determination as to whether the excess of Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value of the Project. In addition, the Committee shall, from time to time, review the condition of the Project to determine whether Substantial Obsolescence exists. In making such determinations the Committee may retain and rely upon one or more qualified appraisers or other professionals.

32. Restoration of Project. Restoration of the Project shall be undertaken by the Committee promptly without a vote of the Owners in the event of Partial Destruction, Partial Condemnation, or Partial Obsolescence and shall also be undertaken in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence unless the failure to make Restoration is consented to by Owners collectively holding at least sixty-seven percent (67%) of the Project's undivided ownership interest and is further consented to by Eligible Mortgagees holding Mortgages on Condominium Units which have appurtenant at least fifty-one percent (51%) of the undivided ownership interest in the Common Areas and Facilities which is then subject to Mortgages held by Eligible Mortgagees. Within thirty (30) days after the Committee has determined the Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence exists, it shall send to each Owner and Eligible Mortgagee a written description of the destruction, condemnation, or state of obsolescence involved, shall take appropriate

steps to ascertain the preferences of the Eligible Mortgagees concerning Restoration, and shall, with or without a meeting of the Owners (but in any event in accordance with the applicable provisions of this Declaration), take appropriate steps to determine the preferences of the Owners regarding Restoration. In the event insurance proceeds, condemnation awards, or payments in lieu of condemnation actually received by the Committee or Association exceed the cost of Restoration when Restoration is undertaken, the excess shall be paid and distributed to the Owners in proportion to their respective undivided interests in the Common Areas. Payment to any Owner whose Condominium Unit is the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee. In the event the cost of Restoration exceeds Available Funds, all of the Units shall be assessed for the deficiency on the basis of their respective percentages of undivided ownership interest in the Common Areas. In the event that all or any portion of one or more Units will not be the subject of Restoration (even though the Project will continue as a condominium project) or is taken in a condemnation proceeding or pursuant to any agreement in lieu thereof, the undivided ownership interest in the Common Areas and Facilities shall be immediately reallocated to the remaining Units in accordance with the method set forth in Section 4. of this Article III.

33. Sale of Project. Unless Restoration is accomplished in accordance with the foregoing Section 32., the Project shall be sold in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence. In the event of such sale, condominium ownership under this Declaration and the Survey Map shall terminate and the proceeds of sale and any Available Funds shall be distributed by the Committee to the Owners in proportion to their respective undivided interests in the Common Areas. Payment to any Owner whose Condominium Unit is then the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.

34. Authority of Committee to Represent Owners in Condemnation or to Restore or Sell. The Committee, as attorney-in-fact for each Owner, shall represent all of the Owners and the Association in any condemnation proceeding or in negotiations, settlements, and agreements with the condemning authority for the acquisition of all or any part of the Common Areas and Facilities. The award in any condemnation proceeding and the proceeds of any settlement related thereto shall be payable to the Association for the use and benefit of the Unit Owners and their

mortgagees as their interests may appear. The Committee, as attorney-in-fact for each Owner, shall have and is hereby granted full power and authority to restore or to sell the Project and each Condominium Unit therein whenever Restoration or sale, as the case may be, is undertaken as hereinabove provided. Such authority shall include the right and power to enter into any contracts, deeds, or other instruments which may be necessary or appropriate for Restoration or sale, as the case may be.

35. Consent in Lieu of Vote. In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for authorization or approval of an act or a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this Section 35.:

(a) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner.

(b) Any change in ownership of a Condominium Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose.

(c) Unless the consent of all Owners having an interest in the same Unit is secured, the consent of none of such Owners shall be effective.

36. Right to Expand and State of Title to New Units. There is hereby granted unto Declarant, and Declarant hereby reserves, the absolute right and option to expand the Project at any time (within the limits herein prescribed) and from time to time by adding to the Project the Additional Land or a portion or portions thereof. Notwithstanding any provision of the Act or this Declaration which might be construed to the contrary, such right and option may be exercised without obtaining the vote or consent of any other person (including any Unit Owner, Mortgagee, Eligible Mortgagee, or Eligible Insurer or Guarantor) and shall be limited only as specifically provided in the Act and this Declaration. Any given portion of the Additional Land shall be deemed added to the Project at such time as a supplement to this Declaration and to the Survey Map containing the information required by the Act and by Section 38. below has been

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recorded with respect to the portion of the Additional Land concerned. After the recordation of such supplements, title to each Unit thereby created within the portion of the Additional Land concerned and its appurtenant percentage of undivided ownership interest in the Common Areas shall be vested in and held by Declarant, and none of the other Unit Owners shall have any claim or title to or interest in such Unit or its appurtenant percentage of undivided ownership interest. All improvements to be placed on the Additional Land to be added will be substantially completed prior to annexation. If at the time a particular portion of the Additional Land is added to the Project there is of record a mortgage or deed of trust which by its terms describes the real property thereby encumbered by a metes and bounds description or other description describing the lateral or perimetric boundaries of such real property (as distinguished from the description of a Condominium Unit), and if the parcel or real property defined by the description set forth in such mortgage or trust deed includes the portion of the Additional Land then being added to the Project, and irrespective of whether or not any partial release or reconveyance pertaining to such mortgage or trust deed has theretofore been recorded with respect to any other Condominium Unit in the Project, then and in that event such mortgage or trust deed shall, upon the addition to the Project of that portion of the Additional Land concerned and whether or not such mortgage or trust deed does so by its terms, automatically cover, encumber, and include each Unit thereby created within such portion of the Additional Land and such Unit's appurtenant undivided ownership interest in the Common Areas. Nothing herein shall prevent the granting of a mortgage or trust deed on any Condominium Unit produced by the addition to the Project of a portion of the Additional Land, but any such mortgage or trust deed shall be subject and inferior to the lien on or interests in such Condominium Unit which arise by operation of the immediately preceding sentence.

37. Rights and Statements Respecting Additional Land. Declarant hereby furnishes the following information and statements respecting the Additional Land and Declarant's right and option concerning expansion of the Project by the addition thereto of the Additional Land or a portion of portions thereof.

(a) All of the Additional Land need not be added to the Project if any of such Land is added. Rather, a portion or portions of the Additional Land may be added to the Project at any time (within the seven (7)

year period prescribed in Section 38. of this Article III) and from time to time.

(b) Except for the limitations and requirements set forth in the following item (d), there are no limitations or requirements relative to the size, location, or configuration of any given portion of the Additional Land which can be added to the Project or relative to the order in which particular portions of the Additional Land can be added to the Project.

(c) There are no limitations or requirements relative to the location of improvements that may be made on any portion of the Additional Land which is added to the Project.

(d) Assuming that the entirety of the Additional Land is added to the Project, the maximum number of Units which may be created on the Additional Land is eight hundred (800). The maximum number of Units per acre that may be created on any portion of the Additional Land added to the Project is twenty (20).

(e) Each Unit created on any portion of the Additional Land which is added to the Project shall be used only for residential housing (subject, however, to the matters set forth in Section 3. of this Article III).

(f) Any Building or other structure erected on a portion of the Additional Land added to the Project need not be of the same architectural style or comprised of the same materials as structures within the pre-existing Project. Nevertheless, any such Building or other structure shall be constructed in a good and workmanlike manner and shall otherwise be consistent with the initial improvements in terms of quality of construction.

(g) In addition to the Building or Buildings, if any, created on a portion of the Additional Land added to the Project, the significant improvements made to such portion may include a sports complex including a clubhouse, pool, tennis courts, running track or similar facilities; one or more separate swimming pools with related pool buildings; asphalt roadways; open parking spaces; fully enclosed garages designed to accommodate one or two automobiles each; carports; concrete sidewalks or walkways; fences; concrete patios; and porches; private yards; outdoor lighting; landscaping; additional recreational facilities, and other related improvements. All of the mentioned improvements may be of the type and in the location reasonably determined to be appropriate by

Declarant, so long as such determination is not inconsistent with any limitation imposed by this Declaration.

(h) Each Building which is created on a portion of the Additional Land added to the Project may have a basement, may consist of either one, two, or three above-ground stories, may include one or more patios, porches, balconies, and/or decks, and may contain one or more Units. The aggregate Size of any Unit contained in such a Building may range from a minimum of approximately 500 square feet to a maximum of approximately 1750 square feet. Any such Unit may be of either a townhouse (multifloor) or apartment (single floor) style, and may include space located on one, two, or three levels. The overall configuration of any such Unit shall be reasonable in light of the total floor area thereof and the configuration of the Building within which it is contained.

(i) In conjunction with the addition to the Project of a portion of the Additional Land, Declarant shall have the right to create Limited Common Areas within such portion. Each of said Limited Common Areas shall be appurtenant to a Unit located within such portion of the Additional Land. Such Limited Common Areas may include and consist of: (1) patios, porches, balconies, decks and/or private yard areas attached or adjacent to a Unit located on the portion of the Additional Land concerned and (2) open parking spaces located anywhere on such portion of the Additional Land. The size, type, and total number of Limited Common Areas created within each portion of the Additional Land which is added to the Project shall be reasonable in light of the number and nature of Units created within the portion of Additional Land concerned and those Limited Common Areas which are located on other portions of the Tract.

(j) In conjunction with the addition to the Project of a portion of the Additional Land, Declarant shall have the right to reserve, in the instruments through which the addition is accomplished, reasonable rights-of-way and/or easements for purposes of enabling access to, furnishing utilities to, and facilitating or enabling development of, such of the Additional Land as has then not been added to the Project.

(k) Any expansion(s) of the Project through the addition thereto of the Additional Land or portions thereof, and through the creation on the portions of the Additional Land concerned of additional Units, shall be such that the percentage of undivided ownership interest in the Common Areas which at any point in time is ap-

purtenant to any Unit then in the Project is not more than 2.4500% and not less than 0.12368%. [If no Additional Land is added to the Project, the number of Units in the Project is forty-five (45), and the maximum undivided ownership percentage in the Common Areas and Facilities appurtenant to any Unit would be 2.45000% and the minimum would be 1.86999%. If all of the Additional Land is added to the Project, the maximum number of Units in the Project would be eight hundred (800), and the undivided ownership percentage in the Common Areas and Facilities appurtenant to the largest Unit would not exceed 0.12566% and the ownership percentage in the Common Areas and Facilities appurtenant to the smallest Unit would not be less than 0.12368%. However, the number and type of Units actually constructed and thus the actual undivided ownership percentage in the Common Areas and Facilities appurtenant to any Unit may in fact be anywhere within the foregoing ranges of percentages.

(1) All taxes, assessments, mechanic's liens, and other similar charges relating to any portion of the Additional Land added to Project and relating to any period prior to the addition of such portion is added would become a lien on any part of the pre-existing Project, shall, prior to such addition, be either paid by the Declarant if then due or escrowed for later payment with a title company in the State of Utah if not then due.

38. Procedure for Expansion. The supplements to this Declaration and to the Survey Map by which addition to the Project of any portion of the Additional Land is accomplished shall be executed by Declarant, shall be in recordable form, must be filed for record in the office of the County Recorder of Salt Lake County, Utah, on or before five (5) years from the date that this Declaration is recorded, and when taken together shall contain the following information for that portion of the Additional Land which is being added to the Project:

(a) Data sufficient to identify this Declaration and the Record of Survey Map.

(b) The legal description of the portion of the Additional Land being added to the Project.

(c) A description of the Building(s), if any, located or to be located on the portion of the Additional Land concerned and of all other significant improvements located or to be located on such portion. Such description shall provide essentially the same type of information as is provided in this Declaration with re-

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spect to the Buildings and improvements initially included in the Project.

(d) The Unit Number of each Unit being created within the portion of the Additional Land concerned, together with a designation of the Unit to which each is appurtenant.

(e) A description of any Limited Common Areas being created within the portion of the Additional Land concerned, together with a designation of the Unit to which each is appurtenant.

(f) The Survey Map information required to be furnished by Section 57-8-13 of the Act.

(g) Such rights-of-way and/or easements as are being reserved by Declarant pursuant to item (j) of the foregoing Section 37.

(h) An amended Exhibit "A" to this Declaration setting forth the percentage of undivided ownership interest which, after addition of that portion of the Additional Land concerned, shall appertain to each Unit in the Project, computed and derived as described in Section 4. of this Article III.

(i) Such other matters as may be necessary, desirable, or appropriate and as are inconsistent with any limitation imposed by this Declaration.

Upon the recordation of the supplements contemplated above, the revised schedule of undivided interests contained therein shall automatically become effective for all purposes and shall completely supersede any similar schedule which was contained in any Declaration or supplement previously recorded in connection with the Project or any portion of the Additional Land. And upon the recordation of such supplements they shall automatically supplement this Declaration, the Survey Map, and any supplements previously recorded. At any point in time, the Declaration and Survey Map for the Project shall consist of this Declaration and the Survey Map initially effective hereunder, as amended and expanded by all supplements theretofore recorded pursuant to the terms hereof.

39. Additional Land -- Miscellaneous. Such parts of or interests in a portion of the Additional Land which is added to the Project as do not become Units shall be and remain Common Areas and Facilities. Until such time as any given portion of the Additional Land added to the

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Project has been fully developed and improved in the manner contemplated by the instruments through which such portion was added, unless Declarant gives its prior written consent thereto, neither the Management Committee nor the Association shall grant or create any easement, right-of-way, or similar matter affecting any part of such portion, improve or work on any part of such portion, or take any other action with respect to such portion which would or might impair Declarant's ability to exercise its rights concerning the same.

40. No Obligation to Expand. Except to the extent specifically indicated herein, this Declaration is not intended, and shall not be construed so as, to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (i) The addition to the Project of any or all of the Additional Land; (ii) The creation or construction of any Unit, Building, or other improvement; (iii) The carrying out in any particular way or within any particular time of any development or addition to the Project which may be undertaken; or (iv) The taking of any particular action with respect to the Tract, the Project, or any portion of the Additional Land. Except to the extent specifically indicated herein, no covenant, restriction, limitation, representation, or commitment in this Declaration concerning anything that is or is not to occur, apply, or be done on or relative to the Additional Land or any portion thereof shall be binding as to such of the Additional Land as is never added to the Project.

41. Mortgagee Protection. The lien or claim against a Condominium Unit for unpaid assessments or charges levied by the Management Committee or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to any mortgage recorded on or before the date such assessments or charges become due.

The lien or claim against a Condominium Unit for such unpaid assessments or charges shall not be affected by any sale or transfer of such Condominium Unit, except that a sale or transfer pursuant to a foreclosure of the Mortgage affecting such Unit or the exercise of a power of sale available thereunder shall extinguish a subordinate lien for such assessments or charges which became payable prior to such sale or transfer. Nevertheless, any such unpaid assessments or charges which are extinguished in accordance with the foregoing sentence may be reallocated and assessed to all Condominium Units as Common Expenses. Any such sale or transfer pursuant to a foreclosure or power of sale shall not relieve the purchaser or transferee of

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such Unit from liability for, nor such Unit from the lien of, any assessments or charges becoming due thereafter.

The Committee or the Association shall make available to Unit Owners, to lenders, and to holders, insurers, or guarantors of any Mortgage current copies of this Declaration, the Survey Map, any rules concerning the Project, and the books, records, and financial statements of the Committee and the Association. "Available," as used in this Paragraph, shall mean available for inspection upon request during normal business hours or under other reasonable circumstances.

In the event that the Project comes to contain fifty (50) or more Condominium Units, any holder, insurer or guarantor of any Mortgage shall be entitled, upon written request, to an audited financial statement for the immediately preceding fiscal year free of charge to the party so requesting. So long as the Project contains less than fifty (50) Condominium Units, the holders of fifty-one percent (51%) or more of the Mortgages, shall be entitled to have such an audited statement prepared at their expense if one is not otherwise available. Any financial statement requested pursuant to either of the immediately foregoing two sentences shall be furnished to the requesting party within a reasonable time following such request.

Until the happening of the event described in the second Paragraph of Section 14. of this Article III, any agreement for professional management of the Condominium Project and any contract or lease which is entered into by the Management Committee or the Association or to which the Management Committee or the Association is a party shall provide that either party, with or without cause and without payment of any termination fee or being subject to any penalty, may terminate same upon not in excess of thirty (30) days written notice to the other party thereto.

Upon written request to the Committee or the Association by the holder, insurer, or guarantor of a Mortgage (which request identifies the name and address of such holder, insurer, or guarantor and the Unit Number or address of the Unit encumbered by the Mortgage held or insured by such holder, insurer, or guarantor), such holder, insurer, or guarantor shall be deemed thereafter to be an Eligible Mortgagee or Eligible Insurer or Guarantor (as the case may be), shall be included the appropriate lists maintained by the Association, and shall

be entitled to timely written notice of any of the following:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Condominium Unit on which there is a Mortgage held, insured, or guaranteed by such Eligible Mortgagee or such Eligible Insurer or Guarantor.

(b) Any delinquency in the payment of assessments or charges owed by an Owner of a Condominium Unit subject to a Mortgage held, insured, or guaranteed by such Eligible Mortgagee or such Eligible Insurer or Guarantor, which delinquency remains uncured for a period of sixty (60) days.

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Committee or the Association.

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Sections 30., 32., and 42. of this Article III.

The right of a Unit Owner to sell, transfer, or otherwise convey his or her Condominium Unit shall not be subject to any right of first refusal or similar restriction.

All leases or rental agreements for Condominium Units shall be in writing and specifically subject to the provisions, restrictions, and requirements of the Declaration and Survey Map. No Condominium Unit may be leased or rented for a period of less than six (6) months. Neither the Committee nor the Association shall create or enforce any other restriction relating to the term of a lease or rental agreement of any Condominium Unit in the Project.

42. Amendment. Except as provided in and/or subject to the terms of items (a) through (e) below, the vote of at least sixty-seven percent (67%) of the undivided ownership interest in the Common Areas and Facilities shall be required and shall be sufficient to amend this Declaration or the Record of Survey Map. Any amendments authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument, the Committee shall certify that the vote required by this Section for amendment has occurred, and, if approval of a specified percentage of Eligible Mortgagees is required for such amendments, that such

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approval has been obtained. The foregoing right of amendment shall, however, be subject to the following:

(a) Declarant shall have the right unilaterally to amend and supplement this Declaration and the Survey Map in conjunction with its addition to the Project of each portion of the Additional Land, including the right to unilaterally correct typographical errors and survey errors within six (6) months of recordation of any documents of expansion, all in the manner and to the extent, but only in the manner and to the extent, provided for in Sections 36. through 40. of this Article III.

(b) Subject to the right of the Declarant described in the foregoing item (a) and until the happening of the event described in the second Paragraph of Section 8. of this Article III, no amendment to the Survey Map or to any provision of this Declaration which has or may have the effect of diminishing or impairing any right, power, authority, privilege, protection, or control accorded to Declarant (in its capacity as Declarant) herein shall be accomplished or effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant.

(c) The consent of Eligible Mortgagees holding Mortgages on Condominium Units which have appurtenant at least sixty-seven percent (67%) of the undivided ownership interest in the Common Areas and Facilities which is then subject to mortgages held by Eligible Mortgagees shall be required to any amendment which would terminate the legal status of the Project as a condominium.

(d) The consent of Eligible Mortgagees holding Mortgages on Condominium Units which have appurtenant at least fifty-one percent (51%) of the undivided ownership interest in the Common Areas and Facilities which is then subject to Mortgages held by Eligible Mortgagees shall be required to add to or amend any material provision of this Declaration or the Survey Map which establishes, provides for, governs, or regulates any of the following: (i) voting; (ii) assessments, assessment liens, or subordination of liens; (iii) reserves for maintenance, repair, and replacement of the Common Areas and Facilities; (iv) insurance or fidelity bonds; (v) rights to use of the Common Areas and Facilities; (vi) responsibility for maintenance and repair of the several portions of the Project; (vii) expansion or contraction of the Project or the addition, annexation, or withdrawal of property to or from the Project; (viii) the boundaries of any Unit; (ix) the interests in the Common Areas and Facilities or

Limited Common Areas; (x) convertibility of Units into Common Areas or of Common Areas into Units; (xi) leasing of Condominium Units; (xii) imposition of any restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Condominium Unit; (xiii) express benefits or rights of Mortgagees, Eligible Mortgagees, or Eligible Insurers or Guarantors; and (xiv) the requirement that the Project be professionally managed rather than self-managed. An addition or amendment shall not be considered material for purposes of this Paragraph (d) if it is for the purpose of correcting technical errors or for clarification only. Any Eligible Mortgagee to whom a written request to approve an addition or amendment to this Declaration or the Survey Map (or to approve a decision of the Owners and/or the Committee with respect to the nature of Restoration under Section 30.(d) hereof or a decision not to undertake Restoration pursuant to Section 32. hereof) is mailed postage prepaid to the address for such Mortgagee shown on the list maintained by the Association and who does not deliver to the Committee or the Association a negative response within thirty (30) days from the date of such mailing shall be deemed to have approved such request.

(e) The consent of the Veterans Administration, as per applicable regulations of the Veterans Administration shall be required to add to or amend any material provision of this Declaration or the Survey Map which establishes, provides for, governs, or regulates any of the following: (i) termination of the legal status of the Project as a condominium; (ii) insurance or fidelity bonds; (iii) convertibility of Units into Common Areas or of Common Areas into Units; (iv) leasing of Condominium Units; and (v) imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Condominium Unit.

The consent requirements set forth in the foregoing items (c), (d) and (e) of this Section shall not be applicable to amendments to this Declaration and the Survey Map or to termination of the legal status of the Project as a condominium if such amendments or such termination are made or accomplished in accordance with the provisions of Sections 30. through 34. of this Article III in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence, or if such amendments relate to the addition to the Project of any portion of the Additional Land and comply with Sections 36. through 40. of this Article III.

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43. Declarant's Rights Assignable. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer, or assignment.

44. Interpretation. To the extent the provisions of the Act are consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, 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 other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

45. Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of Declarant, all other signatories hereto, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Condominium Units shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated by this Declaration. By acquiring any interest in a Unit or in the Project, the party acquires such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

46. Enforcement. Subject to the provisions of Section 25. of this Article III, the Declarant, the Management Committee, and any aggrieved Unit Owner shall have a right of action against the Declarant, the Committee, or any Unit Owner for any failure by such person or entity to comply with the provisions of the Act, this Declaration, the Survey Map, or the provisions of any rules, regulations, agreements, instruments, supplements, amendments, or determinations contemplated by this Declaration. Any failure to comply with such provisions thereof shall be grounds for an action by the Management Committee or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom, including costs and reasonable attorney's fees.

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47. Agent for Service of Process. Sherman D. Harmer, Jr. whose address is 1263 Woodridge Circle, Salt Lake City, Utah, is the person to receive service of process in the cases authorized by the Act. The Management Committee shall, however, have the right to appoint a successor or substitute process agent. Such successor or substitute agent and his or her address shall be specified by an appropriate instrument filed in the office of the County Recorder of Salt Lake County State of Utah.

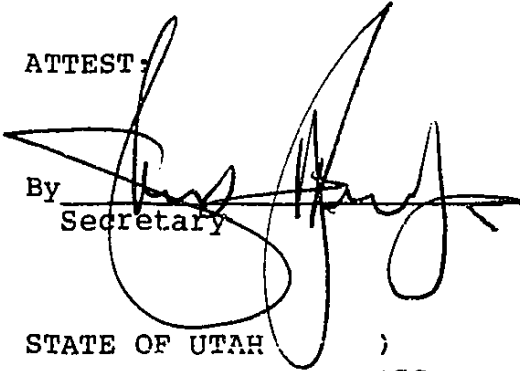
48. Effective Date. This Declaration, any amendment or supplement hereto, and any amendment or supplement to the Survey Map shall take effect upon its being filed for record in the office of the County Recorder of Salt Lake County, Utah.

EXECUTED by Declarant on this 31 day of July, 1985.

"Declarant":

ATTEST:

San Francisco Construction,
Inc.

By 
Secretary

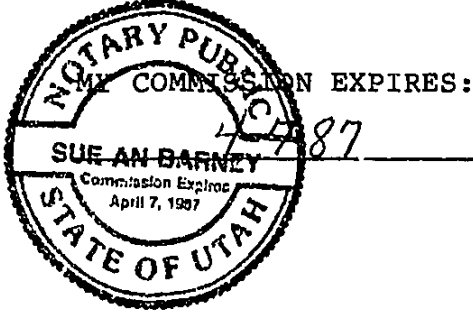
By 
President

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

On this 31 day of July, 1985, personally appeared before me JERRALD K. BOONE and SHERMAN D. HARMER, JR., who being by me duly sworn did say that they are the President and Secretary, respectively, of San Francisco Construction, Inc., a Utah corporation, that the foregoing Declaration of Condominium was signed on behalf of said corporation by authority of its By-Laws or a resolution of its Board of Directors, and said individuals did each acknowledge that said corporation executed the foregoing

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Declaration of Condominium.



Sue An Barney
NOTARY PUBLIC
Residing at: Salt Lake

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EXHIBIT "A"
 TO
 DECLARATION OF CONDOMINIUM
 OF THE
 CROSSPOINTE CONDOMINIUM PROJECT
 [An Expandable Condominium]

<u>Unit Number</u>	<u>Building Number</u>	<u>Size</u>	<u>Par Value</u>	<u>Ownership Percentage</u>
1	A	1140	773	2.45000
2	A	910	715	2.26617
3	A	590	590	1.86999
4	A	660	630	1.99677
5	A	1140	773	2.45000
6	A	910	715	2.26617
7	B	1140	773	2.45000
8	B	740	670	2.12355
9	B	590	590	1.86999
10	B	660	630	1.99677
11	B	1140	773	2.45000
12	B	910	715	2.26617
13	B	1010	740	2.34541
14	B	1090	760	2.40880
15	B	740	670	2.12355
16	C	740	670	2.12355
17	C	1140	773	2.45000
18	C	660	630	1.99677
19	C	590	590	1.86999
20	C	910	715	2.26617
21	C	1140	773	2.45000
22	C	740	670	2.12355
23	C	1010	740	2.34541
24	C	1090	760	2.40880
25	D	1010	740	2.34541
26	D	1090	760	2.40880
27	D	740	670	2.12355
28	D	910	715	2.26617
29	D	1140	773	2.45000
30	D	660	630	1.99677
31	D	590	590	1.86999
32	D	740	670	2.12355
33	D	1140	773	2.45000
34	E	910	715	2.26617
35	E	1140	773	2.45000
36	E	660	630	1.99677
37	E	590	590	1.86999
38	E	910	715	2.26617
39	E	1140	773	2.45000
40	F	910	715	2.26617

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<u>Unit Number</u>	<u>Building Number</u>	<u>Size</u>	<u>Par Value</u>	<u>Ownership Percentage</u>
41	F	1140	773	2.45000
42	F	660	630	1.99677
43	F	590	590	1.86999
44	F	910	715	2.26617
45	F	1140	773	2.45000
TOTAL:			<u>31,551</u>	<u>100.00002</u>

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EXHIBIT "B"
TO
DECLARATION OF CONDOMINIUM
OF THE
CROSSPOINTE CONDOMINIUM PROJECT

[An Expandable Condominium]

Land Submitted to Act-

Description:

BEGINNING at a point that is 140.0 feet South and 645.20 feet West from the Northeast Corner of Section 15, Township 2 South, Range 1 West, Salt Lake Base and Meridian, thence South 268.51 feet; to a point on a 122.00 foot radius curve (bearing to the center of curve bears South) thence 158.27 feet along the arc of said curve (chord bearing bears South 52°50'03" West); to a point on a 15.00 foot radius curve (bearing to the center of curve bears North 74°19'53" West) thence 19.46 feet along the arc of said curve (chord bearing bears South 52°50'04" West); thence West 147.79 feet; to a point on a 40.00 foot radius curve (bearing to the center of curve bears North) thence 23.21 feet along the arc of said curve (chord bearing bears North 73°22'44" West); to a point on a 70.00 foot radius curve (bearing to the center of curve bears South 33°14'32" West) thence 81.23 feet along the arc of said curve (chord bearing bears West); to a point on a 40.00 foot radius curve (bearing to the center of curve bears North 33°14'32" West) thence 23.21 feet along the arc of said curve (chord bearing bears South 73°22'44" West); thence West 76.79 feet; thence North 15°00'00" West 75.93 feet; thence North 22°27'17" West 32.09 feet; thence East 95.77 feet; thence North 12.23 feet; thence East 163.21 feet; thence North 159.08 feet; thence North 55°57'07" East 171.87 feet; to a point on a 23018.30 foot radius curve (bearing to the center of curve bears North 1°12'56" East); thence 107.62 feet along the arc of said curve (chord bearing bears South 88°55'06" East) to the point of beginning. Contains area of 102303.622 sq ft or 2.34857 acres. BASIS OF BEARING IS FROM THE NORTH QUARTER CORNER TO THE NORTHEAST CORNER OF SECTION 15, WHICH IS N. 89°53'30" E.

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EXHIBIT "C"
TO
DECLARATION OF CONDOMINIUM
OF THE
CROSSPOINTE CONDOMINIUM PROJECT

[An Expandable Condominium]

Crosspointe Condominiums Part 1

BEGINNING at a point that is 140.09 feet South and 645.20 feet West from the Northeast Corner of Section 15, Township 2 South, Range 1 West, Salt Lake Base and Meridian; thence South 390.51 feet; thence West 640.00 feet; thence North 410.00 feet; to a point on a 23018.30 foot radius curve (bearing to the center of curve bears North 2°32'30" East) thence 640.32 feet along the arc of said curve (chord bearing bears South 88°15'19" East) to the point of beginning. Contains area of 255211.884 sq. ft. or 5.85886 acres. BASIS OF BEARING IS FROM THE NORTH QUARTER CORNER OF THE NORTHEAST CORNER OF SECTION 15, WHICH IS N. 89°53'30" E.

Crosspointe Condominiums Part 2

BEGINNING at a point that is 170.20 feet South and 170.14 feet West from the Northeast Corner of Section 15, Township 2 South, Range 1 West, Salt Lake Base and Meridian; thence South 4°24'00" East 184.42 feet; to a point on a 500.00 foot radius curve (bearing to the center of curve bears South 85°36'00" West) thence 85.96 feet along the arc of said curve (chord bearing bears South 0°31'30" West); thence South 5°27'00" West 91.07 feet; thence West 479.77 feet; thence North 390.51 feet; to a point on a 23018.30 foot radius curve (bearing to the center of curve bears North 0°56'52" East) thence 399.51 feet along the arc of said curve (chord bearing bears South 89°32'58" East); thence South 70°21'24" East 80.24 feet to the point of beginning. Contains area of 186805.300 sq. ft. or 4.28846 acres. BASIS OF BEARING IS FROM THE NORTH QUARTER CORNER TO THE NORTHEAST CORNER OF SECTION 15, WHICH IS N. 89°53'30" E.

Crosspointe Condominiums Part 3

BEGINNING at a point that is 530.59 feet South and 645.20 feet West from the Northeast Corner of Section 15, Township 2 South, Range 1 West, Salt Lake Base and Meridian; thence South 442.82 feet; thence South 89°57'00" West 614.98 feet; to a point on a 25.00 foot radius curve (bearing to the center of curve bears North 0°03'00" West) thence 39.29 feet along the arc of said curve (chord bearing bears North 45°01'30" West); thence North 418.35 feet; thence East 640.00 feet to the point of beginning. Contains area of 283446.560 sq. ft. or 6.50704 acres. BASIS OF BEARING IS FROM THE NORTH QUARTER CORNER TO THE NORTHEAST CORNER OF SECTION 15, WHICH IS N. 89°53'30" E.

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Crosspointe Condominiums Part 4

BEGINNING at a point that is 530.59 feet South and 165.43 feet West from the Northeast Corner of Section 15, Township 2 South, Range 1 West, Salt Lake Base and Meridian; thence South $5^{\circ}27'00''$ West 78.53 feet; to a point on a 469.03 foot radius curve (bearing to the center of curve bears South $84^{\circ}33'00''$ East) thence 190.73 feet along the arc of said curve (chord bearing bears South $6^{\circ}12'00''$ East); thence South $17^{\circ}51'00''$ East 150.46 feet; to a point on a 25.00 foot radius curve (bearing to the center of curve bears South $72^{\circ}09'00''$ West) thence 47.04 feet along the arc of said curve (chord bearing bears South $36^{\circ}03'00''$ West); thence South $89^{\circ}57'00''$ West 515.12 feet; thence North 442.82 feet; thence East 479.77 feet to the point of beginning. Contains area of 218355.344 sq. ft. or 5.01275 acres. BASIS OF BEARING IS FROM THE NORTH QUARTER CORNER TO THE NORTHEAST CORNER OF SECTION 15, WHICH IS N. $89^{\circ}53'30''$ E.

Crosspointe Condominiums Part 5

BEGINNING at a point on the Northerly right-of-way line of 5770 South Street said point being North $89^{\circ}52'56''$ East 1682.434 along the East - West Centerline of said Section 15 and North $00^{\circ}03'15''$ West 127.405 feet from the Center of said Section 15; Township 2 South, Range 1 West, Salt Lake Base and Meridian, said point of beginning also being the Southwest Corner of Lot 110 of Kashmir Amended and Extended Subdivision, a recorded subdivision found in the office of the Salt Lake County Recorder's Office; thence along said right-of-way line West 271.940 feet to a point of a 25.000 foot radius curve to the right; (bearing to the center of curve bears North), thence along the arc of said curve 39.219 feet thru a central angle of $89^{\circ}53'03''$ to the Easterly right-of-way line of 1500 West Street; thence continuing along said right-of-way line the following (4) courses (1) North $00^{\circ}06'57''$ West 678.129 feet (2) to a point of a 930.144 foot radius curve to the left; (bearing to center of curve bears South $89^{\circ}53'03''$ West) thence along the arc of said curve 161.618 feet thru a central angle of $09^{\circ}57'20''$ (3) to the point of reverse curve (bearing to the center of curve being North $79^{\circ}55'43''$ East); thence along the arc of said curve 152.958 feet thru a central angle of $10^{\circ}04'17''$; thence (4) North 449.688 feet to a point of a 25.000 foot radius curve to the right; (bearing to the center of curve bears East) thence along the arc of said curve 39.248 ft thru a central angle of $89^{\circ}57'00''$; thence North $89^{\circ}57'00''$ East 773.434 feet; thence South 295.113 feet to the Northerly line of the Kashmir Amended and Extended Subdivision; thence along the boundary of said subdivision the following (2) courses (1) South $89^{\circ}57'$ West 473.493 feet to the Northwest Corner of Lot 134 of said subdivision; thence (2) South $00^{\circ}03'15''$ East 1195.862 feet to the point of beginning. Containing 13.78 acres.

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