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REQUEST: QUARRY VILLAGE ASSOCIATES LLC

DECLARATION OF CONDOMINIUM

FOR

THE COURTYARDS AT QUARRY VILLAGE

(An Expandable Condominium Project)

Table of Contents

| | Page |
|---|-------------|
| 1. RECITALS..... | 1 |
| 2. DEFINITIONS..... | 2 |
| 3. DESCRIPTION OF THE IMPROVEMENTS AND SUBMISSION TO THE ACT..... | 8 |
| 4. DESCRIPTION OF UNITS..... | 9 |
| 5. DESCRIPTION AND OWNERSHIP OF COMMON AREAS AND FACILITIES..... | 10 |
| 6. DESCRIPTION OF LIMITED COMMON AREAS AND FACILITIES..... | 12 |
| 7. OPTION TO EXPAND..... | 13 |
| 8. OPTION TO CONTRACT..... | 17 |
| 9. NATURE AND INCIDENTS OF UNIT OWNERSHIP..... | 21 |
| 10. TITLE TO UNITS..... | 23 |
| 11. CERTAIN ADDITIONAL DEVELOPMENTAL RIGHTS..... | 26 |
| 12. RESTRICTIONS ON USE..... | 27 |
| 13. ASSOCIATION AND MANAGEMENT COMMITTEE..... | 38 |
| 14. MAINTENANCE, ALTERATION AND IMPROVEMENT..... | 46 |
| 15. INSURANCE..... | 51 |
| 16. DESTRUCTION OR DAMAGE..... | 60 |
| 17. TERMINATION..... | 66 |
| 18. EMINENT DOMAIN..... | 68 |
| 19. MORTGAGEE PROTECTION..... | 70 |
| 20. AMENDMENT..... | 76 |
| 21. ASSESSMENT OF UNITS BY THE ASSOCIATION..... | 78 |
| 22. VOTING..... | 90 |
| 23. EASEMENTS..... | 91 |
| 24. NOTICES..... | 96 |
| 25. NO WAIVER..... | 97 |
| 26. ENFORCEMENT..... | 98 |
| 27. DECLARANT..... | 99 |
| 28. DISPUTE RESOLUTION..... | 100 |
| 29. AGENT FOR SERVICE OF PROCESS..... | 105 |

30. SEVERABILITY..... 105

31. CONFLICT..... 105

32. CAPTIONS..... 106

33. LAW CONTROLLING..... 106

34. EFFECTIVE DATE..... 106

EXHIBIT A Legal Description of Property..... A-1

EXHIBIT B Schedule of Units, Square Footage, Votes and Undivided Interests in
Common Areas B-1

EXHIBIT C Bylaws..... C-1

EXHIBIT D Additional Land D-1

EXHIBIT E Withdrawable Land E-1

DECLARATION OF CONDOMINIUM
FOR
THE COURTYARDS AT QUARRY VILLAGE
(An Expandable Condominium Project)

This Declaration of Condominium for The Courtyards at Quarry Village ("Declaration") is made and executed by QVA, INC., a Utah corporation ("Declarant"), for itself, its successors and assigns, pursuant to the provisions of Title 57, Chapter 8, Utah Code Annotated, as amended ("Act").

1. RECITALS.

1.1. Declarant holds both legal and equitable title to the real property located in the County of Summit, State of Utah, more particularly described on the attached Exhibit A, upon which Declarant desires to develop a condominium project.

1.2. The covenants, conditions and restrictions contained in this Declaration and in the Exhibits hereto shall be enforceable equitable servitudes and shall run with the land.

1.3. Recorded simultaneously herewith is a Condominium Plat of the Project as required by the Act.

1.4. Declarant shall organize and cause the Association to be incorporated, which Association will maintain the Common Areas and Facilities within the Project as hereinafter described, provide for the management and operation of the Common Areas, levy and collect Common Assessments, and administer and enforce the terms of this Declaration.

1.5. All capitalized terms used in this Declaration shall have the definitions as set forth herein.

1.6. The Project shall be known as "The Courtyards at Quarry Village" and is intended to be a condominium project pursuant to the Act.

2. DEFINITIONS.

2.1. Unless the context clearly indicates otherwise, certain terms as used in this Declaration and the foregoing Recitals shall have the meanings set forth in this Section 2.

2.2. Act shall mean the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code Annotated).

2.3. Additional Land shall mean the land which may be added to the Project in accordance with the provisions of Section 7, and as shown on the Plat.

2.4. Amendment shall mean any amendment to this Declaration made in accordance with the Declaration and the Act.

2.5. Articles shall mean the Articles of Incorporation of the Association.

2.6. Association shall mean the Courtyards at Quarry Village Owners Association, Inc., Utah a non-profit corporation, organized for the purposes set forth in this Declaration.

2.7. Building(s) means the residential structures to be constructed on the Property, as further described in Section 3.1.

2.8. Bylaws shall mean the Bylaws of the Association, a copy of which is attached hereto as Exhibit C, as amended from time to time.

2.9. Common Area Manager shall mean the person, firm or company designated by the Association to manage, in whole or in part, the affairs of the Association and the Common Areas and Facilities.

2.10. Common Areas and Facilities shall mean all portions of the Project other than the Units, as described in Section 5 hereof.

2.11. Common Assessments shall mean those assessments described in Section 21 to fund the Common Expenses, and include Regular Common Assessments, Special Common Assessments and any other assessments levied by the Association.

2.12. Common Expense Fund shall mean one or more deposit or investment accounts of the Association into which are deposited the Common Assessments.

2.13. Common Expenses shall mean all expenses of the administration, maintenance, repair, or replacement of the Common Areas and Facilities, all premiums for insurance obtained by the Association for the benefit of the Project, and all other expenses denominated as Common Expenses by this Declaration or by the Act. In addition, all expenses incurred by the Association to maintain any easements per applicable easement agreements shall be a Common Expense. Any monthly or annual fees, costs or other expenses charged by the owners association of Pinebrook (as defined in Section 5.3 below) to the Owners or the Association, for the Association's/Owner's share of the costs of operating, maintaining and using the park, trails and recreational facilities at Pinebrook shall also be a Common Expense.

2.14. Cost of Living Index shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers: U.S. City Average, All Items 1982-1984 = 100 compiled by the Bureau of Labor Statistics, United States Department of Labor. The Index for March 2006 is the reference base index. Declarant may select any other comparable index which measures changes in the cost of living.

2.15. County shall mean Summit County, Utah.

2.16. Declarant shall mean QVA, Inc., a Utah corporation, or any successor in interest, as provided in the Act and in Section 27 below.

2.17. Declaration shall mean this Declaration of Condominium, and all amendments, modifications and supplements hereto.

2.18. Developmental Rights shall mean (1) the right under the Act to add real estate to the Project pursuant to Section 7 hereof, (2) the right under the Act to withdraw real estate from the Project pursuant to Section 8 hereof, and (3) exercise any of the rights set forth in Section 11 hereof.

2.19. Eligible Mortgagee shall mean and refer to a First Mortgagee that has requested notice of certain matters from the Association in accordance with Section 19.1 of this Declaration.

2.20. Limited Common Areas and Facilities shall mean a portion of the Common Areas and Facilities designated by the Declaration or the Act, and as may be shown on the Plat, for the exclusive use of one or more, but fewer than all, of the Units.

2.21. Management Committee shall mean the Board of Directors of the Association, appointed or elected in accordance with this Declaration and the Bylaws.

2.22. Mortgage shall mean any mortgage, deed of trust or other security instrument (including the seller's rights under a contract for deed) by which a Unit or any part thereof or interest therein is encumbered. A First Mortgage is a Mortgage having priority as to all other Mortgages encumbering a Unit or any part thereof or interest therein.

2.23. Mortgagee shall mean any person or entity named as the mortgagee, beneficiary or holder of the seller's interest (so long as a copy of the contract for deed is given to the Association) under any Mortgage by which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage. A First Mortgagee shall mean any person or entity holding a First Mortgage including any insurer or guarantor of a First Mortgage. Any and all Mortgagee protections contained in the Declaration shall also protect the Declarant as the holder of a First Mortgage of a Unit or any interest therein.

2.24. Owner shall mean any person or entity, including Declarant, at any time owning a Unit within the Project (including, to the extent permitted by law, those purchasing an interest pursuant to a contract for deed who have given written notice of their purchase and a copy of their contract to the Association). The term "Owner" shall not refer to any Mortgagee, unless such Mortgagee has acquired title for other than security purposes.

2.25. Plat shall mean the Condominium Plat of The Courtyards at Quarry Village recorded in the office of the County Recorder for Summit County, State of Utah, as it may be amended from time to time pursuant to this Declaration and the Act. The initial Plat may be amended at such time as the Buildings are constructed, in the event there are material changes in the Building or Unit boundaries or elevations as constructed, or as otherwise provided herein. Such an amendment to the Plat is expressly authorized and may be undertaken by Declarant without the joinder or consent of any other Owners.

2.26. Project shall mean the Property, the Units, the Common Areas and Facilities and all improvements submitted by this Declaration to the provisions of the Act.

2.27. Property shall mean that certain real property situated in the County of Summit, State of Utah, more particularly described on the attached Exhibit A, on which the Units and other improvements are located.

2.28. Regular Common Assessments shall mean the annual assessments levied by the Association to pay the budgeted Common Expenses.

2.29. Special Common Assessments shall mean assessments which the Association may levy from time to time, in addition to the Regular Common Assessments, for unexpected Common Expenses or other purposes as provided herein.

2.30. Supplemental Plat shall mean any amendment to the Plat made in accordance with this Declaration and the Act.

2.31. Total Votes of the Association shall mean the total number of votes appertaining to all Units, as described in Section 22 hereof.

2.32. Unit shall initially mean and refer to an individual portion of the Project designated as a Unit on the Plat. A Building shall be constructed on the real property underlying each Unit. Upon completion of a Building, the boundaries of the Unit shall consist of the undecorated and/or unfinished interior surfaces of its perimeter walls, bearing walls, lowermost floor, uppermost ceiling, and the interior surfaces of windows and doors, as further described in Section 4 hereof.

2.33. Unit Number shall mean the number, letter or combination of numbers and letters that identifies only one Unit in the Project.

3. DESCRIPTION OF THE IMPROVEMENTS AND SUBMISSION TO THE ACT.

3.1. The Project will consist of eighteen (18) two-story Buildings with a total of fifty-two (52) Units. The Buildings will be of wood frame construction. The roofs will be sloped, with an asphalt roof. Exteriors will be of artificial stone and artificial wood siding. The Buildings will be wired for telephone, cable television, electricity, and will be plumbed for natural gas, water, and sewer service.

3.2. Declarant hereby submits the Property, the Buildings and all other improvements thereon to the provisions of the Act. All of the Project is and shall be held, conveyed, hypothecated, encumbered, leased, subleased, rented, used and improved as a residential condominium project. All of the Project is and shall be subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of the Project and in furtherance of a plan for improvement of the Project and division thereof into Units; further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, the successors and assigns of the Declarant, and any person acquiring, leasing, subleasing or owning an interest in the real property and improvements comprising the Project, their assigns, lessees, sublessees, heirs, executors, administrators, devisees and successors.

4. DESCRIPTION OF UNITS.

The boundary lines of each Unit are as initially set forth on the Plat. Upon completion of a Building, the boundaries of the Unit shall consist of the undecorated and/or unfinished interior surfaces of its perimeter walls, bearing walls, lowermost floor, uppermost ceiling, and the interior surfaces of windows and doors. The Units shall include any wall paneling, wood, tile, paint, paper, carpeting, or any other wall, ceiling, or floor covering, windows and window frames, shutters, awnings, doorsteps, stoops, and doors and door frames. A Unit shall also include any fireplace or stove hearth, facing brick, tile or firebox. A Unit shall further include any garages appurtenant to a Unit, fixtures and hardware and all improvements contained within the unfinished perimeter walls, ceilings, and floors. A Unit shall include any heating and refrigerating elements or related equipment, utility lines and outlets, electrical and plumbing fixtures, pipes, and all other related equipment required to provide heating, air-conditioning, hot and cold water, electrical, or other utility services to the Unit and located within the unfinished walls, ceilings, and floors; provided, however, that a Unit shall not include any of the structural components of the Building or utility or service lines located within the Unit but serving more than one Unit. The interior surfaces of the doors and windows mean the points at which such surfaces are located when such window or door is closed. Notwithstanding the fact that they may be within the boundaries of the Unit, the following are not part of any Unit: bearing walls, floors, ceilings and roofs (except the interior finished surfaces thereof), foundations, decks, balconies, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires and other utility installations, except the outlets thereof when located within the Unit. The Unit Number of each Unit in the Project is designated on the Plat and on the attached Exhibit B.

5. DESCRIPTION AND OWNERSHIP OF COMMON AREAS AND FACILITIES.

5.1. The Common Areas and Facilities shall mean and include the Property on which all Units are located and all portions of the Project not included as part of any Unit, including, without limitation: the foundation, columns, girders, beams, supports, perimeter and supporting walls, roofs, the exterior surface of all exterior doors of each Unit, the sidewalks, walkways, trails, parking areas, paths, grass, shrubbery, trees, driveways, any radiant heat equipment constructed for the driveways or walkways, roadways, landscaping, gardens and related facilities upon the Property; and, in general, all other parts of the Project designated by Declarant as Common Areas and Facilities and existing for the use of one or more of the Owners. In the event of a conflict between this Declaration and the Plat, the provisions of the Declaration shall control.

5.2. The undivided interest in the Common Areas and Facilities appurtenant to each Unit in the Project shall be allocated equally among each Unit in the Project. The undivided interest in the Common Areas and Facilities appurtenant to each Unit shall be a fraction, the numerator of which is one (1) and the denominator of which is the total number of Units in the Project, as shown on the Plat. Alternatively, such fraction may be expressed as a decimal number. Except as otherwise provided in this Declaration, the undivided interest appurtenant to each Unit shall have a permanent character and shall not be altered. Provided, however, Declarant reserves the right to adjust the undivided interest of each Unit in the Common Areas and Facilities following (i) any addition of Units to the Project, in accordance with the provisions of Section 7; or (ii) any deletion of any Units in the Project, in accordance with the provisions of

Section 8. The sum of the undivided interests in the Common Areas and Facilities allocated to all Units shall at all times equal one hundred percent (100%); provided however, that such total may be slightly more or less than one hundred percent (100%) due to rounding.

5.3. In addition to the Common Areas and Facilities of the Project, the Property, at Declarant's sole discretion during the Period of Declarant Control (as defined in Section 11.3 below), may be annexed to the adjacent master planned development commonly known as "Pinebrook" ("Pinebrook"), thereby giving the Owners the right to use the park, trails and other recreational facilities located at Pinebrook.

6. DESCRIPTION OF LIMITED COMMON AREAS AND FACILITIES.

6.1. Limited Common Areas and Facilities means those parts of the Common Areas and Facilities which are limited to and reserved for the use of the Owners of one or more, but fewer than all, of the Units. Without limiting the foregoing, the Limited Common Areas and Facilities shall include any storage spaces outside Units and designated as Limited Common Areas and Facilities serving those particular Units, parking spaces (but only if they are designated as Limited Common Areas and Facilities for particular Units on the Plat), decks or balconies attached to a Unit, and all such items designated as Limited Common Areas and Facilities on the Plat or as provided for by the Act. The use and occupancy of designated Limited Common Areas and Facilities shall be reserved to the Units as shown on the Plat or as specified in this Declaration. Owners may not reallocate Limited Common Areas and Facilities between or among Units in which they have an interest. Notwithstanding the foregoing, Declarant hereby reserves the right and grants to the Association the right to reallocate Limited Common Areas and Facilities to the fullest extent permitted under the Act.

7. OPTION TO EXPAND

7.1. It is anticipated that the Project will be developed in a series of phases. Accordingly, Declarant hereby reserves, pursuant to Section 57-8-13.6 of the Act, the option to expand the Project (the "Option to Expand") upon the terms and provisions set forth in this Section 7 without the prior consent of the Owners or the Association. Each Option to Expand must be exercised within seven (7) years after recordation of this Declaration. The terms and conditions of the Option to Expand shall be as follows:

7.1.1. Subject to the power granted Declarant in Section 7.1.3 below, the real property subject to the option to expand consists of the real property sometimes hereinafter referred to as the "Additional Land" being more particularly on the attached "Exhibit D".

7.1.2. Subject to the provisions of Section 7.1.3 below, the option to expand may be exercised at different times as to portions of the Additional Land, and in any order elected by the Declarant. No assurance is made with regard to which portions of the Additional Land, if any, will be added to the Project or the order in which such portions will be so expanded. In the event the option to expand is exercised with respect to a portion of the Additional Land, the option to expand may subsequently be exercised

with respect to any other portion of the Additional Land. There are no limitations as to which portions of the Additional Land may be added.

7.1.3. Declarant shall not be restricted in the location of improvements on the Additional Land or in the number of Units that may be created on the Additional Land, except as may be required by applicable zoning requirements, ordinances or regulations, provided the Project when completed shall not exceed one hundred (100) Units. The maximum number of Units per acre shall not exceed ten (10).

7.1.4. The Units to be located on the Additional Land shall be subject to the same uses as provided in Section 12 hereof. Declarant reserves the right to exercise all Developmental Rights with respect to any Units located on the Additional Land.

7.1.5. The Units to be built on the Additional Land need not be substantially similar to the Units, but shall be compatible with the initial Units in quality of construction, principal materials to be used and architectural style. The Units and Buildings to be built on the Additional Land may be substantially different in design, layout and building type. Additional improvements may include recreational facilities, parking areas, walkways and landscaping of the Common Areas and Facilities contained therein, but Declarant makes no assurances regarding such other improvements. Declarant reserves the right to add additional Limited Common Areas and Facilities to the Additional Land without limitation.

7.1.6. The ownership interest in the Common Areas and Facilities for all Units in the Project shall be changed at the time Declarant records an Amendment and Supplemental Plat reflecting Declarant's exercise of the Option to Expand in accordance with the provisions set forth in Section 7.1.7 below. Said changes in ownership interest shall be reflected in an amended Exhibit B to this Declaration to be filed with the Summit County Recorder as part of the Amendment. It is contemplated that there may be multiple Amendments filed by Declarant and such Amendments are hereby expressly authorized.

7.1.7. Declarant shall calculate and revise the undivided interest for each Unit in the Project based upon the following formula:

$$\frac{1}{\text{Total number of Units in the Project}} = \text{Undivided Interest in the Common Areas and Facilities of the Project}$$

Declarant shall have the right to adjust the resulting ownership interests of all Units in the Common Areas and Facilities of the Project as may be necessary to assure that the total ownership interest equals 100% (or one) as required by the Act.

7.1.8. Each Owner, by execution of a contract for deed or the acceptance of a deed to a Unit in the Project, shall be deemed to have consented to all provisions of this Section 7, including the procedure for adjustment of Unit ownership interests pursuant to Section 7.1.7 hereof. After the filing for record of any amended Exhibit B to this Declaration and the Supplemental Plat reflecting Declarant's exercise of the Option to

Expand, or any part thereof, legal and equitable title to each Unit thereby created within the Additional Land including its appurtenant ownership interest in the Common Areas and Facilities shall be vested in and held by Declarant and none of the other Owners shall have any claim or title to or interest in such Unit or its appurtenant ownership interest in the Common Areas and Facilities.

7.1.9. Declarant reserves the right to create Limited Common Areas and Facilities within the Additional Land including porches, balconies, parking areas, yards, trails or other apparatus intended to serve a single Unit. In addition, Declarant reserves the right to designate other portions of the improvements constructed on the Additional Land as Limited Common Areas and Facilities in accordance with the other terms and provisions of this Declaration. No assurances are given regarding the type, size or number of Limited Common Areas that may be created on the Additional Land.

7.1.10. Declarant shall not be required to obtain the consent of any Owner or of any other person or entity having any right or interest in all or any portion of the Project prior to or subsequent to adding all or portions of the Additional Land.

7.1.11. No provision of this Section 7 shall be amended without the prior written consent of Declarant, so long as either Declarant owns or has the right to acquire any Units in the Project or any portion of the Additional Land.

8. OPTION TO CONTRACT

8.1. Declarant hereby reserves, pursuant to Section 57-8-13.8 of the Act, the option to withdraw land from the Project (the "Option to Contract") upon the terms and provisions set forth in this Section 8 without the prior consent of the other Owners or the Association. The Option to Contract must be exercised no later than seven (7) years from the date of recording this Declaration. The terms and conditions of the Option to Contract shall be as follows:

8.1.1. The real property subject to the Option to Contract consists of the real property being more particularly described on the attached Exhibit E ("Withdrawable Land").

8.1.2. The Withdrawable Land encompasses all of the Property in the Project.

8.1.3. The Option to Contract may be exercised at different times as to portions of the Withdrawable Land described in Section 8.1.1 and in any order elected by the Declarant. No assurance is made with regard to which portions of the Withdrawable Land, if any, will be withdrawn from the Project or the order in which such portions will be so withdrawn. In the event the Option to Contract is exercised with respect to a portion of the Withdrawable Land, the Option to Contract may subsequently be exercised with respect to any other portion of the Withdrawable Land. There are no limitations as to which portions of the Withdrawable Land may be withdrawn.

8.1.4. The ownership interest in the Common Areas and Facilities, the corresponding responsibility for Common Assessments and the votes for all Units in the

Project shall be changed at the time Declarant records an Amendment and amended Plat reflecting Declarant's exercise of the Option to Contract in accordance with the provisions set forth in Section 8.1.5 below. Said changes in ownership interest and votes shall be reflected in an amended Exhibit "B" to this Declaration to be filed with the Summit County Recorder as part of the Amendment. It is contemplated that there may be multiple Amendments filed by Declarant and such Amendments are hereby expressly authorized.

8.1.5. Declarant shall calculate and revise the undivided interest for each Unit in the Project based upon the following formula:

$$\frac{1}{\text{Total Number of Units in the Project}} = \text{Ownership Interest in the Common Areas and Facilities of the Project}$$

8.1.6. Each Owner, by execution of a contract for deed or the acceptance of a deed to a Unit in the Project, shall be deemed to have consented to all provisions of this Section 8, including the procedure for adjustment of Unit ownership interests pursuant to Section 8.1.5 hereof.

8.1.7. A withdrawal of land from the Project shall be deemed to have occurred at the time of the recordation of an amendment to the Declaration and the Plat, if necessary, executed by the Declarant, containing the legal description of the land being withdrawn. After the filing for record of such amendment to this Declaration reflecting Declarant's exercise of the option, or any part thereof, title to each such portion of the Withdrawable Land shall be vested in and held by Declarant and none of the Owners shall have any claim or title to or interest in such Withdrawable Land.

8.1.8. No provision of this Section 8 shall be amended without the prior written consent of Declarant, so long as the Declarant owns any Units in the Project.

8.1.9. Declarant shall have no right to withdraw any land from the Project which contains Units which have been conveyed to third parties.

8.1.10. Declarant shall not be required to obtain the consent of any Owners or of any other person or entity having any right or interest in all or any portion of the Project prior to or subsequent to withdrawing a portion or all of the Withdrawable Land.

In the event Declarant withdraws any or all of the Withdrawable Land, Declarant shall have an easement and right of way for vehicular access over, across and with respect to all portions of the Common Areas and Facilities of the Project which are utilized for vehicular access to such Withdrawable Land. The total cost of maintenance and operation for the vehicular access with respect to both the Project and the Withdrawable Land shall be equitably allocated between the Owners in the Project and the owners of the Withdrawable Land.

9. NATURE AND INCIDENTS OF UNIT OWNERSHIP.

9.1. Each Unit is and shall hereafter be a parcel of real property which may be separately held, conveyed, devised, mortgaged, encumbered, leased, rented, used, occupied, improved and otherwise affected in accordance with the provisions of this Declaration.

9.2. Subject to the limitations contained in this Declaration, and subject to any rules and regulations adopted by the Declarant or the Association, each Owner shall have the non-exclusive right to use and enjoy the Common Areas and Facilities and the exclusive right to occupy and use their Unit and any Limited Common Areas and Facilities designated for exclusive use by such Owner or all Owners.

9.3. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper, carpet or otherwise decorate the interior surfaces of the walls, ceilings, floors and doors forming the boundaries of their Unit and the surfaces of all walls, ceilings, floors and doors within such boundaries. Each Owner shall keep the interior of their Unit, including without limitation, interior walls, windows, ceilings, floors and permanent fixtures and appurtenances thereto, in a sanitary condition and in a good state of repair. In the event that any such Unit should develop an unsanitary condition or fall into a state of disrepair and in the event that the Owner of such Unit should fail to correct such condition or state of disrepair promptly following written notice from the Management Committee, the Management Committee shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to enter said Unit and correct or eliminate said unsanitary condition or state of disrepair. Owners of adjoining Units may not reallocate or change the boundaries of such Units. No Owner may subdivide their Unit.

9.4. The Management Committee shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to enter into any Unit for the purpose of maintenance, repairs, including emergency repairs, and for the purpose of abating a nuisance, or a known or suspected dangerous or unlawful activity.

9.5. Nothing in this Declaration shall limit the rights of Declarant or any other Owner to operate the Unit(s) owned by it for transient rental purposes.

9.6. The Association shall have the power to establish specific rules and regulations governing the use of decks and balconies.

10. TITLE TO UNITS.

10.1. Title to a Unit within the Project may be held or owned by any person or entity and in any manner in which title to any other real property may be held or owned in the State of Utah.

10.2. Title to no part of a Unit within the Project may be separated from any other part thereof, and each Unit and the undivided interest in the Common Areas and Facilities appurtenant to each Unit shall always be conveyed, devised, encumbered and otherwise affected only as a complete Unit. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Unit, or any part thereof, shall be construed to be a gift, devise, bequest, transfer,

encumbrance or conveyance, respectively, of the entire Unit, together with all appurtenant rights created by law and by this Declaration, including appurtenant membership in the Association as herein set forth.

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

10.4. Each Owner shall have the right to encumber his or her interest in a Unit with a Mortgage. However, no Owner shall attempt to or shall have the right to encumber the Common Areas and Facilities or any part thereof except the undivided interest therein appurtenant to his or her interest in a Unit. Any Mortgage of any Unit within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure, or otherwise.

10.5. No labor performed or services or materials furnished with the consent of or at the request of an Owner may be the basis for the filing of a lien against the Unit of any other Owner, or against any part thereof, or against any other property of any other Owner (including interest in any portion of the Common Areas and Facilities) unless the other Owner has expressly consented to or requested the performance of such labor or furnishing of such services. Express consent shall be deemed to have been given by the Owner in the case of emergency repairs thereto. Labor performed or services or materials furnished for the Project, if authorized by the Association and provided for in the Declaration, shall be deemed to be performed or furnished with the express consent of each Owner. In such event, the Owner may remove his or her Unit from a lien against two or more Units or any part thereof by payment to the holder of the lien of the fraction of the total sums secured by such lien which is attributable to his or her Unit.

10.6. Every contract for the sale of a Unit, and every other instrument affecting title to a Unit within the Project, may describe a Unit by the name of the Project, the recording date for this Declaration, the County wherein the Project is located and its Unit Number as indicated in this Declaration or as shown on the Plat. Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Areas and Facilities, and to incorporate all the rights incident to ownership of a Unit within the Project and all of the limitations on such ownership as described in this Declaration.

10.7. Any person, on becoming an Owner, will furnish the Secretary of the Association with a photocopy of the recorded deed or other instrument or such other evidence as may be specified by the Management Committee under the bylaws or the Association rules, vesting the person with the interest required to make him an Owner. At the same time, the Owner will provide the Association with the single name and address to which the Association will send any notices given pursuant to the governing documents of the Project. The Owner will state in such notice the voting interest in the Association to which the Owner believes he is entitled and the basis for that determination. In the event of any change in the facts reported in the original written notice, including any change of ownership, the Owner will give a new written notice to the Association containing all of the information required to be covered in the original notice. The Association will keep and preserve the most recent written notice received by the Association with respect to each Owner.

11. CERTAIN ADDITIONAL DEVELOPMENTAL RIGHTS.

The following additional Developmental Rights are hereby granted or reserved by Declarant:

11.1. Declarant hereby reserves an easement throughout the Project for the purpose of completing all improvements contemplated by the Declaration and the Plat, including but not limited to, improvements to the Additional Land.

11.2. Declarant hereby reserves the right to maintain sales offices, management offices, signs advertising the Project and models in any of the Units which it owns or leases or on the Common Areas and Facilities of the Project. Declarant may relocate sales offices, management offices and models to other Units or Common Areas and Facilities at any time.

11.3. There is hereby established a "Period of Declarant Control" of the Association, during which period Declarant or persons designated by it shall have the authority to appoint and remove the Association officers and members of the Management Committee. The Period of Declarant Control shall terminate no later than the earlier of:

- (a) six (6) years after the first Unit is conveyed to an Owner;
- (b) after Units to which three-fourths (3/4) of the undivided interest in the Common Areas and Facilities appertain have been conveyed to Owners, or after all Additional Land has been added to the Project, whichever last occurs; or
- (c) the surrender by Declarant of such right by written notice to the Management Committee.

12. RESTRICTIONS ON USE.

The Units and Common Areas and Facilities, including but not limited to the Limited Common Areas and Facilities, except as otherwise permitted in writing by the Management Committee, shall be used in accordance with the following restrictions:

12.1. Residential Uses. The Units are hereby restricted to residential use. Notwithstanding the foregoing, an Owner may work out of the Owner's Unit, provided that such work does not result in increased volume of vehicular or pedestrian traffic or parking at the Project. Notwithstanding the foregoing, nothing in this Section 12.1 shall prevent (a) Declarant or an affiliated entity or a duly authorized agent from using any Unit owned or leased by Declarant as sales offices and model Units or a property management office as provided in Section 11.2 hereof, or (b) any Owner or his or her duly authorized agent from renting or assigning the use of his or her Unit from time to time pursuant to Section 12.15 below.

12.2. Parking Areas and Vehicles. In general, all Vehicles (as defined below) must be parked, kept, maintained, stored, constructed, reconstructed or repaired only within a fully-enclosed garage. No Vehicle shall be parked on any driveway, courtyard, roadway, or street within Project. All guests shall park in those areas designated on the Plat as "Guest Parking". Owners (and any tenant of an Owner) shall not park in the Guest Parking.

For purposes of this Section 12.2, the term "Vehicles" includes cars, trucks and vans of all sizes, motorcycles, motorbikes, mopeds, mini-bikes, motor scooters, all-terrain vehicles, off-road vehicles, motor homes, recreational vehicles, trailers, travel trailers, tent trailers, camper shells, detached campers, boats, boat trailers, mobile homes, or other similar machinery or equipment, whether motorized or not, whether wheeled or not and whether or not in operating condition.

12.3. Offensive/Illegal Activities. No noxious, offensive or illegal activity shall be carried on in or upon any part of the Project nor shall anything be done on or placed in or upon any part of the Project which is or may become a nuisance or may cause unreasonable embarrassment, disturbance or annoyance to Owners.

12.4. Unsafe/Hazardous Activities. No activities shall be conducted, or improvements constructed, in or upon any part of the Project which are or may become unsafe or hazardous to any person or property.

12.5. Signage. No signs (including, without limitation, political signs and "for sale" signs), flags or advertising devices of any nature, including, without limitation, political, informational or directional signs or devices, shall be erected or maintained on any part of the Project, except (i) as may be necessary temporarily to caution or warn of danger, (ii) Project identification and directional signs erected by Declarant (or after the Period of Declarant Control) approved by the Association) (iii) as required by law, (iv) for Unit identification signs, provided the size, color, content and location of such signs have been approved in writing by the Management Committee, and (v) as may be used by Declarant as part of its sales program.

12.6. Animals. No animal or poisonous reptiles, other than a reasonable number of generally recognized house or yard pets as determined by the Management Committee, shall be maintained in any Unit and then only if they are kept, and raised thereon solely as domestic pets and not for commercial purposes. All pets must be kept on a leash at all times when outside of a Unit. No large animals (including dogs exceeding 20 lbs) shall be maintained in any Unit. No animal shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of any animal shall be maintained, unless otherwise approved by the Management Committee. The Management Committee shall have the right to adopt additional limitations, rules and regulations regarding pets within the Project.

12.7. Window Coverings. The draperies, shades and other interior window coverings in Units shall present a uniform appearance from the outside of the Units. All draperies, shades or other interior window coverings shall be installed only with the prior written approval of the Management Committee. The Management Committee shall have the right to establish rules requiring window coverings to present a uniform appearance from the exterior of Buildings.

12.8. Antenna's/ Awnings. No awning, canopy, shutter or television or citizens' band or other radio antenna, transmitter, satellite dish, or any other device or ornament, shall be affixed to or placed upon an exterior wall or roof or any part thereof of a Building, or the exterior of any door or window of a Unit, or in, on, or over a patio, porch, deck or balcony of a Unit, visible to the exterior, unless authorized by the Management Committee.

12.9. Subdividing. Except as otherwise provided in the Declaration, no Unit, or portions thereof, may be further divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership (as opposed to community property, tenancy in common, or other form of joint undivided ownership).

12.10. Structural Alterations. No Owner shall, without the prior written consent of the Management Committee, make or permit to be made any exterior alteration, improvement or addition in or to any Unit. No Owner shall, without the prior written consent of the Management Committee, do any act that would impair the structural soundness or integrity of the Buildings or the safety of property, impair any easement or hereditament appurtenant to the Project, or make or permit to be made any alteration, improvement or addition to the Common Areas and Facilities (including Limited Common Areas and Facilities). Furthermore, no Owner shall, without the prior written consent of the Declarant, so long as the Declarant or an affiliate of Declarant owns any Unit, Withdrawable Land or improvements in the Project, improve or modify a Unit, any Limited Common Areas and Facilities or other Common Areas and Facilities in a manner that would increase the habitable square footage of any Unit.

12.11. Storage/Obstruction. There shall be no obstruction of the Common Areas and Facilities by any Owner. Owners shall neither store nor leave any of their property in the Common Areas and Facilities, other than Limited Common Areas and Facilities appurtenant to their Unit, except with the prior consent of the Management Committee.

12.12. Insurance/Violation of Laws. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would result in cancellation of the insurance on the Project or any part thereof, nor shall anything be done or kept in any Unit which would increase the rate of insurance on the Project or any part thereof over what the Association but for such activity, would pay, without the prior written consent of the Management Committee. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would be in violation of any statute or rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas and Facilities or any part thereof shall be committed by any Owner or guest, lessee, licensee or invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or her or his or her guests, lessees, licensees or invitees.

12.13. Timeshare Programs. No Unit, whether leased or owned, shall be used:

(a) for the operation of a timesharing, fractional ownership, interval ownership, destination club, private residence club or similar program whereby the right to exclusive use of the Unit rotates among participants in the program, regardless of whether such program utilizes a fixed or floating schedule, a first come-first served reservation system or any other arrangement; or

(b) for the operation of a reservation or time-use system among co-Owners of a Unit, regardless of whether or not any co-Owner may later opt out of such system and regardless of whether the reservation or time-use system is recorded or unrecorded, fixed or floating, if one or more of the following conditions exist:

(i) the ownership interest in such Unit is marketed for sale to the public subject to such system, or

(ii) the co-Owners are or were required as a condition of purchase of the ownership interest in such Unit to subject the interest to a pre-determined reservation or time-use system among co-Owners; or

(c) in the marketing, offering, selling or operations of any club membership interest, limited liability company interest, limited partnership interest, program interest or other interest whereby the interest-holder acquires a right to participate in a reservation or time-use system among the interest-holders, or among the interest-holders and others, involving the Unit, or involving the Unit and other alternate or substitute properties, regardless of whether such interest is equity or non-equity, regardless of whether or not any interest-holder may later opt out of such system and regardless of whether the reservation or time-use system is recorded or unrecorded, fixed or floating (such interest referred to herein as an "Interest"), if one or more of the following conditions exist:

(i) the Interest is marketed for sale to members of the public, or

(ii) the Interest-holders are or were required as a condition of purchase of the Interest to be subject to a pre-determined reservation or time-use system among Interest-holders, or among Interest-holders and others.

(all of the foregoing uses, systems or programs described in this Section 12.13 are hereinafter called a "Timeshare Program").

12.14. Timeshare Interests. Mere co-ownership of a Unit, ownership of a Unit by an entity, or short-term leasing of a Unit shall not create a Timeshare Program unless it meets any of the conditions described in Section 12.13 above. All use and occupancy arrangements falling within the definition of "timeshare interests" under the Utah Timeshare and Camp Resort Act (Utah Code Annotated § § 57-19-1, *et seq.*) shall be considered Timeshare Programs, but a determination that any use and occupancy arrangements do not constitute a "timeshare interest" under such Act shall not be determinative of whether such arrangements constitute a Timeshare Program hereunder. It is intended that the definition of "Timeshare Program" hereunder shall be broader than, and not limited by, the definition of "timeshare interest" in the Timeshare and Camp Resort Act.

12.15. Rentals/Leases. The Units shall not be rented on a nightly basis or for any term less than six (6) consecutive nights. Subject to this Section 12.15, an Owner may lease a Unit for a term greater than or equal to six (6) nights. Any lease agreement between an Owner and a lessee respecting a Unit shall be subject in all respects to the provisions of this Declaration, the Articles and Bylaws, and any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All such lease agreements shall be in writing. Other than the foregoing, there is no restriction on the right of any Owner to lease his or her Unit. An Owner shall be responsible and liable for any damage to the Project caused by its tenants.

12.16. Weather Risks. Ownership of real property in mountain areas involves certain inherent inconveniences and risks. These include, but are not limited to, (a) sliding snow and ice, (b) dripping water onto decks, porches and walkways from snow melt, (c) snow and ice build-up on decks and porches during winter months, (d) the need to remove snow from roofs and decks to prevent damage to these structures, (e) adverse travel conditions, (f) the effects of harsh weather and high altitude upon construction procedures and costs, building materials and finishes, (g) health risks from high altitude and severe weather, and (h) other inconveniences and risks arising from the high altitude and sometimes severe weather conditions in the Rocky Mountains.

12.17. Other Properties. Buyer acknowledges that other properties located in the vicinity of the Project may be developed pursuant to the land uses and restrictions set forth in the applicable zoning of Summit County, with no representation being made herein concerning the planned uses of such other properties.

12.18. Association Rules and Regulations. All Owners are given notice that use of their Units and the Common Areas and Facilities is limited by the rules and regulations of the Association as modified from time to time. By acceptance of a deed, each Owner acknowledges and agrees that the use and enjoyment and marketability of the Owner's Unit can be affected by this provision and that the rules and regulations may change from time to time. No Owner shall violate such rules and regulations for the use of Units and Common Areas and Facilities.

12.19. Common Area Alterations. No exterior or structural addition to or change or alteration to a Unit, the Common Areas and Facilities or Limited Common Areas and Facilities (including the construction of any additional skylight, window, awning or door) shall be made until the plans and specifications showing the nature, kind, shape, height, color, materials, and location of the same shall have been submitted to and approved in writing by the Management Committee as to harmony of external design and location in relation to surrounding structures and topography. The alterations and changes described in this Section 12.19 shall also be in compliance with and have received all approvals required by any applicable zoning and other laws, rules and regulations, including the rules and regulations promulgated by the Association. After receiving the approval of the Management Committee, the Owner required to obtain such approval shall thereafter obtain all other approvals as may be required by any governmental or quasi-governmental body having jurisdiction over the Property.

12.20. Decks. An Owner shall keep the decks and balconies in a good, clean, neat and orderly condition. An Owner shall also keep the decks and balconies free from snow. Provided that such items are kept in good condition and repair and are not deemed by the Management Committee to be unsightly, an Owner may keep the following items on a deck or balcony appurtenant to their Unit: (i) patio furniture; and (ii) one (1) barbecue or grill. Except for patio furniture and a grill/barbecue permitted pursuant to this Section 12.20, no other items may be maintained, stored or kept on a deck or balcony, including, without limitation, trash cans, exercise equipment, hot tub, clothes line, bicycles, toys, and tools.

12.21. Sex Offenders. In no event shall any of the following individuals own, occupy, rent, reside in, or visit a Unit or any other portion of the Project: (i) any individual that is a "Sex Offender" as such term is defined in Utah Code Section 77-27-21.5 (as amended from time to

time); (ii) any individual convicted, in another state, of a crime that is similar in scope to a crime included within the definition of a "Sex Offender" as such term is defined in Utah Code Section 77-27-21.5, as amended from time to time; (iii) any individual listed on the State of Utah's Sex Offender registry pursuant to Utah Code Section 77-27-21.5, as amended from time to time; or (iv) any individual listed on any other state's sex offender registry. If an Owner or the Association discovers that this Section 12.21 has been violated, then the Owner or the Association may, at its sole discretion, seek to enforce this Section 12.21 by court order or by any other remedy available at law or in equity. The successful party on any litigation based upon or resulting from this Section 12.21 shall be entitled to recover from the other party the reasonable attorneys' fees incurred in such matter, in addition to the costs of suit as determined by the court. Notwithstanding the foregoing, in no event shall the Association, Declarant, Management Committee, Common Area Manager or Owner be required to undertake any action to prevent a Sex Offender from violating this Section 12.21, including, without limitation, performing background checks, checking sex offender registries or in any other way screening individuals owning, occupying, renting, residing in, or visiting a Unit or any other portion of the Project, and the Association shall not be subject to any liability arising out of this Section 12.21.

13. ASSOCIATION AND MANAGEMENT COMMITTEE.

13.1. The persons or entities who are at the time of reference Owners shall, together with all other Owners, be members of the Association, the characteristics and nature of which are determined by the Act, the Declaration, the Bylaws, the Articles and other applicable Utah law. The Association shall be governed by the following provisions:

13.1.1. The management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by a Management Committee consisting of not less than three (3) nor more than five (5) natural persons as provided in the Bylaws. The Management Committee shall be elected as provided in this Declaration and in the Bylaws.

13.1.2. Except as otherwise provided herein, the Management Committee shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the Act, this Declaration and the Bylaws, including but not limited to the following:

13.1.2.1. To make and enforce all rules and regulations covering the operation and maintenance of the Project and the Units.

13.1.2.2. To engage the services of the Common Area Manager, accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefor.

13.1.2.3. To operate, maintain, repair, improve and replace the Common Areas and Facilities.

13.1.2.4. To determine and pay the Common Expenses.

13.1.2.5. To assess and collect the proportionate share of Common Expenses from the Owners, as provided in Section 21 hereinafter.

13.1.2.6. To enter into contracts, deeds, leases and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

13.1.2.7. To open bank accounts on behalf of the Association and to designate the signatories therefor.

13.1.2.8. To purchase, hold, sell, convey, mortgage or lease any one or more Units in the name of the Association or its designee.

13.1.2.9. To bring, prosecute and settle litigation for itself, the Association and the Project, provided that it shall make no settlement which results in a liability against the Management Committee, the Association or the Project in excess of \$100,000 (as measured in year 2006 dollars and thereafter adjusted by the Cost of Living Index) without the prior approval of a majority of the Total Votes of the Association at a meeting or by written ballot distributed to Owners by mail; provided, any settlement which would be paid from proceeds of insurance which may be settled by the Association's insurance carrier and which in either case results in no actual liability of funds of the Association in excess of \$100,000 shall not require Association approval.

13.1.2.10. To obtain insurance for the Association with respect to the Units and the Common Areas and Facilities, as well as worker's compensation insurance.

13.1.2.11. To repair or restore the Project following damage or destruction or a permanent taking by the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation not resulting in the removal of the Project from the provisions of the Act.

13.1.2.12. To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Owners, items of personal property necessary to or convenient to the management of the business and affairs of the Association and the Management Committee and to the operation of the Project, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies.

13.1.2.13. To pledge, hypothecate or otherwise encumber current or future Assessments for any purpose permitted under this Declaration.

13.1.2.14. To keep adequate books and records and implement the policies and procedures for the inspection of the books and records of the Project by Owners in accordance with the terms of the Bylaws. The Association or the Management Committee shall make available to the Owners, Mortgagees and the holders, insurers and guarantors of the First Mortgage on any Unit current copies of the Declaration, Articles, Bylaws and other rules governing the Project and other books, records and financial statements of the Association. "Available"

shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

13.1.2.15. To do all other acts necessary for the operation and maintenance of the Project, including the maintenance and repair of any Unit if the same is necessary to protect or preserve the Project.

13.1.2.16. To prepare, adopt, amend and disseminate budgets and other information from time to time in accordance with the terms of the Bylaws.

13.1.2.17. To grant easements and rights-of-way over the Common Areas and Facilities and to approve signage for the Project.

13.1.2.18. Subject to the limitations of Section 13.1.4, the Act and any other applicable law, the Management Committee may delegate to a Common Area Manager by written agreement all of the foregoing powers, duties and responsibilities referred to in this Section 13.1.

13.1.2.19. The Management Committee may convey or subject to a Mortgage all or portions of the Common Areas and Facilities of the Project if Owners entitled to cast a majority of the Total Votes of the Association agree to that action at a meeting or by written ballot distributed to Owners by mail. Any such agreement shall comply with all other applicable provisions of the Act.

13.1.2.20. Members of the Management Committee, the officers and any assistant officers, agents and employees of the Association (i) shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to any Owner or any person or entity, direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or bad faith, nor for acts performed for them in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse or condition of the Project, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

13.1.2.21. When a member of the Management Committee is sued for liability for actions undertaken in his or her role as a member of the Management Committee, the Association shall indemnify him or her for his or her losses or claims, and undertake all costs of defense, until and unless it is proven that he or she acted with willful or wanton misfeasance or with gross negligence. After such proof the Association is no longer liable for the cost of defense, and may recover costs already expended from the member of the Management Committee who so acted. Members of the Management Committee are not personally liable to the victims of crimes occurring at the Project. Punitive damages may not be

recovered against the Association, but may be recovered from persons whose activity gave rise to the damages.

13.1.3. Neither the Management Committee nor the Common Area Manager shall sell any property of the Association except as permitted by the Act and this Declaration.

13.1.4. The Association acting through the Management Committee may enter into a contract with a Common Area Manager for the management of the Project which complies with the requirements of Section 13.1.2 hereof as applicable to the Project. The Common Area Manager so engaged shall be responsible for managing the Project for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Association, be authorized to perform any of the functions or acts required to be performed by the Association itself.

13.2. NOTWITHSTANDING THE DUTY OF THE ASSOCIATION TO MAINTAIN AND REPAIR PORTIONS OF THE PROJECT, AND EXCEPT TO THE EXTENT COVERED BY ASSOCIATION INSURANCE AS DESCRIBED IN SECTION 15, THE ASSOCIATION SHALL NOT BE LIABLE TO OWNERS FOR INJURY OR DAMAGE, OTHER THAN FOR THE COST OF MAINTENANCE AND REPAIR, CAUSED BY ANY LATENT CONDITION OF THOSE PORTIONS OF THE PROJECT TO BE MAINTAINED AND REPAIRED BY THE ASSOCIATION, OR CAUSED BY THE ELEMENTS OR OTHER OWNERS OR PERSONS.

14. MAINTENANCE, ALTERATION AND IMPROVEMENT.

14.1. The maintenance, replacement and repair of the Common Areas and Facilities (including snow removal) shall be the responsibility of the Association, and the cost thereof shall be a Common Expense. Such maintenance responsibilities of the Association shall include, without limitation, maintenance, replacement and repair of the exterior of the Buildings (including painting), roofs, driveways, walkways, and all landscaping at the Project. All incidental damages caused to a Unit by the maintenance, replacement and repairs of the Common Areas and Facilities or utility services shall be repaired promptly and the cost thereof charged to the Association as a Common Expense.

14.2. Some of the Common Areas and Facilities are or may be located within the Units or may be conveniently accessible only through the Units. The Association, its agents and contractors, shall have the irrevocable right to have access to each Unit and to all Common Areas and Facilities from time to time during such reasonable hours as may be necessary for the cleaning, repair or replacement of any Common Areas and Facilities or for making any emergency repairs at any time and when necessary to prevent damage to the Common Areas and Facilities or to any Unit. The Association shall also have the irrevocable right to have access to any Unit when necessary in connection with any cleaning, maintenance, repair, replacement, painting, landscaping, construction or reconstruction for which the Association is responsible or for the purpose of abating a nuisance or a known or suspected dangerous or unlawful condition. Such entry shall be made with as little inconvenience to the Owners as is practicable under the circumstances and any damage caused thereby shall be repaired by the Association.

14.3. Notwithstanding anything in this Declaration to the contrary, the Owner at the Owner's expense shall maintain and keep in repair the interior of the Unit, including windows and the fixtures and utilities located in the Unit to the extent current repair shall be necessary in order to avoid damaging other Units or the Common Areas and Facilities. All fixtures, equipment, and utilities installed and included in a Unit serving only that Unit, commencing at a point where the fixtures, equipment and utilities enter the Unit, shall be maintained and kept in repair by the Owner of that Unit. An Owner shall not allow any action or work that will impair the structural soundness of the improvements, impair the proper functioning of the utilities, heating, ventilation, or plumbing systems or integrity of any Building, or impair any easement or hereditament. No Owner shall alter any Common Areas and Facilities or Limited Common Areas and Facilities without the prior written consent of the Association.

14.4. Notwithstanding anything to the contrary in this Declaration, an Owner at its sole cost and expense, shall have the obligation to maintain and keep in repair all appurtenant Limited Common Areas and Facilities, including, without limitation, the decks and balconies.

14.5. In the event that portions of a Unit or other improvements are not properly maintained and repaired, and if the maintenance responsibility for the unmaintained improvement lies with the Owner of the Unit, or in the event that such improvements are damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction, then the Association, after written notice to the Owner and the expiration of a thirty (30) day cure period, and with the approval of the Management Committee, shall have the right to enter upon the Unit to perform such work as is reasonably required to restore the Unit and other improvements to a condition of good order and repair; provided, however, if such repair and reconstruction due to an event of casualty cannot be reasonably performed within such thirty (30) day cure period, the Owner shall have such time as reasonably required to perform such repair and reconstruction so long as the work has been commenced within such cure period and is diligently pursued to completion. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Unit, upon demand. All unreimbursed costs shall be a lien upon the Unit until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid Assessment levied in accordance with Section 21 of this Declaration.

14.6. Subsequent to the filing of the Plat and recording of this Declaration, no labor performed or materials furnished for use and incorporated in any Unit with the consent of or at the request of the Owner of the Unit or the Owner's agent, contractor or subcontractor shall be the basis for the filing of a lien against a Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Areas and Facilities except as to the undivided interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed or such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanic's lien for labor performed or for materials furnished in work on such Owner's Unit against the Unit of another Owner or against the Common Areas and Facilities, or any part thereof.

14.7. At its own initiative or upon the written request of any Owner (if the Association determines that further action by the Association is proper), the Association shall enforce the indemnity provided by the provisions of Section 14.6 above by collecting from the Owner of the Unit on which the labor was performed or materials furnished the amount necessary to discharge by bond or otherwise any such mechanic's lien, including all costs and reasonable attorneys' fees incidental to the lien, and obtain a release of such lien. In the event that the Owner of the Unit on which the labor was performed or materials furnished refuses or fails to so indemnify within seven (7) days after the Association shall have given notice to such Owner of the total amount of the claim, or any portions thereof from time to time, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section 14.7, and such amount to be indemnified shall automatically become a default Assessment determined and levied against such Unit, and enforceable by the Association in accordance with Section 21 below.

15. INSURANCE.

15.1 The Association shall at all times maintain in force insurance meeting the following requirements:

15.1.1. A "master" or "blanket" type policy of property insurance shall be maintained covering the entire Project, including: Common Areas and Facilities; Limited Common Areas and Facilities; all Buildings including all Units; fixtures, machinery, building service equipment, personal property and supplies comprising a part of the Common Areas and Facilities maintained for the service of the Project or owned by the Association, but excluding land, foundations, excavations, 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 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 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. The insurance policy shall include either of the following endorsements (or an equivalent) to assure full insurable value replacement cost coverage: (1) a Guaranteed Replacement Cost Endorsement (under which the insurer agrees to replace the insurable property regardless of the cost) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance); or (2) a Replacement Cost Endorsement (under which the insurer agrees to pay up to one hundred percent (100%) of the property's insurable replacement cost but no more) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance). Unless the Management Committee otherwise determines, the maximum deductible amount for such a policy covering the Common Areas and Facilities and Units shall not exceed Ten Thousand Dollars (\$10,000) or one percent (1%) of the policy face amount. Subject to Section

15.2.1 below, funds to cover these deductible amounts shall be included in the Association's operating reserve account.

15.1.2. The Association 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, Building exteriors, public ways in the Project, all other areas of the Project that are under the Association's supervision, and any 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 projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least Three Million Dollars (\$3,000,000) 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, Building exteriors, and legal liability arising out of lawsuits related to employment contracts of the Association. Additional coverages under such policy shall include protection against such other risks as are customarily covered with respect to projects similar to the Project in construction, location, and use, including but not limited to (where economically feasible and if available), bailee's liability, elevator collision liability, garage keeper's liability, host liquor liability, contractual and all-written contract insurance, workers' compensation and employer's liability insurance, and comprehensive automobile liability insurance (including coverage for non-owned and hired automobile liability). If such policy does not include "severability of interest" in its terms, the policy shall include a special endorsement to preclude an insurer's denial of any Owner's claim because of negligent acts of the Association or any other Owner. Such policy shall provide that it may not be canceled or substantially modified, by any party, without at least thirty (30) days' prior written notice to the Association and to each First Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.

15.1.3. The Association shall at all times maintain in force and pay the premiums for "blanket" fidelity bonds for all officers, members, and employees of the Association and for all other persons handling or responsible for funds of or administered by the Association whether or not that individual receives compensation for services. Furthermore, where the Association has delegated some or all of the responsibility for the handling of funds to the Common Area Manager, the Common Area Manager shall provide "blanket" fidelity bonds, with coverage identical to such bonds required of the Association, for the Common Area Manager's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. In addition, the Common Area Manager shall, within a reasonable time period, submit evidence to the Association that he or she has secured such fidelity insurance. The total amount of fidelity bond coverage required shall be based upon the Association's best business judgment and shall not be less than the estimated maximum amount of funds, including reserve funds, in the custody of the Association, or the Common Area Manager, as the case may be, at any given time during the term of each bond.

15.1.4. The name of the insured under each policy required to be maintained by Section 15.1 shall be the Association for the use and benefit of the individual Owners. (Said Owners shall be designated by name if required by law.) 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 trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor to such trustee (each of whom shall be referred to herein as the “Insurance Trustee”), for the use and benefit of the individual Owners. Loss payable shall be in favor of the Association (or Insurance Trustee), as a trustee for each Owner and each such Owner’s Mortgagee. Each Owner and each such Owner’s Mortgagee, if any, shall be beneficiaries of such policy. Evidence of insurance shall be issued to each Owner and Mortgagee upon request.

15.1.5. Each policy required to be maintained by Section 15.1 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. In addition, such mortgage clause or another appropriate provision of each such policy shall provide that the policy may not be canceled or substantially modified without at least thirty (30) days’ prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the policy.

15.1.6. Each policy required to be maintained by Section 15.1 shall provide, if available, for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against Owners individually; the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively or the Association; and, except as provided in Section 15.2.1 below, the policy is primary in the event the Owner has other insurance covering the same loss.

15.1.7. In contracting for the policies of insurance required to be maintained by Section 15.1, the Management Committee shall make reasonable efforts to secure (where economically feasible and reasonably available) coverage commonly required by private mortgage investors for projects similar in construction, location and use.

15.1.8. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Association, the Association’s authorized representative, property manager, or Common Area Manager, including any Insurance Trustee, who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Owner hereby appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, 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 Association, or any Insurance Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the use and benefit of the Owners and their Mortgagees, as their interests may appear.

15.1.9. Each insurance policy maintained pursuant to the foregoing Sections 15.1.1, 15.1.2, and 15.1.3 shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a B++ general policyholder's rating or a financial performance index of 10 or better in the Best's Key Rating Guide or an A or better rating from Demotech, Inc., or which is written by Lloyd's of London. No such policy shall be maintained where: (1) under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against, an Owner, a Mortgagee, the Management Committee, or the Association; (2) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled (including, without limitation, the Management Committee, the Association, or Owner) from collecting insurance proceeds. The provisions of this Section 15 shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

15.1.10. All insurance policies shall be reviewed at least annually by the Management Committee in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the Project which may have been damaged or destroyed. In addition, such policies shall be reviewed to determine their compliance with the provisions of this Declaration.

15.2. Notwithstanding anything in this Section 15 to the contrary, it shall be the responsibility of each Owner, at such Owner's expense, to maintain physical damage insurance on such Owner's personal property and furnishings. In addition, an Owner may obtain such other and additional insurance coverage on and in relation to the Owner's Unit as the Owner in the Owner's sole discretion shall conclude to be desirable. However, none of such insurance coverages obtained by such Owner shall affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage, except as provided in Section 15.2.1 below, nor shall such insurance coverage of an Owner result in apportionment of insurance proceeds as between policies of insurance of the Association and the Owner. An Owner shall be liable to the Association for the amount of any such diminution of insurance proceeds to the Association as a result of insurance coverage maintained by the Owner, and the Association shall be entitled to collect the amount of the diminution from the Owner as if the amount were a default Assessment, with the understanding that the Association may impose and foreclose a lien for the payment due. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association.

15.2.1. Notwithstanding anything to the contrary in this Declaration, the insurance coverage required to be maintained by each Owner (pursuant to this Section 15) shall be primary and the insurance to be maintained by the Association (pursuant to this Section 15) shall be secondary for losses that emanate from within a Unit, or from items that are the responsibility of the Owner to maintain, repair and replace. All Owners shall have a minimum Coverage "A" Building for Ten Thousand Dollars (\$10,000) added to their individual Unit Owner's policies. If an Owner fails to maintain insurance, the

Owner shall still be responsible for the first Ten Thousand Dollars (\$10,000) on any claim arising from losses that emanate from within the Owner's Unit and/or from items that are their responsibility to maintain, repair and replace, including, without limitation, improvements, betterments, all fixtures, appliances and items of personal property. Personal property and personal liability are the sole responsibility of the Owner. In the event a claim is filed on the Association's insurance policy with respect to something that, pursuant to this Section 15, should have been covered by a Unit Owner's policy, then the Owner shall be responsible for paying the Association's deductible.

16. DESTRUCTION OR DAMAGE.

16.1. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney-in-fact in their name, place and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute an appointment by said grantee of the Association as his or her attorney-in-fact as herein provided. As attorney-in-fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted. All insurance proceeds shall be payable to the Association except as otherwise provided in this Declaration.

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

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

16.3.1. The Association shall give timely written notice to any Eligible Mortgagee on a Unit who requests such notice in writing in the event of substantial damage to or destruction of any part of the Common Areas or Facilities or a Unit subject to such First Mortgage.

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

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

16.3.4. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, and if less than seventy-five percent (75%) of the Project is damaged or destroyed, such repair and reconstruction shall nevertheless be carried out. The Association shall levy a Special Common Assessment sufficient to provide funds to pay the actual costs of such repair and reconstruction to the extent that such insurance

proceeds are insufficient to pay such costs. Such Special Common Assessment shall be allocated and collected as provided in Section 21.1.3 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

16.3.5. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, and if seventy-five percent (75%) or more of the Project is damaged or destroyed, such damage or destruction shall be repaired and reconstructed, but only if within one hundred (100) days following the damage or destruction, Owners entitled to vote at least seventy-five percent (75%) of the votes of the Total Votes of the Association vote to carry out such repair and reconstruction. If, however, the Owners do not, within one hundred (100) days after such damage or destruction, elect by a vote of at least seventy-five percent (75%) of the votes of the Total Votes of the Association to carry out such repair and reconstruction and if, to the extent permitted by the Act, Eligible Mortgagees who represent at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by Eligible Mortgagees do not approve such repair and reconstruction, the Association shall record in the office of the County Recorder of Summit County, State of Utah, a notice setting forth such facts. Upon the recording of such notice, the following shall occur:

16.3.5.1. the Project shall be deemed to be owned in common by the Owners;

16.3.5.2. Each Owner shall own an undivided interest in the Project equal to his or her ownership interest in the Common Areas and Facilities;

16.3.5.3. Any liens affecting any of the Units shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest of the respective Owner in the Project; and

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

16.3.6. In no event shall an Owner of a Unit or any other party have priority over the holder of any First Mortgage on such Unit with respect to the distribution to such Unit of any insurance proceeds.

16.4. If the damage or destruction is to be repaired or reconstructed as provided above, the Association shall, as soon as practicable after receiving the said estimate of costs, commence

and diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair and reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The Project shall be restored or repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas and Facilities having the same vertical and horizontal boundaries as before. Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the original architectural plans and specifications.

16.5. If repair or reconstruction is to occur, the insurance proceeds held by the Association and any amounts received from Common Assessments made pursuant to Section 21.1.3 hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for costs of repair and reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in accordance with their undivided percentage interest in the Common Areas and Facilities.

16.6. This Section 16 shall not be amended unless Owners entitled to vote at least seventy-five percent (75%) of the Total Votes of the Association consent and agree to such amendment and such consent and agreement is reflected in an instrument duly executed by the Association and recorded in accordance with the provisions of this Declaration.

17. TERMINATION.

17.1. Except as otherwise provided in Section 16 and this Section 17, the Project may be terminated only by agreement of Owners entitled to vote all of the votes of all Units.

17.2. All of the Owners may remove the Project from the provisions of the Act by an instrument duly recorded to that effect, provided that the holders of all liens affecting any of the Units consent or agree by instruments duly recorded that their liens are transferred to the fractional ownership interest of the Owners in the Project. Provided further, as long as Declarant has ownership rights in the Project, its consent shall also be required to remove the Project from the provisions of the Act.

17.3. A termination agreement may provide that all the Project shall be sold following termination. If, pursuant to the agreement, any real estate in the Project is to be sold following termination, the termination agreement shall set forth the minimum terms of the sale.

17.4. The Association, on behalf of the Owners, may contract for the sale of real estate in the Project, but the contract is not binding on the Owners until approved pursuant to Sections 17.1 and 17.2. If any real estate in the Project is to be sold following termination, title to that real estate on termination vests in the Association as trustee for all Owners. Thereafter, the Association has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds of the sale distributed, the Association continues in existence with all powers it had before termination. Proceeds of the sale shall be distributed to Owners and

Mortgagees as their interests may appear, based on the Owners respective undivided interest in the Common Areas and Facilities. Unless otherwise specified in the termination agreement, as long as the Association holds title to the real estate, each Owner and their successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted their Unit in accordance with the terms of this Declaration. During the period of that occupancy right, each Owner and their successors in interest remain liable for all Common Assessments and other obligations imposed on Owners by this Declaration.

17.5. Following termination of the Project, the proceeds of any sale of real estate, together with the assets of the Association, shall be held by the Association as trustee for Owners and Mortgagees as their interests may appear. Following termination, Mortgagees holding Mortgages on the Units which were recorded before termination may enforce those liens in the same manner as any lienholder.

18. EMINENT DOMAIN.

18.1. Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the Common Areas and Facilities or one or more Units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation, the Management Committee and each Owner shall be entitled to notice thereof and the Management Committee shall, and the Owners at their respective expense may, participate in the proceedings incident thereto.

18.2. With respect to the Common or Limited Common Areas and Facilities, any damages or awards shall be determined for such taking, injury or destruction as a whole and not for each Owner's interest therein. After such determination, each Owner shall be entitled to a share in the damages in the same proportion as his or her ownership interest in the Common Areas and Facilities. This provision does not prohibit a majority of the Owners from authorizing the Management Committee to use such damages or awards for replacing or restoring the Common Areas and Facilities so taken on the remaining land or on other acquired land, provided that this Declaration and the Plat are duly amended.

18.3. With respect to one or more Units or portions thereof, the damages or awards for such taking shall be deemed to be proceeds from insurance on account of damages or destruction pursuant to Section 16 above and shall be deposited with the Management Committee as trustee. Even though the damage or awards may be payable to one or more Owners, the Owners shall deposit the damages or awards with the Management Committee as trustee. In the event an Owner refuses to so deposit his or her award with the Management Committee, then at the option of the Management Committee, either a Special Common Assessment shall be made against the defaulting Owner and his or her Unit in the amount of this award or the amount of such award shall be set off against the sum hereafter made payable to such Owner.

18.4. In the event the Project is removed from the provisions of the Act pursuant to Section 17 above, the proceeds of the damages or awards shall be distributed or used in accordance with the Owners respective undivided interest in the Common Areas and Facilities.

18.5. If one or more Units are taken, in whole or in part, and the Project is not removed from the provisions of the Act, the taking shall have the following effects:

18.5.1. If the taking reduces the size of a Unit and the remaining portion of the Unit may be made tenantable, the Unit shall be made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the Owner of the Unit. The balance of the award, if any, shall be distributed to the Mortgagee to the extent of the unpaid balance of its Mortgage and the excess, if any, shall be distributed to the Owner.

18.5.2. If the taking destroys or so reduces the size of a Unit that it cannot be made tenantable, the award shall be distributed to the Mortgagee of the Unit to the extent of the unpaid balance of its Mortgage and the excess, if any, shall be distributed to the Owner thereof. The remaining portion of such Unit, if any, shall become a part of the Common Areas and Facilities and shall be placed in condition for use by all Owners in the manner approved by the Management Committee. The ownership interest in the Common Areas and Facilities appurtenant to the Units that continue as part of the Project shall be equitably adjusted to distribute the ownership of the Common Areas and Facilities among the reduced number of Owners.

18.6. Changes in Units, in the Common Areas and Facilities and in the ownership of the Common Areas and Facilities that are affected by the taking referred to in this Section 18 shall be evidenced by an amendment to this Declaration and the Plat, which need not be approved by the Owners.

19. MORTGAGEE PROTECTION.

19.1. Upon written request made to the Association by a First Mortgagee, or an insurer or governmental guarantor of a First Mortgage, which written request shall identify the name and address of such First Mortgagee, insurer or governmental guarantor and Unit Number, any such First Mortgagee, insurer or governmental guarantor shall be entitled to timely written notice of:

19.1.1. Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit on which there is a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor;

19.1.2. Any delinquency in the payment of Common Assessments or charges owed by an Owner, whose Unit is subject to a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor, which default remains uncured for a period of sixty (60) days;

19.1.3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

19.1.4. Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 19.2 below or elsewhere herein; and

19.1.5. Any judgment rendered against the Association.

19.2. Except as provided elsewhere in this Declaration, or except as provided by the Act, the vote or prior written consent of Owners entitled to vote at least sixty-seven percent (67%) of the Total Votes of the Association (unless pursuant to a specific provision of this Declaration the consent of Owners entitled to vote a greater percentage of the votes in the Association is required, in which case such specific provisions shall control), and Eligible Mortgagees holding First Mortgages on Units having at least fifty-one percent (51%) of the votes of the Units subject to First Mortgages held by Eligible Mortgagees shall be required to:

19.2.1. Abandon or terminate the legal status of the Project after substantial destruction or condemnation occurs.

19.2.2. Amend any material provision of the Declaration, Articles, Bylaws or Plat. "Material provisions" include any provision affecting the following (an amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors, to comply with applicable law, or for clarification only):

19.2.2.1. Voting rights;

19.2.2.2. Changes in the method of calculating the Common Assessments, obligations, maintenance fees, or other charges which may be levied against an Owner;

19.2.2.3. Reductions in reserves for maintenance, repair, and replacement of Common Areas and Facilities;

19.2.2.4. Responsibility for maintenance and repairs;

19.2.2.5. Reallocation of interests in the Common Areas and Facilities, except where otherwise specifically permitted by this Declaration, or rights to their use;

19.2.2.6. Convertibility of Units into Common Areas and Facilities or vice versa, except as otherwise permitted by this Declaration;

19.2.2.7. Substantial reduction in hazard or fidelity insurance requirements;

19.2.2.8. Imposition of any restrictions on the leasing of Units;

19.2.2.9. Imposition of any restrictions on Owner's right to sell or transfer his or her Unit;

19.2.2.10. Restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in the Declaration; or

19.2.2.11. The benefits of Eligible Mortgagees.

Any Mortgagee, insurer or governmental guarantor who receives a written request from the Association to approve additions or amendments to the constituent documents and who fails to deliver or post to the Association a negative response within thirty (30) days shall be deemed to have approved such request, provided the written request was delivered by certified or registered mail, with a "return receipt" requested.

19.3. The Association shall maintain and have current copies of the Declaration, Articles, Bylaws, and other rules concerning the Project as well as its own books, records, and financial statements available for inspection by Owners or by holders, insurers, and guarantors of First Mortgages that are secured by Units in the Project. Generally, these documents shall be available during normal business hours.

19.4. The lien or claim against a Unit for unpaid assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to the First Mortgage affecting such Unit if the First Mortgage was recorded before the delinquent assessment was due, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Unit shall take the same free of such lien or claim for unpaid assessment or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a deed or assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a First Mortgagee, a successor in title to a First Mortgagee, or the Unit affected or previously affected by the First Mortgage concerned. All taxes, Common Assessments and charges that may become liens prior to the First Mortgage under Utah law relate only to the individual Units and not to the Project as a whole.

19.5. In the event any taxes or other charges which may or have become a lien on the Common Areas and Facilities are not timely paid, or in the event the required hazard insurance described in Section 15.1.1 lapses, is not maintained, or the premiums therefore are not paid when due, any Mortgagee or any combination of Mortgagees may jointly or singly, pay such taxes or premiums or secure such insurance. Any Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefor from the Association.

19.6. No provision of this Declaration or the Articles gives or may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Units or the Common Areas and Facilities.

20. AMENDMENT.

20.1. Except as provided elsewhere in this Declaration (including, without limitation, Section 7 pertaining to the Option to Expand, and Section 8 pertaining to the Option to Contract), any amendment to this Declaration or the Plat shall require the affirmative vote of at least sixty-seven percent (67%) of the Total Votes of the Association cast in person or by proxy at a meeting duly called for such purpose or otherwise approved in writing by such Owners without a meeting. Any amendment authorized pursuant to this Section 20.1 shall be accomplished

through the recordation in the office of the Summit County Recorder of an instrument executed by the Association. In such instrument an officer or trustee of the Association shall certify that the vote required by this Section 20.1 for amendment has occurred.

20.2. The Declarant alone may amend or terminate this Declaration prior to the closing of a sale of the first Unit. Notwithstanding anything contained in this Declaration to the contrary, this Declaration may be amended unilaterally at any time and from time to time by Declarant: (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) to make technical corrections to fix mistakes or remove/clarify ambiguities; or (c) if such amendment is reasonably necessary to enable a title insurance company to issue title insurance coverage with respect to the Project or any Unit.

20.3. Notwithstanding anything in this Declaration, the Articles or Bylaws to the contrary, Declarant also reserves the unilateral right to amend all or any part of this Declaration to such extent and with such language as may be requested by a State Department of Real Estate (or similar agency), FHA, VA, the FHLMC or FNMA, and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration or approval of the sale of Units, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Unit(s) or any portions thereof. Any such amendment shall be effected by the recordation by Declarant of an Amendment duly signed by the Declarant, specifying the nature of the qualifying reason for such amendment pursuant to this Section 20.3. Recordation of such a Amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Amendment, when recorded, shall be binding upon all Units and all persons having an interest therein. It is the desire of Declarant to retain control of the Association and its activities during the anticipated period of planning and development. If any amendment requested pursuant to the provisions of this Section 20 deletes, diminishes or alters such control, Declarant alone shall have the right to amend this Declaration to restore such control.

20.4. Notwithstanding anything contained in this Declaration to the contrary, because the Plat has been recorded prior to the construction of the Units, Declarant reserves the right to unilaterally amend the Plat at any time and from time to time by Declarant if such amendment is necessary to make technical corrections, to satisfy the requirements of Summit County or any other governmental authority, to correct mistakes, remove/clarify ambiguities or to accurately reflect the "as-built" Units on the Plat.

21. ASSESSMENT OF UNITS BY THE ASSOCIATION.

21.1. The making and collection of Common Assessments by the Association from Owners of Units for their share of Common Expenses shall be pursuant to the Bylaws and subject to the following provisions:

21.1.1. Each Owner, including Declarant, for each Unit which it owns, shall be liable for a proportionate share of the Common Expenses, such share being the same as the ownership interest in the Common Areas and Facilities appurtenant to the Unit owned

by him or her. The obligation of an Owner to pay Common Assessments for a Unit shall begin on the date that a certificate of occupancy for a Unit has been issued by Summit County, Utah. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for capital reserve expenses. Such combined expenses shall constitute the Common Expenses, and the funds received from Common Assessments under this Section 21 shall be the Common Expense Fund. Common Assessments shall include Regular Common Assessments, Special Common Assessments and any other assessments levied by the Association. Until the Association makes an assessment for Common Expenses, the Declarant shall pay all Common Expenses. After an assessment has been made by the Association, Regular Common Assessments must be made at least annually, based on a budget adopted at least annually by the Association in accordance with the provisions of this Declaration and the Bylaws. Regular Common Assessments shall be levied against each separate Unit, and shall commence as to all Units in each phase of the Project on the first day of the month following the closing of the first sale of a Unit in such phase.

21.1.2. The Association may not impose a Regular Common Assessment per Unit which is more than twenty-five percent (25%) greater than the previous year's Regular Common Assessment, without first obtaining the affirmative vote of Owners, cast at a meeting of the Association at which a quorum is present, or otherwise approved without a meeting by Owners holding at least a majority of the Total Votes of the Association. The Association shall provide notice, by first class mail to all Owners, of any change in the Regular Common Assessments not less than thirty (30) nor more than sixty (60) days prior to the date the increased Regular Common Assessment is due.

21.1.3. In addition to the Regular Common Assessments, the Association may levy in any calendar year, Special Common Assessments applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon any Common Areas and Facilities, including the necessary fixtures and personal property related thereto, and other costs, expenses of operation or shortfalls in the collection of Common Assessments from the Owners. However, in any fiscal year, except as otherwise provided in this Declaration, the Management Committee shall not, without the affirmative vote of Owners, cast at a meeting at which a quorum is present, or otherwise approved without a meeting by Owners holding at least a majority of the Total Votes of the Association, levy Special Common Assessments which in the aggregate exceed twenty percent (20%) of the budgeted gross expenses of the Association for that fiscal year. The portion of any Special Common Assessment levied against a particular Unit shall be equal to the percentage of undivided interest in the Common Areas and Facilities appurtenant to such Unit. These provisions with respect to the imposition or allocation of Special Common Assessments shall not apply when the special assessment against an Owner is a remedy utilized by the Management Committee to reimburse the Association for costs incurred in bringing the Owner and/or his or her Unit into compliance with the provisions of this Declaration, the Bylaws, rules and regulations of the Association, or any other governing instrument for the Project. The Management Committee shall provide notice by first class mail to all Owners of any Special Common

Assessments not less than thirty (30) nor more than sixty (60) days prior to the date such Assessment is due.

21.1.4. All Common Assessments shall be due as determined pursuant to the Bylaws. Common Assessments and any installments thereof not paid on or before ten (10) days after the date when due shall bear interest at the rate of eighteen percent (18%) per annum, or at such lower rate of interest as may be set by the Management Committee, from the date when due until paid. Furthermore, Owners who do not pay their Common Assessments when due shall be subject to a reasonable late fee, established by the Management Committee from time to time. All payments of Common Assessments shall be first applied to accrued interest and late fees, costs of collection, and then to the Common Assessment payment first due. All Common Assessments to pay a judgment against the Association may be made only against the Units in the Project at the time the judgment was entered, in proportion to their liabilities for Common Expenses. If any Common Expense is caused by the misconduct of any Owner, the Association may assess that expense exclusively against such Owner's Unit(s). If the Owners' percentage interests in the Common Areas and Facilities are reallocated, assessments for Common Expenses and any installment thereof not yet due must be recalculated in accordance with the reallocated percentage interests of the Owners.

21.1.5. There shall be a lien upon the applicable Unit for all unpaid Common Assessments, together with late fees, interest and costs (including attorneys' fees) charged pursuant to the Declaration and the Act. The lien for unpaid Common Assessments and related charges shall be effective upon recordation in the Office of the Summit County Recorder of a written notice of lien by the Management Committee or the Common Area Manager. The written notice of lien shall set forth the amount of the Common Assessment, the date(s) due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. No notice of lien shall be recorded until there is a delinquency in payment of the Common Assessment. Such lien may be enforced by sale or foreclosure conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law including specifically, but without limitation, the method recognized under the laws of the state of Utah for the enforcement of a mechanics lien which has been established in accordance with the provisions of Chapter 1, Title 38, Utah Code Annotated, as amended from time to time. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Common Assessments against the Unit which shall become due during the period of foreclosure, and all such Common Assessments shall be secured by the lien being foreclosed. The Management Committee shall have the right and power in behalf of the Association to bid in at any foreclosure sale and to hold, lease, mortgage or convey the subject Unit in the name of the Association. In furtherance of such foreclosure rights, the Association may bring an action at law against the Owner personally obligated to pay the same or the Association may foreclose the lien in accordance with the provisions of the Act. The Association and each Owner hereby appoint Equity Title Company (located at 1600 Snow Creek Drive, Suite E, Park City, Utah 84060) as trustee for the purpose of

exercising the power of sale in connection with any non-judicial foreclosures as provided in the Act; provided, however, the Association reserves the right to substitute and appoint a successor trustee as provided for in the Act. Each Owner hereby conveys all of its right, title and interest in its Unit to such trustee, in trust, with a power of sale, for the sole purpose of securing each Owner's obligations under the Declaration, including but not limited to the obligation to pay all Common Assessments. The Association may, through its duly authorized agents, bid on the Unit at any foreclosure sale and acquire, hold, lease, mortgage and convey the same. The lien of the Association shall be superior (prior) to all other liens and encumbrances except liens and encumbrances recorded before recordation of this Declaration, a First Mortgage on a Unit as provided for in Section 19.5 hereof and assessments, liens and charges in favor of the state or any political subdivision thereof, for taxes and other governmental assessments or charges past due and unpaid on the Unit. The lien procedures described herein do not prohibit actions to recover sums for which the Act creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.

21.1.6. In a voluntary conveyance of a Unit, the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his or her Common Assessments up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee. The Management Committee, upon written request, shall furnish to an Owner a statement setting forth the amount of unpaid assessments against the Unit. This statement shall be furnished within ten (10) business days after receipt of the request and upon payment of a reasonable fee and is binding on the Association, the Management Committee, the Common Area Manager and every Owner, in favor of all who rely on such statement in good faith. The grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth in the statement furnished under this Section 21.1.6.

21.1.7. The amount of any Common Assessment against any Unit shall be the personal obligation of the Owner of such Unit to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas and Facilities or by abandonment of his or her Unit or by waiving any services or amenities provided for in this Declaration. In the event of any suit to recover a money judgment of unpaid assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

21.1.8. The lien to secure unpaid assessments shall not be affected by the sale or transfer of the Unit unless foreclosure by a First Mortgagee is involved in which case any First Mortgagee who obtains title to a Unit pursuant to the remedies in the Mortgage or through foreclosure will not be liable for Common Assessments or charges accrued before the acquisition of the title to the Unit by the First Mortgagee, but such acquisition shall not relieve any Owner from paying further assessments. If the Association's lien priority includes costs of collecting unpaid Common Assessments, the Association will

be liable for any fees or costs related to the collection of such unpaid Common Assessments.

21.2. The Association through the Management Committee shall include in the Common Assessments amounts representing sums to be used for the replacement of or additions to capital items or improvements in the Project. Said amounts shall be dedicated for the uses provided in this Section 21.2. Upon the transfer of a Unit, the capital reserves previously paid by the transferring Owner shall remain the property of the Association, for the use and benefit of the Association in making future repairs, replacements, improvements and capital additions to the Project. In utilizing such reserves, there shall be no single improvement exceeding the sum of One Hundred Thousand Dollars (\$100,000) (as measured in year 2006 dollars and thereafter adjusted by the Cost of Living Index) made by the Management Committee without the same having been first voted on and approved by the majority of the votes of those present in person or by proxy at a meeting of the Association duly called for that purpose or otherwise so approved without a meeting. The foregoing shall not apply in connection with damage or destruction referred to in Section 16 hereof or to such structural alterations or capital additions or capital improvements to the Common Areas and Facilities as are necessary in the Management Committee's reasonable judgment to preserve or maintain the integrity of the Common Areas and Facilities.

21.3. The Management Committee shall not expend funds designated as reserves for any purpose other than the repair, restoration, replacement or maintenance of major components of the Common Areas and Facilities for which the Association is responsible and for which the reserve fund was established or for litigation involving such matters. Nevertheless, the Management Committee may authorize the temporary transfer of money from the reserve account to the Association's operating account from time to time to meet short term cash flow requirements and pay other expenses. Any such funds so transferred shall constitute a debt of the Association, and shall be restored and returned to the reserve account within three (3) years of the date of the initial transfer; provided, however, the Management Committee may, upon making a documented finding that a delay in the restoration of such funds to the reserve account would be in the best interests of the Project and Association, delay such restoration until the time it reasonably determines to be necessary. The Management Committee shall exercise prudent fiscal management in the timing of restoring any transferred funds to the reserve account and shall, if necessary, levy a Special Common Assessment to recover the full amount of the expended funds within the time limit specified above. Any such Special Common Assessment shall not be subject to the limitations set forth in Section 21.1.3 hereof. At least once every three (3) years the Management Committee shall cause a study to be conducted of the reserve account of the Association and its adequacy to satisfy anticipated future expenditure requirements. The Management Committee shall, thereafter, annually review the reserve account study and shall consider and implement necessary adjustments to reserve account requirements and funding as a result of that review. Any reserve account study shall include, at a minimum:

21.3.1. Identification of the major components which the Association is obligated to repair, replace, restore or maintain which, as of the date of the study, have a useful life of thirty (30) years or less.

21.3.2. Identification of the probable remaining useful life the components identified in Section 21.3.1 above, as of the date of the study.

21.3.3. An estimate of the cost of repair, replacement, restoration or maintenance of each major component identified in Section 21.3.1 above, during and at the end of its useful life.

21.3.4. An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore or maintain each major component during and at the end of its useful life, after subtracting total reserve funds as of the date of the study.

For the purposes of this Section 21, the term “reserve account requirements” means the estimated funds which the Management Committee has determined are required to be available at a specified point in time to repair, replace or restore those major components which the Association is obligated to maintain.

21.4. A working capital fund equal to at least three (3) monthly installments of the annual assessment for each Unit shall be established and maintained for the Project. Each Unit’s share of the working capital fund shall be collected from the purchaser of a Unit and transferred to the Association at the time of the closing of sale of that Unit. The working capital fund must be maintained in a segregated account for the use and benefit of the Association. The purpose of the working capital fund is to ensure that the Association will have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Association. Amounts paid into the working capital fund are not to be considered advance payments of any Regular Common Assessment. The working capital fund shall be transferred to the Association for deposit to a segregated fund when control of the Association is transferred to the Owners. The Declarant shall not use the working capital fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while it is in control of the Association.

21.5. If an Owner shall at any time lease his or her Unit and shall default in the payment of Common Assessments, the Management Committee may, at its option and to the fullest extent permitted by law, so long as such default shall continue, demand and receive from any tenant of the Owner the rent due or becoming due, and the payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant and the Owner for such assessments to the extent of the amount so paid. This Section 21.5 shall be incorporated by reference into every lease agreement entered into by and between an Owner and his or her tenant, whether or not this Section 21.5 is expressly referenced therein.

22. VOTING.

22.1. At any meeting of the Association, each Owner of a Unit, including Declarant, either in person or by proxy, shall be entitled to vote the number of votes appurtenant to each respective Unit as set forth in Exhibit B. The voting rights appurtenant to each Unit shall vest upon execution and recording of this Declaration.

22.2. There shall be one (1) vote appurtenant to each Unit. The number of votes appurtenant to each Unit shall have a permanent character, and, except as otherwise permitted

and provided for in this Declaration, shall not be altered without the unanimous consent of all Owners expressed in a duly recorded Amendment.

23. EASEMENTS.

23.1. If any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas and Facilities, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such easements shall extend for whatever period the encroachment exists. Such encroachments shall not be considered to be encumbrances either on the Common Areas and Facilities or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any improvement constructed or to be constructed within the Project, by error in the Plat, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

23.2. Improvements, including Units, Common Areas and Facilities and Limited Common Areas and Facilities, constructed as subsequent phases of the Project may encroach upon portions of the Common Areas and Facilities of earlier phases of the Project. A perpetual easement for such encroachment and the activities necessary to repair, maintain and operate such improvements is hereby granted.

23.3. It is contemplated that Declarant or another party may construct additional Buildings, as subsequent phases of the Project, which may encroach upon portions of the Common Areas and Facilities, and Declarant shall also have an easement over, across and within the Common Areas and Facilities for such purposes.

23.4. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas and Facilities as necessary for access to the Unit he or she is occupying and to any Limited Common Areas and Facilities appurtenant to his or her Unit, and shall have the right to the horizontal, vertical and lateral support of his or her Unit.

23.5. The Association shall have an easement to make such use of the Common Areas and Facilities as may be necessary or convenient to perform the duties and functions that each is obligated or permitted to perform pursuant to this Declaration, including, without limitation, the right to construct and maintain in the Common Areas and Facilities for use by the Owners and the Association.

23.6. The Declarant shall have a temporary construction easement over the Common Areas and Facilities for the purpose of doing all things that are reasonably necessary as a part of constructing future phases of the Project including all future buildings and other physical improvements as well as all Units and Common Areas and Facilities. The Owners of Units which have been constructed in prior phases do hereby acknowledge and agree that there will be construction activities, traffic, noises, dust, odors and vibrations which may temporarily disrupt their quiet enjoyment of their Units and the Common Areas and Facilities appurtenant thereto, and such Owners do hereby waive any right to object to such construction activity. Declarant's

construction activities pursuant to the easement granted hereunder shall not be deemed to be a violation of the restrictions set forth in Section 12 hereof.

23.7. Declarant, for itself and its successors and assigns, including Owners, retains a right and easement in and about the Buildings for the construction and installation of any duct work, additional plumbing, or other additional services or utilities in the Common Areas and Facilities in connection with the improvement or alteration of any Unit, including the right of access to such areas of the Common Areas and Facilities as is reasonably necessary to accomplish such improvements. In the event of a dispute among Owners with respect to the scope of the easement reserved in this Section 23.7, the decision of the Management Committee shall be final.

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

23.9. Declarant reserves a non-exclusive easement for itself and its assignees to construct, operate, maintain, repair and replace all types of telecommunication facilities within the Project. Declarant further reserves a right of access to such facilities over, across, and through all other Common Areas and Facilities of the Project in order to access the telecommunications facilities to exercise the rights established herein. Declarant may transfer by easement, license agreement or other conveyance the rights reserved hereunder to one or more telecommunication facilities providers. Declarant may exercise all of the rights under this Section 23.9 without the consent of any Owner, Mortgagee or the Association. The Association, on behalf of all Owners, agrees to execute such further and additional instruments as may be requested by Declarant documenting the rights hereunder, in form satisfactory to the Declarant, and any assignee of its rights hereunder.

23.10. There is hereby created a general easement upon, across, over, in, and under all of the Property for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electricity, fiber optics and a cable communication system. By virtue of this easement, it shall be expressly permissible and proper for the companies providing electrical, telephone, data transmission, and other communication and entertainment services to erect and maintain the necessary equipment on or beneath the Property and to affix and maintain electrical, communications, and telephone wires, circuits, and conduits under the Property. Any utility company using this general easement: (i) shall use its best efforts to install and maintain the utilities provided without unduly disturbing the uses of the Owners, the Association, and Declarant; (ii) shall prosecute its installation and maintenance activities as promptly as reasonably possible; and (iii) shall restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by the general easement request a specific easement by separate recordable document, Declarant or the Management Committee shall have, and are hereby given, the right and authority to grant such easement upon, across, over, or under any part or all of the Property without conflicting with the terms hereof. The easements provided for in this Section 23.10 shall in no way affect, avoid, extinguish, or modify any other recorded easement on the Property.

23.11. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

23.12. Declarant reserves (a) the right to dedicate any access roads and streets serving the Property or and to public use, to grant road easements with respect thereto and to allow such street or road to be used by owners of adjacent land; and (b) the right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair maintenance or regulation of parking or recreational facilities, which may or may not be a part of the Property for the benefit of the Owners, or the Association.

24. NOTICES.

Any notice permitted or required to be delivered as provided herein may be delivered either personally, by first class mail, by express mail or overnight courier service providing proof of delivery, or by facsimile transmission. Notice to Owners shall be addressed to each Owner at the address given by such Owners to the Management Committee for the purpose of service of such notice or to the Unit of such Owner if no such address has been given to the Management Committee. Notice shall be deemed given when actually received if personally delivered or sent by overnight courier; if faxed, when the fax is received, except that if the fax is received at a time other than the normal business hours of the office at which it is received, on the next regular business day; and if by mail, the earlier of the day actually received or the third business day after the notice is deposited in the United States Mail, properly addressed and postage prepaid. Such address may be changed from time to time by notice in writing to the Management Committee addressed to:

Management Committee
The Courtyards at Quarry Village Owners Association, Inc.
P.O. Box 980130
Park City, UT 84098
Attn: R. Scott Webber

25. NO WAIVER.

The failure of the Management Committee or its agents or designees to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, the Bylaws, and the rules and regulations, to exercise any right or option herein or therein contained or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Management Committee or its agents or designees of the payment of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Management Committee.

26. ENFORCEMENT.

26.1. All Owners, guests or lessees of an Owner, and persons under Owner's control, shall strictly comply with the provisions of the Declaration, the Bylaws, and the rules and regulations and decisions issued pursuant thereto. The Association and any aggrieved Owner shall have a right of action against Owners who fail to comply with provisions of the Declaration or the decisions of the Association. Owners shall have a similar right of action against the Association. Failure to so comply shall be grounds for: (i) an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee, or its agent or designee on behalf of the Owners, or in an appropriate case, by an aggrieved Owner; and/or (ii) the Management Committee to impose monetary penalties, temporary suspensions of an Owner's right to the use of a Unit or the Common Areas and Facilities, or other appropriate discipline so long as any such Owner has been given notice and has had an opportunity to present a written or oral defense to the charges in a hearing. The Management Committee shall determine whether the Owner's defense shall be oral or written. After the hearing, but before any disciplinary action is taken, the Owner shall be notified of the decision of the Management Committee. The Management Committee may delegate to the Common Area Manager, the power and authority to carry out disciplinary actions duly imposed.

26.2. The Association shall not be empowered to cause the absolute forfeiture of an Owner's right, title or interest in the Project on account of the Owner's failure to comply with the provisions of the Declaration or the rules and regulations for the Project except pursuant to:

26.2.1. The judgment of a court; or

26.2.2. A foreclosure for the failure of an Owner to pay assessments duly levied by the Association.

26.3. The Association shall only be empowered to cause or require alteration or demolition of any construction to enforce any restrictions contained in this Declaration pursuant to judicial proceedings.

27. DECLARANT.

The term "Declarant" as used herein shall mean and include Declarant and any person or persons who might acquire title from it to all or some of the unsold Units or Additional Land through purchase, assignment or other transfer including foreclosure or deed in lieu of foreclosure; or, in the situation where, any person purchases all, or some of the remaining Units in a sale in the nature of a bulk sale. The person acquiring any of such property from the Declarant shall be considered a Declarant with respect to that portion of the property so acquired and shall have the right to develop the property and/or sell such property in accordance with the terms and provisions of this Declaration and the Act. Any right or any interest reserved or contained in this Declaration for the benefit of Declarant may be transferred or assigned by Declarant, either separately or with one or more other such rights or interests, to any person, corporation, partnership, association, or other entity, only by written instrument executed by both Declarant and the transferee or assignee and recorded in the Office of the Clerk and Recorder of

Summit County, Utah. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such instrument.

28. DISPUTE RESOLUTION

28.1. Declarant, the Association and its officers, directors, and committee members, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Section 28 (collectively, "Bound Parties"), agree that it is in the best interests of all concerned to encourage the amicable resolution of disputes involving the Project without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described below, unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 28.3 in a good faith effort to resolve such Claim.

28.2. As used in this Section 28, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to: (i) the interpretation, application or enforcement of the Project's governing documents, (ii) the rights, obligations, and duties of any Bound Party under the Project's governing documents, or (iii) the design or construction of improvements within the Project, other than matters of aesthetic judgment under Section 12.19, which shall not be subject to review.

28.2.1. Notwithstanding the foregoing, the following will not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 28.3: (i) any suit by the Association to collect assessments or other amounts due from any Owner; (ii) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo; (iii) any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Project's governing documents; (iv) any suit in which an indispensable party is not a Bound Party; and (v) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 28.3, unless the parties against who the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Section 28.2.

28.3. Dispute Resolution Procedures.

28.3.1. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice to each Respondent and to the Management Committee stating plainly and concisely: (i) the nature of the Claim, including the persons involved and the Respondent's role in the Claim; (ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises); (iii) the Claimant's proposed resolution or remedy; and (iv) the Claimant's desire to meet with the Respondent to discuss in good faith, ways to resolve the Claim.

28.3.2. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith

negotiation. If requested in writing, accompanied by a copy of the Notice, the Management Committee may appoint a representative to assist the parties in negotiating a resolution of the Claim.

28.3.3. If the parties have not resolved the Claim through negotiation within 30 days of the date of the notice described in Section 28.3.1 (or within such other period as the parties may agree upon), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in Summit County. If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

28.3.4. If the parties do not settle the Claim within 60 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

28.3.5. Any settlement of the claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section 28. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorney's fees and court costs.

28.4. In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association shall not initiate any judicial or administrative proceeding unless first approved by a vote of Owners entitled to cast seventy-five (75%) of the Total Votes of the Association, except that no such approval shall be required for actions or proceedings: (i) initiated to enforce the provisions of this Declaration, including collection of assessments and foreclosure of liens; (ii) initiated to challenge ad valorem taxation or condemnation proceedings; (iii) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies, or (iv) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it. This Section 28 shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

29. AGENT FOR SERVICE OF PROCESS.

The agent for service of process under the Act until the expiration of the Period of Declarant Control under Section 11.3 shall be R. Scott Webber whose address is P.O. Box

980130, Park City, Utah 84098. Thereafter, the agent for service of process shall be the Common Area Manager, or such other persons as the Management Committee may designate.

30. SEVERABILITY.

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

31. CONFLICT.

In case of any conflict between this Declaration and the Articles or the Bylaws of the Association, this Declaration shall control. In case of any conflict between the Articles and the Bylaws, the Articles shall control. The foregoing to the contrary notwithstanding, in the event of any inconsistency between this Declaration or the Articles or the Bylaws, on the one hand, and or any applicable law, including the Act or the Federal Fair Housing Administration Act, on the other, then in all events the applicable law shall control.

32. CAPTIONS.

The captions in this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

33. LAW CONTROLLING.

This Declaration and the Plat and all issues and disputes arising out of either, shall be construed and controlled by and under the laws of the State of Utah.

34. EFFECTIVE DATE.

This Declaration shall take effect when recorded in the office of the County Recorder for Summit County, State of Utah.

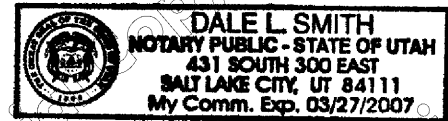
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IN WITNESS WHEREOF, the undersigned has executed this instrument this 23 day of June, 2006.

QVA, Inc., a Utah corporation

By: [Signature]
R. Scott Webber, President

STATE OF Utah)
COUNTY OF Davis) : ss.



The foregoing instrument was acknowledged before me this 23 day of June, 2006, by R. Scott Webber, the President of QVA, Inc., a Utah corporation.

[Signature]
NOTARY PUBLIC

My Commission Expires: 3.27.07

Residing at: Logan, Utah

**CONSENT TO RECORD AND SUBORDINATION
(Barnes Banking Company)**

The undersigned Barnes Banking Company, a Utah corporation ("Barnes Banking") is the holder of that certain Construction Deed of Trust dated February 17, 2005, and recorded February 22, 2005, as Entry No. 727005, in Book 1680, at Page 221 of the Official Records of Summit County, Utah, together with related loan documents (collectively "Deed of Trust") which constitutes a lien of record against the property subject to the foregoing Declaration. Barnes Banking hereby subordinates the lien and encumbrance of the Deed of Trust to this Declaration and to the rights of the Owners as set forth in such Declaration and consents to the recordation of such Declaration and the related Plat.

BARNES BANKING COMPANY,
a Utah corporation

By: Lamont D. Tungey
Name: Lamont D. Tungey
Its: Vice President

STATE OF Utah)
) : ss.
COUNTY OF DAVIS)

The foregoing instrument was acknowledged before me this 12th day of July, 2006, by Lamont D. Tungey, the Vice President of Barnes Banking Company, a corporation.

My Commission Expires: 11-4-08
NOTARY PUBLIC
Residing at: Farmington, UT

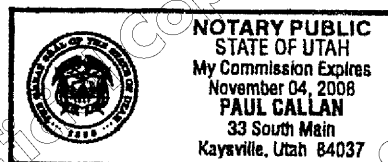


EXHIBIT A

Legal Description of Property

A PARCEL OF LAND LOCATED IN THE EAST HALF OF SECTION 11, TOWNSHIP 1 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED ON THE SOUTHERLY BOUNDARY OF THE QUARRY JUNCTION AT PINEBROOK PLAT "A", A COMMERCIAL SUBDIVISION; THENCE NORTH, 2886.69 FEET AND WEST 1126.54 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 11; THENCE SOUTH 41°18'59" EAST, 42.00 FEET; THENCE SOUTH 48°41'01" WEST, 46.49 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; THENCE SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 188.00 FEET, AN ARC DISTANCE OF 130.58 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 28°47'08" WEST, 127.97 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 08°53'15" WEST, 544.65 FEET; THENCE NORTH 80°53'30" WEST, 72.54 FEET TO THE ARC OF A CURVE LEADING NORTHERLY; THENCE NORTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 420.00 FEET, AN ARC DISTANCE OF 1041.29 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 07°58'27" EAST, 794.36 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 63°03'06" EAST, 72.15 FEET; THENCE SOUTH 41°18'59" EAST, 267.46 FEET; THENCE NORTH 48°41'01" EAST, 125.00 FEET BACK TO THE POINT OF BEGINNING.

CONTAINING 6.88 ACRES, MORE OR LESS.

TOGETHER WITH

A PARCEL OF LAND LOCATED IN THE EAST HALF OF SECTION 11, TOWNSHIP 1 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED ON THE SOUTHERLY BOUNDARY OF THE QUARRY JUNCTION AT PINEBROOK PLAT "A", A COMMERCIAL SUBDIVISION; THENCE NORTH, 2886.69 FEET AND WEST 1126.54 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 11; THENCE SOUTH 41°18'59" EAST, 42.00 FEET; THENCE SOUTH 48°41'01" WEST, 46.49 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; THENCE SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 188.00 FEET, AN ARC DISTANCE OF 130.58 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 28°47'08" WEST, 127.97 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 08°53'15" WEST, 544.65 FEET; THENCE NORTH 80°53'30" WEST, 72.54 FEET TO THE ARC OF A CURVE LEADING NORTHERLY; THENCE NORTHERLY, ALONG AND AROUND THE ARC OF SAID

CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 420.00 FEET, AN ARC DISTANCE OF 1041.29 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 07°58'27" EAST, 794.36 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 63°03'06" EAST, 72.15 FEET; THENCE SOUTH 41°18'59" EAST, 267.46 FEET; THENCE NORTH 48°41'01" EAST, 125.00 FEET BACK TO THE POINT OF BEGINNING.

CONTAINING 6.88 ACRES, MORE OR LESS.

TOGETHER WITH
ACCESS EASEMENT:

A PARCEL OF LAND LOCATED IN THE NORTHWEST CORNER OF SECTION 11, TOWNSHIP 1 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED NORTH, 2647.76 FEET AND WEST, 1126.54 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 11; THENCE SOUTH 41°18'59" EAST, 13.00 FEET; THENCE SOUTH 48°41'01" WEST, 64.23 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; THENCE ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 75.00 FEET, AN ARC DISTANCE OF 52.37 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 28°40'50" WEST, 51.31 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 08°40'38" WEST, 367.75 FEET TO THE ARC OF A CURVE LEADING SOUTHERLY; THENCE ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 375.00 FEET, AN ARC DISTANCE OF 34.38 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 06°03'02" WEST, 34.37 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 03°25'26" WEST, 69.05 FEET TO THE ARC OF A CURVE LEADING SOUTHERLY; THENCE ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 425.00 FEET, AN ARC DISTANCE OF 56.20 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 07°12'43" WEST, 56.16 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 11°00'00" WEST, 67.98 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF PINEBROOK BOULEVARD; THENCE NORTH 80°53'43" WEST, ALONG LAST SAID LINE, 33.58 FEET TO THE EASTERLY BOUNDARY OF LOT 1, QUARRY JUNCTION AT PINEBROOK; THENCE NORTHERLY AND NORTHEASTERLY, ALONG LAST SAID LINE, RUN THE FOLLOWING THREE COURSES AND DISTANCES: COURSE 1: NORTH 08°53'15" EAST, 544.65 FEET TO THE ARC OF A CURVE LEADING NORTHEASTERLY; COURSE 2: ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 188.00 FEET, AN ARC DISTANCE OF 130.58 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 28°47'08" WEST, 127.97 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 3: NORTH 48°41'01" EAST, 46.49 FEET BACK TO THE POINT OF BEGINNING.

EXHIBIT B

**Schedule of Units, Square Footage,
Votes and Undivided Interests in Common Areas**

| Unit Identifying Number | Approx. Sq. Footage of Unit | No. of Votes Per Unit | Undivided Interest Per Unit¹ |
|--|--|--------------------------------------|--|
| 1 | 1,609 | 1 | 1.92% |
| 2 | 1,609 | 1 | 1.92% |
| 3 | 1,609 | 1 | 1.92% |
| 4 | 1,609 | 1 | 1.92% |
| 5 | 1,609 | 1 | 1.92% |
| 6 | 1,442 | 1 | 1.92% |
| 7 | 1,442 | 1 | 1.92% |
| 8 | 1,609 | 1 | 1.92% |
| 9 | 1,609 | 1 | 1.92% |
| 10 | 1,609 | 1 | 1.92% |
| 11 | 1,609 | 1 | 1.92% |
| 12 | 1,609 | 1 | 1.92% |
| 13 | 1,609 | 1 | 1.92% |
| 14 | 1,609 | 1 | 1.92% |
| 15 | 1,609 | 1 | 1.92% |
| 16 | 1,609 | 1 | 1.92% |
| 17 | 1,609 | 1 | 1.92% |
| 18 | 1,442 | 1 | 1.92% |
| 19 | 1,442 | 1 | 1.92% |
| 20 | 1,609 | 1 | 1.92% |
| 21 | 1,609 | 1 | 1.92% |
| 22 | 1,609 | 1 | 1.92% |
| 23 | 1,609 | 1 | 1.92% |
| 24 | 1,609 | 1 | 1.92% |
| 25 | 1,609 | 1 | 1.92% |
| 26 | 1,609 | 1 | 1.92% |
| 27 | 1,609 | 1 | 1.92% |
| 28 | 1,609 | 1 | 1.92% |
| 29 | 1,609 | 1 | 1.92% |
| 30 | 1,442 | 1 | 1.92% |
| 31 | 1,442 | 1 | 1.92% |
| 32 | 1,609 | 1 | 1.92% |
| 33 | 1,609 | 1 | 1.92% |
| 34 | 1,609 | 1 | 1.92% |
| 35 | 1,609 | 1 | 1.92% |
| 36 | 1,609 | 1 | 1.92% |
| 37 | 1,609 | 1 | 1.92% |
| 38 | 1,609 | 1 | 1.92% |
| 39 | 1,609 | 1 | 1.92% |
| 40 | 1,609 | 1 | 1.92% |
| 41 | 1,609 | 1 | 1.92% |

| Unit Identifying Number | Approx. Sq. Footage of Unit | No. of Votes Per Unit | Undivided Interest Per Unit¹ |
|--------------------------------|------------------------------------|------------------------------|--|
| 42 | 1,442 | 1 | 1.92% |
| 43 | 1,442 | 1 | 1.92% |
| 44 | 1,609 | 1 | 1.92% |
| 45 | 1,609 | 1 | 1.92% |
| 46 | 1,609 | 1 | 1.92% |
| 47 | 1,609 | 1 | 1.92% |
| 48 | 1,609 | 1 | 1.92% |
| 49 | 2,007 | 1 | 1.92% |
| 50 | 2,007 | 1 | 1.92% |
| 51 | 2,007 | 1 | 1.92% |
| 52 | 2,007 | 1 | 1.92% |

¹ May total slightly more or less than 100% due to rounding.

EXHIBIT C

Association Bylaws

BYLAWS

THE COURTYARDS AT QUARRY VILLAGE OWNERS ASSOCIATION, INC.

The administration of THE COURTYARDS AT QUARRY VILLAGE OWNERS ASSOCIATION, INC., a Utah nonprofit corporation ("Association") shall be governed by the Declaration, the Articles, these Bylaws, and the Utah Revised Nonprofit Corporation Act (Title 16, Chapter 6a, Utah Code) (the "Nonprofit Act").

1. Definitions. Terms which are capitalized in these bylaws and which are not otherwise defined herein shall have the meanings set forth in the declaration of condominium for the courtyards at quarry village recorded in the official records of Summit County, Utah ("Declaration").
2. Application of Bylaws. All present and future owners, mortgagees, lessees and occupants of units and their employees and guests, and any other persons who may utilize the units in any manner are subject to the declaration, these bylaws and all rules and regulations made pursuant hereto and any amendments hereof. The acceptance of a deed or conveyance of a unit or the occupancy of any unit shall constitute an agreement, acceptance, ratification and compliance with the provisions of the Declaration and these Bylaws and any rules and regulations made pursuant hereto, as they may be amended from time to time.
3. Management Committee.
 - 3.1. Members. The management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by a Management Committee consisting of at least three (3) persons but not more than five (5) persons.
 - 3.2. Declarant Control. Notwithstanding the other provisions of this Section 3, the Declaration establishes a Period of Declarant Control of the Association, during which period the Declarant or persons designated by it have authority to appoint and remove the officers and members of the Management Committee, who may or may not be Owners. The Period of Declarant Control under the Declaration shall terminate upon the earlier to occur of: (i) six (6) years after the first Unit is conveyed to an Owner; (ii) after Units to which three-fourths 3/4 of the undivided interest in the Common Areas and Facilities appertain have been conveyed to Owners, or after all Additional Land has been added to the Project, whichever last occurs; or (iii) when Declarant, in its sole and exclusive discretion, so determines.

3.3. Composition. Not later than the termination of the period of Declarant's control, the Owners shall elect a Management Committee consisting of three (3) members, a majority of whom must be Owners. Upon approval by the majority of the Total Votes of the Association, the number of members on the Management Committee may be increased to five (5) members. The members of the Management Committee shall take office upon election. Thereafter, at every annual meeting, the members of the Association shall elect the members of the Management Committee to fill those positions becoming vacant at such meeting.

3.4. Nominating Committee; Nominations. At least thirty (30) days prior to the annual meeting of the Association, the Management Committee shall recommend to the Association at least one (1) nominee for each position on the Management Committee to be filled at that particular annual meeting. Nominations for positions on the Management Committee may also be made by petition filed with the Secretary of the Association at least thirty (30) days prior to the annual meeting of the Association, which petition shall be signed by two (2) or more Owners and signed by the nominee named therein indicating his or her willingness to serve as a member of the Management Committee, if elected.

3.5. Voting for the Management Committee. Voting for the Management Committee shall be by written ballot. At any meeting of the Association, each Owner, either in person or by proxy, shall be entitled to the number of votes set forth in the Declaration for each Unit owned multiplied by the number of Management Committee seats to be filled. Each Owner may cumulate his or her votes with respect to the Unit for which he or she is voting and cast all of them in favor of a single candidate, or distribute his or her votes on the same principle among as many candidates as the Owner sees fit. The initial members of the Management Committee shall be the following persons and each shall hold the office indicated:

| | |
|-------------------|---------------------|
| R. Scott Webber | President |
| Andrea Webber | Vice President |
| James H. Shotwell | Secretary-Treasurer |

3.6. Term. Members of the Management Committee shall serve for terms of two (2) years beginning immediately upon their election by the Association; provided, however, that the members of the Management Committee elected at the first annual meeting following the termination of Declarant control shall serve for initial terms as follows: the Vice President and Secretary-Treasurer shall serve for initial terms of one (1) year; and the President shall serve for an initial term of two (2) years. Thereafter, all members of the Management Committee elected shall serve for two (2) year terms.

If the Management Committee is ever increased to five (5) members pursuant to Section 3.3, then the term of the two new members shall end at the same time as the President's term ends. Thereafter, all members of the Management Committee elected shall serve for two (2) year terms.

The members of the Management Committee shall serve until their respective successors are elected, or until their death, resignation or removal.

3.7. Resignation and Removal. Any member of the Management Committee may resign at any time by giving written notice to the President of the Association or to the remaining Management Committee members. The Owners, representing at least two-thirds (2/3) of the Total Votes of the Association present and entitled to vote at any meeting of the Owners at which a quorum is present may remove any member of the Management Committee with or without cause, other than a member appointed by Declarant. A member of the Management Committee may only be removed by the Owners at a meeting called for the purpose of removing such member and if the meeting notice states that the purpose or one of the purposes, of the meeting is removal of such member of the Management Committee. Any member of the Management Committee who fails to attend three (3) consecutive Management Committee meetings or fails to attend at least twenty-five percent (25%) of the Management Committee meetings held during any fiscal year either in person or via telephone shall be deemed to have tendered his or her resignation, and his or her position shall be vacant following confirmation of the failure to attend by the affirmative vote of the remaining members of the Management Committee, notwithstanding such remaining members may be less than a quorum.

3.8. Vacancies. If vacancies shall occur in the Management Committee by reason of the death or resignation of a Management Committee member, the Management Committee members then in office shall continue to act, and such vacancies shall be filled by a vote of the Management Committee members then in office, though less than a quorum. Any vacancy in the Management Committee occurring by reason of removal of a Management Committee member by the Association may be filled by election at the meeting at which such Management Committee member is removed or any subsequent regular or special meeting of the Association. A vacancy resulting from a removal shall only be filled by the vote or written consent of Owners holding a majority of the Total Votes of the Association.

3.9. No Compensation. The members of the Management Committee shall receive no compensation for their services unless expressly approved by the vote or written assent of a majority of the Total Votes of the Association; provided, however, that members of the Management Committee shall be reimbursed by the Association for transportation expenses actually incurred and a reasonable per diem payment for attendance at regular and special meetings of the Management Committee. Any member of the Management Committee may be employed by the Association in another capacity and receive compensation for such employment; provided further, that such employment shall be approved by vote or in writing by all members of the Management Committee not including the member to be employed.

3.10. Powers. The Management Committee, for the benefit of the Project and the Association, shall manage the business, property and affairs of the Project and the Association and enforce the provisions of the Declaration, these Bylaws and the rules and regulations governing the Project. The Management Committee is authorized to adopt additional rules and regulations governing the use and operation of the Project, which shall become effective thirty (30) days after adoption by the Management Committee. The Management Committee shall have the powers, duties and responsibilities with respect to the Project as contained in the Declaration, the Articles and these Bylaws.

3.11. Management Committee Meetings. The regular meetings of the Management Committee shall be held at least annually at such times and places within the Project, unless a

meeting at another location would significantly reduce the cost to the Association and/or the inconvenience to Management Committee members, as the Management Committee shall determine. A majority of the Management Committee shall constitute a quorum, and if a quorum is present when a vote is taken, the decision of a majority of those present shall be the act of the Management Committee. Management Committee members may participate in Management Committee meetings by means of telephonic conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time and by any other means permitted under Utah law. Such participation shall constitute presence in person at the meeting.

3.12. Notices. Unless otherwise provided by Utah law, regular meetings of the Management Committee may be held without notice of the date, time, place, or purpose of the meeting. Special meetings of the Management Committee must be preceded by two days' notice of the date, time and place of the meeting. The notice need not describe the purpose of the special meeting unless required by Utah law. The giving of notice of any special meeting shall be governed by the rules set forth in Section 16-6a-103 of the Nonprofit Act.

3.13. Special Management Committee Meetings. Special meetings of the Management Committee may be called by written notice sent to all Management Committee members signed by any two (2) members of the Management Committee. The notice shall comply with Section 3.12 above. Special meetings shall be held within the Project, unless a meeting at another location would significantly reduce the cost to the Association and/or inconvenience to the members of the Management Committee, as the Management Committee shall determine. To the extent permitted by Utah law, special meetings of the Management Committee may be by telephonic conference or other means as described in Section 3.11 above.

3.14. Waiver of Notice. A member of the Management Committee may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. A member's attendance at or participation in a meeting waives any required notice to that member of the meeting unless such member, at the beginning of the meeting or promptly upon the member's arrival at the meeting, objects to the holding of the meeting or transacting business at the meeting because of lack of notice or defective notice and the objecting member does not vote for or assent to action taken at the meeting.

3.15. Actions and Open Meetings. The Management Committee members shall act only as a Management Committee, and individual Management Committee members shall have no powers as such. Regular and special meetings of the Management Committee shall be open to all members of the Association; provided, however, that the Association members who are not on the Management Committee may not participate in any deliberation or discussion unless expressly so authorized by the Management Committee. The Management Committee may, with the approval of a majority of a quorum of its members, adjourn the meeting and reconvene in executive session excluding the members of the Association to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.16. Action Without a Meeting. Any action that is required or permitted to be taken at a meeting of the Management Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Management Committee members and such signed consents are filed with the records of the Association. Such consent shall have the same force and effect as a unanimous vote.

3.17. Common Area Manager. The Management Committee or the officers appointed thereby may delegate to the Common Area Manager or such other persons as it so determines all of the duties and obligations of the Management Committee set forth in the Declaration to the extent such duties and obligations are properly delegable.

3.18. Special Committees. The Management Committee may designate by resolution such committees and subcommittees as the Management Committee deems appropriate, from time to time. Each committee shall exercise those powers granted to it by an enabling resolution of the Management Committee; provided, however, that no committee shall exercise any power which is excluded from the delegation of power of the Management Committee by the laws of the State of Utah, the Articles, or these Bylaws.

3.19. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Management Committee. In the absence of a Management Committee resolution, the fiscal year shall be the calendar year.

4. Membership, Voting and Meetings of the Association.

4.1. Association Meetings. The first meeting of the Association shall be held within one (1) year after the closing of the escrow for the first sale of a Unit. Thereafter, there shall be at least one (1) annual meeting of the Association on the day and at the time as the Management Committee shall determine at a reasonable place in the Project or some other location that is readily accessible at reasonable cost to the largest possible number of Owners.

4.2. Special Meetings of the Association. Special meetings of the Association may be called by the Declarant, the President, a majority of the Management Committee, or receipt of a written request signed by Owners representing at least twenty-five percent (25%) of the Total Votes of the Association. Written notice shall be sent to Owners in the manner described in Section 4.3 below.

4.3. Notice of Meetings. Notice of the annual meeting of the Association and of any special meetings of the Association shall be hand delivered or sent by first-class or certified mail, no fewer than thirty (30) nor more than ninety (90) days prior to the date fixed for said meeting to each Owner entitled to vote at such meeting at such Owner's address as shown in the records of the Association or to any other mailing address designated in writing by the Owner. Such notice shall specify the place, date and hour of the meeting and a description of any matters that must be approved by the Owners for which the Owners' approval is sought at such meeting. The notice of a special meeting shall also include a description of the purposes for which the meeting is called. If any annual or special meeting of the Owners is adjourned to a different date, time or place, notice need not be given of the new date, time and place if the new date, time and place are announced at the meeting before adjournment. Notwithstanding the foregoing sentence, if

the adjournment is for more than thirty (30) days, or if after the adjournment a new record date for the adjourned meeting is or must be fixed under Section 16-6a-706 of the Nonprofit Act or Section 4.4 of these Bylaws, notice of the adjourned meeting must be given pursuant to the requirements of this Section 4.3 to Owners entitled to vote at the meeting.

4.4. Quorum. The presence in person or by proxy of Owners holding fifty percent (50%) or more of the Total Votes of the Association represented in person or by proxy at any meeting of the Association held in response to notice to all Owners of record properly given shall constitute a quorum. In the absence of a quorum at an Association meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum by those in attendance shall be to a date not less than five (5) nor more than thirty (30) days from the original meeting date. The quorum for an adjourned meeting shall be twenty percent (20%) of the Total Votes of the Association. If the time and place for an adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to the Owners in the manner prescribed for regular meetings of the Association.

4.5. Action Without a Meeting. Any action that may be taken at any annual or special meeting of the Association may be taken without a meeting and without prior notice, if one (1) or more consents in writing, setting forth the action taken, are signed by the Owners having not less than the minimum voting power that would be necessary to authorize or take the action at a meeting at which all Owners entitled to vote on the action were present and voted. Unless the written consents of all Owners entitled to vote have been obtained, notice of any member approval without a meeting shall be given at least ten (10) days before the consummation of the transaction, action, or event authorized by the Owner action to those Owners entitled to vote who have not consented in writing. Such notice shall contain or be accompanied by the same material that would have been required to be sent in a notice of meeting at which the proposed action would have been submitted to the Owners for action.

4.6. Action By Written Ballot. Any action that may be taken at any annual, regular, or special meeting of the Owners may be taken without a meeting if the Association delivers a written ballot to every Owner entitled to vote on the matter. The written ballot shall set forth each proposed action; and provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this Section 4.6 shall be valid only when:

4.6.1. The time by which all ballots must be received by the Association has passed so that a quorum can be determined; and

4.6.2. The number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

4.7. Voting and Proxies. At each meeting of the Owners, each Owner entitled to vote shall be entitled to vote in person or by proxy. The right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Owner or by their attorney-in-fact thereunto duly authorized in writing. The instrument authorizing the proxy shall

be delivered, at the beginning of the meeting, to the Secretary of the Association, or such other officer or person who may be acting as the Secretary at the meeting. The Secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting. An Owner may revoke a proxy given pursuant to this Section only by actual notice of revocation to the Association. A proxy is void if it is not dated or purports to be revocable without notice. All decisions of the Association shall be determined by simple majority vote unless otherwise set forth in the Declaration or these Bylaws.

4.8. Exercise of Voting. In the event that a Unit is owned by more than one Owner, then by the majority written agreement of all Owners after the initial conveyance of such Unit, one Owner shall be appointed as the designated owner for the Unit ("Designated Owner") for the purposes of voting on Association matters and for billing purposes. This Designated Owner may be changed at any time by delivering to the Management Committee or Common Area Manager written notification of such change signed by all the Owners of the Unit. If more than one of the Owners of a Unit is present at a meeting of the Association, the vote allocated to that Unit may be cast only by the Designated Owner. In the event that a Unit is being sold pursuant to a contract for deed, "Owner" shall not mean the fee title owner of the Unit but shall mean, to the extent permitted by law, those purchasing an interest pursuant to a contract for deed who have given written notice of their purchase and a copy of their contract to the Association.

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

5. Officers.

5.1. Designation. All officers and employees of the Association shall serve at the will of the Management Committee. The officers shall be a President, Vice President, Secretary-Treasurer. The Management Committee may appoint such other assistant officers as the Management Committee may deem necessary. No officer shall be required to be an Owner. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Management Committee and may be removed and replaced by the Management Committee. The Management Committee shall require that officers (and other employees of the Association) be subject to fidelity bond coverage.

5.2. President. The President shall be the chief executive of the Association and shall preside at all meetings of the Association and may exercise the power ordinarily allowable to the presiding officer of an Association, including the appointment of committees. The President shall exercise general supervision over the Project and its affairs. The President shall sign, and the Secretary shall witness, on behalf of the Association, all conveyances, mortgages and contracts of material importance to its business. The President shall do and perform all acts that the Management Committee may require.

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

5.4. Secretary. The Secretary shall keep or cause to be kept minutes of all proceedings of the Management Committee and of the meetings of the Association and shall keep such books

and records as may be necessary and appropriate for the records of the Owners and the Management Committee.

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

5.6. Execution of Amendments. Any officer may prepare, execute, certify and record amendments to the Declaration on behalf of the Association, following approval of such amendments pursuant to the terms of the Declaration and these Bylaws.

6. Common Expenses; Assessments.

6.1. Assessments. All Assessments shall be made in accordance with the Declaration.

6.2. No Exemption. No Owner may exempt themselves from liability for Common Expenses by waiver of the use or enjoyment of the Project or by abandonment of his or her Unit.

6.3. Records. The Treasurer shall keep or cause to be kept detailed records of all receipts and expenditures, including expenditures affecting the Project, specifying and itemizing the maintenance, repair and replacement expenses of the Project and any other expenses incurred. Such records shall be available for examination by the Owners during regular business hours pursuant to the provisions of Section 9.4 below. In accordance with the actions of the Management Committee in assessing Common Expenses against the Units, the Treasurer shall keep an accurate record of such Assessments and of the payments thereof by each Owner.

6.4. Statements for Purchasers. Any person who shall have entered into a written agreement to purchase a Unit, by written request directed to the Management Committee, shall obtain a written statement from the Treasurer setting forth the amount of the monthly, quarterly, annual or other periodic Assessment and the amount of unpaid Assessments charged against the Unit. If such statement does not reveal the full amount of the unpaid Assessments as of the date it is rendered, the purchaser shall not be liable for the payment of an amount in excess of the unpaid Assessments shown thereon, provided that the former Owner shall remain so liable. Any such excess which cannot be promptly collected from the former Owner-grantor shall be reassessed by the Management Committee as a Common Expense to be collected from all Owners, including without limitation the purchaser of the Unit, his or her successors and assigns. The new Owner shall, and the former Owner shall not, be liable for any Assessments made after the date of transfer of title of a Unit, even though the expenses incurred or the advances made by the Management Committee for which the Assessment is made relate in whole or in part to any period prior to that date. The Management Committee is authorized to require a reasonable fee for furnishing such statements.

6.5. Personal Obligation. All Common Assessments shall be a separate, distinct and personal liability of the Owners at the time each Common Assessment is made. The Management Committee shall have the rights and remedies contained in the Declaration and applicable Utah law to enforce the collection of Common Assessments.

6.6. Statements for Owners and Mortgagees. In addition to the statements issued to purchasers of a Unit, the Management Committee shall, upon ten (10) days' prior written request therefore, provide to any Owner, to any person who shall have entered into a binding agreement to purchase a Unit and to any Mortgagee, on request at reasonable intervals a current statement of unpaid Assessments for Common Expenses with respect to the Unit. The Management Committee is authorized to require a reasonable fee for furnishing such statements.

7. Litigation.

7.1. Expenses. If any action is brought by the Management Committee on behalf of the Association, the expenses of suit, including reasonable attorneys' fees, shall be a Common Expense. Except as otherwise provided by the Declaration or applicable Utah law, if any action is brought against the Owners or against the Management Committee or the officers, employees or agents thereof in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Owners, the expenses of suit, including attorneys' fees, shall be a Common Expense. If any action is brought against one or more, but less than all Owners, with the result that the ultimate liability would, if proved, be borne solely by such Owners, the expenses of suit, including attorneys' fees, shall not be charged to or borne by the other Owners, as a Common Expense or otherwise.

7.2. Defense. Except as otherwise provided by applicable Utah law, any action brought against the Association, the Management Committee or the officers, employees or agents thereof, in their respective capacities as such, or the Project as a whole, shall be directed to the Management Committee, which shall promptly give written notice thereof to the Owners and any Mortgagees and shall be defended by the Management Committee; and the Owners and Mortgagees shall have no right to participate in such defense other than through the Management Committee. Actions against one or more, but less than all Owners, shall be directed to such Owners, who shall promptly give written notice thereof to the Management Committee and to the Mortgagees of such Units, and shall be defended by such Owners.

8. Abatement and Enjoinment of Violations by Owners.

8.1. Remedies for Violations. The violation of any rules or regulations adopted by the Management Committee, the breach of any provision contained herein or the breach of any provision of the Declaration shall give the Management Committee the right (in addition to any other rights set forth in these Bylaws):

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

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

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

9. Accounting and Records.

9.1. Accounting. The books and accounts for the Association shall be kept in accordance with generally accepted accounting principles under the direction of the Treasurer. At the close of each fiscal year, the books and records of the Association shall be prepared by an independent public accountant approved by the Association, and financial statements shall be prepared by said accountant and distributed to all Owners.

9.2. Budget. A budget for each fiscal year shall be adopted by the Management Committee and distributed to all Owners prior to the beginning of the fiscal year to which the budget applies.

9.3. Records. The Association shall maintain financial records, and such other records as required by the Declaration, the Act or the Nonprofit Act. The cost of any audit shall be a Common Expense unless otherwise provided in the Declaration.

9.4. Inspection of Records. The membership register, including mailing addresses and telephone numbers, books of account and minutes of meetings of the Association, of the Management Committee and of committees of the Management Committee and all other records of the Project maintained by the Association, Common Area Manager or managing company shall be made available for inspection and copying by any Owner or his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as an Owner, at the office where the records are maintained, including the Common Area Manager's office. Upon receipt of a written request from an Owner along with the fee prescribed by the Management Committee to defray the costs of reproduction, the Common Area Manager or other custodian of records of the Association shall prepare and transmit to the Owner a copy of any and all records requested. The Association may, as a condition to permitting an Owner to inspect the membership register or to its furnishing information from the register, require that the Owner agree in writing not to use, or allow the use, of information from the membership register for commercial or other purposes not reasonably related to the regular business of the Association and the Owner's interest in the Association. The Management Committee shall establish reasonable rules with respect to:

9.4.1. Notice to be given to the custodian of the records, in accordance with Utah law, by the Owner desiring to make the inspection or obtain copies;

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

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

Every member of the Management Committee shall have the absolute right at any time to inspect all books, records and documents of the Association and to inspect all real and personal properties owned or controlled by the Association. This right of inspection shall include the right to make extracts and copies of records, subject only to the right of the Association to require that the Management Committee member agree in writing not to use, or allow the use of, the information from the membership register for commercial or

other purposes not reasonably related to the business of the Association and the Management Committee member's interest in such Association.

10. Rental or Lease of Units by Owners and Use of Units by Guests.

10.1. Rental Agreement. Any Owner who rents or leases his or her Unit shall file with the Management Committee or the Common Area Manager a copy of the rental or lease agreement affecting the applicable Unit if the Management Committee adopts a rule or regulation requiring the filing of such rental or lease agreements.

10.2. Owner Responsible. The provisions of these Bylaws shall apply with equal force to all guests of the Owners. Any Owner who rents or leases or otherwise permits any other person or guest to utilize his or her Unit shall be responsible for the conduct of his or her guests or occupants of the Unit, and upon written notice from the Management Committee or the Common Area Manager, said Owner shall be responsible for correcting violations of the Declaration, these Bylaws or rules and regulations committed by such guests or occupants.

10.3. Violations. If an Owner fails to correct violations by guests or other occupants upon notice, the Management Committee or the Common Area Manager shall be deemed to be the agent of the Owner and empowered to take any enforcement action the Owner would be entitled to take, the reasonable costs of such action, including but not limited to fees and costs paid to third parties, to be assessed to the Owner and payable within thirty (30) days of assessment. Such costs shall be collected and enforced in the same manner as Assessments.

10.4. Remedies for Violations. The power of the Management Committee or Common Area Manager hereunder shall include but not be limited to any and all legal remedies available under the laws of the State of Utah. Any Owner by the act of renting or leasing or otherwise permitting any other person to utilize his, her or its Unit shall be deemed to have consented to these procedures and shall indemnify and save harmless the Management Committee and the Common Area Manager from and against any and all liability therefor. It is expressly understood that the remedies available to the Management Committee or the Common Area Manager shall include but not be limited to the right to seek eviction of the guests or other occupant without any liability to the Owner.

11. Amendment of Bylaws. Except as otherwise provided in Declaration, these Bylaws or by applicable law, these Bylaws may be amended by the (i) vote of Owners holding at least a majority of the Total Votes of the Association, present in person or by proxy at a meeting duly called for such purpose; or (ii) without a meeting by the written assent of the Owners holding at least a majority of the Total Votes of the Association. Provided, however, the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. Upon such an affirmative vote, the Management Committee shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the Owners and the amendment shall be effective immediately. Notwithstanding the foregoing, Declarant, during the Period of Declarant Control, shall have the right to unilaterally amend these Bylaws without the vote or consent of the

Management Committee or any Owner pursuant to the unilateral amendment procedures reserved to Declarant under the Declaration.

12. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.
13. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these Bylaws nor the intent of any provision hereof.
14. Effective Date. These Bylaws shall take effect upon adoption by the Management Committee.
15. Waiver. The failure of the Management Committee to insist upon strict performance of any provisions hereof shall not be construed as a waiver for future purposes with respect to any such provision or option. No provision of these Bylaws shall be deemed to have been waived unless such waiver is in writing and signed by the Management Committee.
16. Counterparts. These Bylaws may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly appointed Secretary of The Courtyards at Quarry Village Owners Association, Inc., a Utah nonprofit corporation;

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Management Committee thereof held on the 12 day of July, 2006.

Certified to be the Bylaws adopted by the Management Committee of The Courtyards at Quarry Village Owners Association, Inc., a Utah nonprofit corporation, dated July 12, 2006.



James H. Shotwell, Secretary

EXHIBIT D

Additional Land

BEGINNING AT A POINT WHICH IS NORTH 80.82 FEET AND WEST 519.42 FEET FROM THE EAST QUARTER CORNER OF SECTION 11, TOWNSHIP 1 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN, (BASIS OF BEARING BEING SOUTH 2647.76 FEET BETWEEN SAID EAST QUARTER CORNER AND THE SOUTHEAST CORNER OF SAID SECTION 11), SAID POINT OF BEGINNING ALSO BEING ON THE ARC OF A 1038.83 FOOT NON-TANGENT CURVE TO THE LEFT, THE CORNER OF WHICH BEARS SOUTH 30°00'00" EAST; AND RUNNING THENCE SOUTHWESTERLY ALONG SAID CURVE 453.27 FEET THROUGH A CENTRAL ANGLE OF 24°59'59"; THENCE SOUTH 35°00'00" WEST 94.84 FEET; THENCE NORTH 71°25'57" WEST, 104.72 FEET; THENCE SOUTH 20°09'23" WEST 224.57 FEET TO THE NORTHERLY LINE OF PINEBROOK BOULEVARD; THENCE ALONG SAID NORTHERLY LINE THE FOLLOWING FOUR (4) COURSES: 1) THENCE NORTH 80°53'30" WEST 300.63 FEET TO A POINT ON THE ARC OF A 420.00 FOOT NON-TANGENT CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS NORTH 11°00'00" EAST; 2) THENCE NORTHERLY ALONG SAID CURVE 1041.29 FEET THROUGH A CENTRAL ANGLE OF 142°03'07"; 3) THENCE NORTH 63°03'06" EAST 136.68 FEET TO A POINT ON A CURVE OF A 445.00 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 26°56'54" WEST; 4) THENCE NORTHEASTERLY ALONG SAID CURVE 145.72 FEET THROUGH A CENTRAL ANGLE OF 18°45'42" TO A POINT ON THE ARC OF A 61.28 FOOT NON-TANGENT CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS SOUTH 40°31'50" WEST; THENCE SOUTHEASTERLY ALONG SAID CURVE 20.87 FEET THROUGH A CENTRAL ANGLE OF 19°30'37"; THENCE SOUTH 28°46'18" EAST 149.20 FEET TO A POINT OF CURVATURE OF A 100.00 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS NORTH 61°13'42" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE 77.34 FEET THROUGH A CENTRAL ANGLE OF A 44°18'47"; THENCE SOUTH 73°05'05" EAST 214.63 FEET; THENCE SOUTH 16°54'55" WEST 35.05 FEET TO A POINT OF CURVATURE OF A 500.00 FOOT RADIUS CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS NORTH 73°05'05" WEST; THENCE SOUTHERLY ALONG SAID CURVE 20.23 FEET THROUGH A CENTRAL ANGLE OF 02°19'04"; THENCE SOUTH 74°04'25" EAST 414.31 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING:

QUARRY JUNCTION AT PINEBROOK - PLAT B A 2 LOT SUBDIVISION.

EXHIBIT E

Withdrawable Land

A PARCEL OF LAND LOCATED IN THE EAST HALF OF SECTION 11, TOWNSHIP 1 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED ON THE SOUTHERLY BOUNDARY OF THE QUARRY JUNCTION AT PINEBROOK PLAT "A", A COMMERCIAL SUBDIVISION; THENCE NORTH, 2886.69 FEET AND WEST 1126.54 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 11; THENCE SOUTH $41^{\circ}18'59''$ EAST, 42.00 FEET; THENCE SOUTH $48^{\circ}41'01''$ WEST, 46.49 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; THENCE SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 188.00 FEET, AN ARC DISTANCE OF 130.58 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH $28^{\circ}47'08''$ WEST, 127.97 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH $08^{\circ}53'15''$ WEST, 544.65 FEET; THENCE NORTH $80^{\circ}53'30''$ WEST, 72.54 FEET TO THE ARC OF A CURVE LEADING NORTHERLY; THENCE NORTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 420.00 FEET, AN ARC DISTANCE OF 1041.29 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH $07^{\circ}58'27''$ EAST, 794.36 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH $63^{\circ}03'06''$ EAST, 72.15 FEET; THENCE SOUTH $41^{\circ}18'59''$ EAST, 267.46 FEET; THENCE NORTH $48^{\circ}41'01''$ EAST, 125.00 FEET BACK TO THE POINT OF BEGINNING.

CONTAINING 6.88 ACRES, MORE OR LESS.

TOGETHER WITH
ACCESS EASEMENT:

A PARCEL OF LAND LOCATED IN THE NORTHWEST CORNER OF SECTION 11, TOWNSHIP 1 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED NORTH, 2647.76 FEET AND WEST, 1126.54 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 11; THENCE SOUTH $41^{\circ}18'59''$ EAST, 13.00 FEET; THENCE SOUTH $48^{\circ}41'01''$ WEST, 64.23 FEET TO THE ARC OF A CURVE LEADING SOUTHWESTERLY; THENCE ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 75.00 FEET, AN ARC DISTANCE OF 52.37 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH $28^{\circ}40'50''$ WEST, 51.31 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH $08^{\circ}40'38''$ WEST, 367.75 FEET TO THE

ARC OF A CURVE LEADING SOUTHERLY; THENCE ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 375.00 FEET, AN ARC DISTANCE OF 34.38 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 06°03'02" WEST, 34.37 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 03°25'26" WEST, 69.05 FEET TO THE ARC OF A CURVE LEADING SOUTHERLY; THENCE ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 425.00 FEET, AN ARC DISTANCE OF 56.20 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 07°12'43" WEST, 56.16 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 11°00'00" WEST, 67.98 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF PINEBROOK BOULEVARD; THENCE NORTH 80°53'43" WEST, ALONG LAST SAID LINE, 33.58 FEET TO THE EASTERLY BOUNDARY OF LOT 1, QUARRY JUNCTION AT PINEBROOK; THENCE NORTHERLY AND NORTHEASTERLY, ALONG LAST SAID LINE, RUN THE FOLLOWING THREE COURSES AND DISTANCES: COURSE 1: NORTH 08°53'15" EAST, 544.65 FEET TO THE ARC OF A CURVE LEADING NORTHEASTERLY; COURSE 2: ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 188.00 FEET, AN ARC DISTANCE OF 130.58 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 28°47'08" WEST, 127.97 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE 3: NORTH 48°41'01" EAST, 46.49 FEET BACK TO THE POINT OF BEGINNING.

CONTAINING 0.42 ACRES, MORE OR LESS.