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GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
METRO NATIONAL TITLE
BY: ARG, DEPUTY - WI 50 P.

7976985

CONDOMINIUM DECLARATION

FOR

MONTE LUCA CONDOMINIUMS

THIS DECLARATION is made and executed by GLACIER LAND COMPANY, LLC., sole owner of the property as described on the Record of Survey Map, hereinafter referred to as "Declarant," pursuant to the provisions of the Utah Condominium Ownership Act, Utah Code Ann. §§ 57-8-1 through 57-8-36, for itself, its successors, grantees and assigns.

ARTICLE I

RECITALS

Declarant is the sole owner of that certain real property in Salt Lake County, Utah, which is described in Exhibit "A" attached hereto and made a part hereof by this reference.

There have been constructed buildings and other improvements thereon in accordance with the plans and drawings set forth in the Record of Survey Map which shall be recorded upon its approval by Salt Lake County, consisting of 1 sheet, prepared and certified by L. Mark Neff, Neff Engineers & Associates, Inc., a registered land surveyor. Said Record of Survey Map shall be deemed a part hereof upon its recordation.

Declarant desires by filing this Declaration and the aforesaid Record of Survey Map to submit the above-described real property and the said buildings and other improvements constructed thereon to the provisions of the Utah Condominium Ownership Act as a condominium project known as MONTE LUCA CONDOMINIUMS.

Declarant desires and intends to sell the fee title to the individual units contained in said Condominium Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant thereto, to various purchasers, subject to the covenants, limitations and restrictions contained herein.

NOW, THEREFORE, for such purposes, Declarant hereby makes the following Declaration containing covenants, conditions and restrictions relating to this Condominium Project which, pursuant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitudes, where reasonable, and shall run with the land:

ARTICLE II

DEFINITIONS

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

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

(a) The word "Declarant" shall mean GLACIER LAND CO., L.L.C., sole owner as described on the Record of Survey Map, which has made and executed this Declaration and/or any successor to or assignee of Declarant conveyance, transfer or assignment, comes to stand in the same relation to the Project as did its predecessor.

(b) The word "Act" shall mean and refer to the Utah Condominium Ownership Act, Utah Code Ann. §§ 57-8-1 through 57-8-36 as the same now exists and as it may be amended from time to time.

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

(d) The word "Declaration" shall mean this instrument by which MONTE LUCA CONDOMINIUMS is established as a Condominium Project.

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

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

(g) The word "Map" shall mean and refer to the Record of Survey Map of MONTE LUCA CONDOMINIUMS recorded herewith by Declarant.

(h) The word "Unit" shall mean and refer to one of the Units, which is designated as a Unit on the Map, and more particularly described in Article V 3. hereof.

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

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

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

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

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

(n) The term "Common Areas and Facilities" shall mean and refer to:

(1) The land described on Exhibit "A" attached;

(2) That portion of the Property not specifically included in the respective Units as herein defined;

(3) All foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, stairs, stairways, yards, landscaping, streams, ponds, pump stations, sprinkler systems, fire sprinkler systems, cable television systems, fences, service and parking areas and in general all other apparatus, installations and other

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

(4) Those areas specifically set forth and designated in the Map as "Common Area" or "Limited Common Area,"; and

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

(o) The words "Common Expenses" shall mean and refer to: All expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities including an adequate reserve fund for maintenance, repair and replacement of those Common Areas and Facilities that must be replaced on a periodic basis; all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the Bylaws, and such rules and regulations pertaining to the Condominium Project as the Association of Unit Owners or the Board of Trustees or Management Committee may from time to time adopt; and such other expenses incurred pursuant to agreements lawfully made and/or entered into by the Board of Trustees or Management Committee.

(p) The words "Limited Common Area" shall mean and refer to those portions of the Common Areas and Facilities reserved for the exclusive use of certain Unit Owners, as specified herein. The Limited Common Areas shall include the driveway and walk as well as the patios and porches adjacent to each unit. The use and occupancy of the Limited Common Areas shall be reserved to its associated Unit, and each Unit Owner is hereby granted an irrevocable license to use and occupy the same so long as such Owner owns the Unit associated with such Limited Common Area.

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

(r) The word "Mortgage" shall mean and include both a mortgage on any Condominium Unit and a deed of trust on any Condominium Unit. The words "First Mortgage" shall mean a Mortgage, the lien of which is prior and superior to the lien of any other Mortgage on the same Unit.

(s) The word "Mortgagee" shall mean and include both the mortgagee under a mortgage on any Condominium Unit and the beneficiary under a deed of trust on any Condominium Unit. The words "First Mortgagee" shall mean the Mortgagee under a First Mortgage on any Unit.

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

ARTICLE III

SUBMISSION TO CONDOMINIUM OWNERSHIP

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

ARTICLE IV

COVENANTS TO RUN WITH THE LAND

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

ARTICLE V

DESCRIPTION OF PROPERTY

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

2. Description of Improvements. The Project has been constructed in accordance with the information contained in the map. The buildings in the Project are of stucco and stone construction and contain a total of forty (40) units. Electricity and gas are separately metered to each Unit. Each Unit has a separate furnace and water heater, standard kitchen appliances,

microwave oven and carpet. The Project will be subject to the easements which are reserved through the Project and as may be required for utility services.

3. Description and Legal Status of Units. The Map and Exhibit "C" hereto show the Unit number of each Unit, its location and the Common Areas and Facilities to which it has access. All Units shall be capable of being independently owned, encumbered and conveyed.

(a) Each Unit shall include that part of the building containing the Unit which lies within the boundaries of the Unit, which boundary shall be determined in the following manner:

(1) The upper boundary shall be the plane of the lower surface of the ceiling;

(2) The lower boundary shall be the plane of the upper surface of the floor;
and

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

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

(a) The clubhouse and associated amenities;

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

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

(d) Any utility pipe or line or system servicing more than a single Unit, including but not limited to any cable television system, and all ducts, wires, conduits, and other accessories used therewith;

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

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

(g) All repairs and replacements of any of the foregoing. The replacement of Windows is not intended to be a common expense.

ARTICLE VI

ALTERATIONS AND EXPANSION

Alterations by Declarant. For one (1) year following the recordation hereof, Declarant reserves the right to change the interior design and interior arrangement of any Unit and to alter the boundaries between Units or to combine Units, so long as the Declarant owns the Units so altered or combined. Any change of the boundaries between the Units, or any alteration of the Common Areas shall be reflected by an amendment of this Declaration and of the Map which may be executed by the Declarant along, notwithstanding the procedures for amendment described in Article XXVII of this Declaration. Any change in Unit size shall be accompanied by a reallocation of fractional interests in Common Area on a square-footage basis. No such change shall increase the number of Units nor materially alter the boundaries of the Common Areas and Facilities nor change the fraction of ownership of Common Areas and Facilities associated with the non-altered or non-combined Units without amendment of this Declaration and of the Map in the manner described in Article XXVII of this Declaration.

Expandable Project. The project is expandable. The right of the Declarant to expand the project shall begin with the filing for record of this Declaration and end at the expiration of seven (7) years from that date. The consent of the unit owners for the expansion is not required. The expansion which may be done in one or more phases at the sole option of the Declarant is to be coposed of residential units and amenities to support the development. All residential units and amenities will be compatible with the buildings and amenities in the current project. The number of residential units in the total additional land is forty (40). The additional land which is located

in Salt Lake County, Utah is more fully and completely described as shown on Exhibit "D" attached hereto and incorporated by this reference as though fully set forth herein.

ARTICLE VII

STATEMENT OF PURPOSE AND RESTRICTION ON USE

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

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

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

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

(c) No Unit Owner shall cause or permit anything (including, without limitation, an individual television antenna, an awning, canopy, shutter, storm door or screen door) to hang, be displayed, be visible or otherwise be placed on the exterior walls or roof of any building or any part thereof, or on the outside of windows or doors, without the prior written consent of the Board of Trustees or Management Committee. No sign of any kind shall be displayed to the public view on or from any residential Unit or the Common Areas unless it is for the common benefit of all Unit owners.

(d) No noxious or offensive activity shall be carried on in any Unit or in the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.

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

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

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

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

ARTICLE VIII

PERSON TO RECEIVE SERVICE OF PROCESS

The person to receive service of process in the cases provided herein or in the Act is Craig G. Adamson, 370 East South Temple, Suite 400, Salt Lake City, Utah 84111. The said person may be changed by the recordation by the Management Committee of an appropriate instrument.

ARTICLE IX

OWNERSHIP AND USE

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

2. Nature of and Restriction on Ownership and Use. Each Unit Owner shall have an enjoy the rights and privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons, or joint tenancy so long as no Unit is owned by more than six persons or entities. The Unit Owners may lease or rent their Units with their appurtenant rights subject

to terms and conditions chosen solely by the Unit Owner and his lessee, except that all Unit Owners, their tenants and other occupants or users of the Project, shall be subject to the Act, this Declaration, the Bylaws, and all rules and regulations of the Association of Unit Owners and Management Committee. Provided also that any lease of a unit must be in writing and must state that the lease will be subject to the terms and conditions of all rules and regulations of the condominium project, the Declaration and Bylaws.

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

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

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

ARTICLE X

LIMITED COMMON AREAS

Each Unit Owner shall be entitled to the exclusive use and occupancy of the Limited Common Areas assigned to his Unit as set forth in Exhibit "C," or as shown on the Map, subject, however, to the same restrictions on use which apply generally to the Common Areas and Facilities and to Rules and Regulations to be promulgated by the Management Committee as authorized in the Bylaws. Such right to use the Limited Common Areas shall be appurtenant to and contingent upon ownership of the Unit associated therewith, and even though not specifically mentioned in the instrument of transfer, shall automatically pass to the grantee or transferee of such Unit. Such right of use shall not be revocable, nor may it be voluntarily or involuntarily

relinquished, waived or abandoned. The Limited Common areas shall include, but shall not be limited to the porches, patios, driveways and sidewalks adjacent to the Unit and used by the Unit owner.

ARTICLE XI

VOTING - MULTIPLE OWNERSHIP

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

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

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

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

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

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

Multiple Ownership Interests. The vote attributable to and exercisable in connection with a Unit shall be the fraction of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit as shown on Exhibit "C." In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made,

the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

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

ARTICLE XII

MANAGEMENT

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

(b) The authority, without the vote or consent of the Unit Owners or of any other person(s), to grant or create, on such terms as it deems advisable, utility and similar easements over, under, across and through the Common Areas and Facilities;

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

(d) The power to sue and be sued;

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

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

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

(h) The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Board of Trustees or Management Committee to perform its functions as agent for the Unit Owners.

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

2. Composition of Board of Trustees or Management Committee. The Committee shall be composed of three (3) members, each elected for a two year term. At the first Owners' meeting one of the members shall be elected for only a one year term so that elections and vacancies can be staggered. At each regular Owners' meeting, Committee members shall be elected for any vacant positions. Except for the initial Management Committee, only Unit Owners and officers and agents shall be eligible for Committee membership. At the annual meeting, the Owner(s) of each Unit shall be entitled to one (1) vote for each seat to be filled. Said votes may be voted in favor of as many candidates for Committee membership as the Owner(s) desire, or may be cumulated and voted for a lesser number of candidates; provided, however, that until the annual Owners' meeting, Declarant alone shall be entitled to select the Committee members. Notwithstanding the foregoing limitations, until the first meeting of the Owners, the members of the Committee shall be the following persons and each shall hold office as indicated:

DAVID GOUGH	President
DANIEL VRANES	Vice President
BRENT R. SHAW	Secretary/Treasurer

Any Committee member who fails on three (3) successive occasions to attend Committee meetings (whether regular or special) or who has not attended at least seventy-five percent (75%) of all Committee meetings (whether regular or special) held during any twelve (12) month period shall automatically forfeit his seat. In the event a Committee seat becomes vacant, whether by reason of forfeiture or due to another cause, the remaining Committee members shall elect a replacement

to sit on the Committee until the expiration of the term for which the member being replaced was elected. Unless he forfeits or otherwise loses his seat as herein provided, a member shall serve on the Committee until his successor is elected and qualifies. Committee members shall be reimbursed out of common expense assessments for all expenses reasonably incurred in connection with Committee business, but shall receive no additional compensation for their services as Committee members.

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

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

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

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

6. Name. The Board of Trustees or Management Committee shall be known as MONTE LUCA CONDOMINIUMS Board of Trustees or Management Committee.

7. Manager. The Committee may carry out through a Project Manager any of its functions which are properly the subject of delegation. Any Manager so engaged shall be an independent contractor and not an agent or employee of the Committee, shall be responsible for managing the Project for the benefit of the Committee and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Board of Trustees or Management Committee itself. Any agreement for professional management of the Project or any other contract providing for services of the Declarant Association shall be entered into by the Board of Trustees

or Management Committee or the Association shall call for a term not exceeding three (3) years and shall provide that such management agreement may be terminated by the Board of Trustees or Management Committee or by the Association without cause and without payment of a termination fee upon not in excess of ninety (90) days written notice.

ARTICLE XIII

EASEMENTS

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

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

ARTICLE XIV

CHANGE IN OWNERSHIP

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

of the county where the Project is located. The address of an Owner shall be deemed to be the address of the Unit owned by such Owner unless the Board of Trustees or Management Committee is otherwise advised. An Owner who fails to so furnish the above information shall continue to be liable for monthly assessments of common expenses even after transferring ownership of the Unit.

ARTICLE XV

ASSESSMENTS

Every Unit Owner shall pay his proportionate share of the Common Expenses including but not limited to each Unit's proportionate share of all assessments of the Project by MONTE LUCA CONDOMINIUM Homeowners Association. Payment thereof shall be in such amounts and at such times as the Board of Trustees or Management Committee determines in accordance with the Act, the Declaration or the Bylaws. There shall be a lien for nonpayment of Common Expenses as provided in the Act and in this Declaration.

In assessing Unit Owners for capital improvements, no assessment for a single improvement in the nature of a capital expenditure exceeding the sum of Forty Thousand Dollars (\$40,000.00) shall be made without the same having been first voted on and approved by at least a majority of the Project's undivided ownership interest.

ARTICLE XVI

DESTRUCTION OR DAMAGE

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

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

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

(c) If seventy-five percent (75%) or more of the project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Board of Trustees or Management Committee are not alone sufficient to accomplish restoration, and if, within one hundred (100) days after the destruction or damage, the unit owners, by a vote of at least seventy-five percent (75%) of the entire undivided ownership, and fifty-one percent (51%) of all holders of first mortgages on units, elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subdivision (b) above.

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

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

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

ARTICLE XVII

TAXES

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

ARTICLE XVIII

INSURANCE

1. Hazard Insurance. The Board of Trustees or Management Committee or Association of Unit Owners shall at all times maintain, in force, hazard insurance meeting the following requirements:

(a) A multi-peril type policy covering the entire Condominium Project (both Units and Common Areas and Facilities) shall be maintained. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the special extended coverage endorsement including debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than one hundred percent (100%) of the full insurable value of the Project (based upon replacement cost). Such policy shall include an "Agreed Amount Endorsement" or its equivalent, and, if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent.

(b) If a steam boiler is or comes to be contained in the Project, there shall be maintained boiler explosion insurance and a broad form policy of repair and replacement boiler and machinery insurance, evidenced by the standard form of boiler and machinery insurance policy. Said insurance shall, as a minimum, provide coverage in the amount of Fifty Thousand Dollars (\$50,000.00) per accident per location.

(c) If the Project is or comes to be situated in a locale identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the Condominium Project shall be obtained and maintained. The minimum amount of coverage afforded by such policy shall be the lesser of the maximum amount of insurance available under the said Act or the aggregate of the unpaid principal balances of the Mortgages affecting the individual Units. Such policy shall be in the form of the standard policy issued by members of the National Flood Insurers Association or in the form of a policy which meets the criteria established by the Flood Insurance Administration.

(d) The named insured under each policy required to be maintained by the foregoing items (a), (b) and (c) shall be in form and substance essentially as follows: "The Board of Trustees or Management Committee and the Association of Unit Owners of MONTE LUCA

CONDOMINIUMS, or their authorized representative, for the use and benefit of the individual Owners."

(e) Each such policy shall include the standard mortgagee clause (without contribution) which either shall be endorsed to provide that any proceeds shall be paid to the Board of Trustees or Management Committee or the Association of Unit Owners for the use and benefit of Mortgagees as their interests may appear or shall be otherwise endorsed to fully protect the interests of Mortgagees. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each Mortgagee at least sixty (60) days in advance of the effective date of any reduction in or cancellation of the policy.

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

2. Fidelity Insurance. The Board of Trustees or Management Committee or Association shall be authorized to maintain in force fidelity coverage against dishonest acts on the part of managers (and employees of managers), trustees, employees, officers, Committee members, or volunteers responsible for handling funds belonging to or administered by the Board of Trustees or Management Committee or Association of Unit Owners. The fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one and one-half times (150%) the Project's estimated annual operating expenses and reserves. An appropriate endorsement to the policy shall be secured to cover persons who serve without compensation if the policy would not otherwise cover volunteers.

3. Liability Insurance. The Board of Trustees or Management Committee or Association of Unit Owners shall at all times maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such insurance shall include a "Severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of other Owners, the Board of Trustees or Management Committee, or the Association of Unit Owners. The coverage afforded by such public liability insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, garage-keeper's liability (if applicable), and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location and use. The limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) for all claims for personal injury, death and/or property damage arising out of a single occurrence. Liability insurance

covering the association directors and officers against "wrongful acts" as defined in such insurance policies shall also be procured insuring the Association for its obligation to indemnify the Board of Trustees or Management Committee members for liability arising from service to the Association.

4. General Requirements Concerning Insurance. Each insurance policy maintained pursuant to the foregoing Article XVII Sections 1. through 3. shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Insurance Reports of B+ or better for General Policy Holders Rating and X for Financial Size Rating. No such policy shall be maintained where:

(a) Under the terms of the carrier's charter, bylaws or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a Mortgagee, the Board of Trustees or Management Committee, the Association of Unit Owners, a Unit the Common Areas, or the Project;

(b) 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;

(c) The policy includes any limited clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; or

(d) The policy provides that the insurance thereunder shall be brought into contribution with insurance purchased by the individual Unit Owners or their Mortgagees.

Each such policy shall provide that:

(a) Coverage shall not be prejudiced by any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association of Unit Owners or the Board of Trustees or Management Committee;

(b) Coverage shall not be prejudiced by any failure by the Association or Committee to comply with any warranty or condition with regard to any portion of the Project over which the Association and Committee have no control;

(c) Coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least sixty (60) days prior written notice to any and all insureds named therein, including any Mortgagee named as an insured; and

(d) The insurer waives any right of subrogation it might have to any and all claims against the Association, the Board of Trustees or Management Committee, any Unit Owner, and/or their respective agents employees or tenants, and any defense it might have based upon co-insurance or upon invalidity arising from acts of the insured.

If, due to changed circumstances, excessive cost, or any other reason, any of the insurance coverage required to be obtained and maintained under Sections 1. through 3. of this Article XVIII cannot reasonably be secured, with respect to such coverage the Association or the Committee shall obtain and maintain such substitute, different or other coverage as may be reasonable and prudent under the circumstances as they then exist.

The Association of Unit Owners and/or Board of Trustees or Management Committee shall be appointed as the Attorney-in-Fact to represent the interests of each unit in any proceedings, negotiations, settlements or agreements relating to insurance claims or payments. Any and all proceeds from a settlement shall be payable to the Association of Unit Owners and/or Board of Trustees or Management Committee for the benefit of the unit owners and their mortgage holders.

ARTICLE XIX

PAYMENT OF EXPENSES

1. Each Unit Owner shall pay the Board of Trustees or Management Committee his allocated portion of assessments made by MONTE LUCA Condominium Association and his allocated portion of the cash requirement to manage and operate the Condominium Project, upon the terms, at the time, and in the manner herein provided without any deduction on account of any set-off or claim which the Owner may have against the Board of Trustees or Management Committee or Association. If the Unit Owner shall fail to pay any installment within ten (10) days of the time when the same becomes due, the Owner shall pay interest thereon at the rate of eighteen percent (18%) per annum from the date when such installment shall become due to the date of the payment thereof. The funds collected pursuant to this Article shall be segregated and held in a separate fund for the purposes set out herein.

2. The cash requirements above referred to for each year, or portion of the year, are hereby defined and shall be deemed to include an adequate reserve fund for maintenance, repairs and replacement of those Common Areas and Facilities that must be replaced on a periodic basis, plus such aggregate sums as the Board of Trustees or Management Committee from time to time shall determine, in its judgment, is to be paid by all the Owners of the Condominium Project then in existence to enable the Board of Trustees or Management Committee to pay all estimated

expenses and outlays of the Board of Trustees or Management Committee to the close of such year, growing out of or in connection with the maintenance and operation of such land, building, and improvements; which sum may include, among other things, the cost of management, special assessments, fire, casualty, flood, fidelity, public liability and other insurance premiums, common renovations to Common Areas and Facilities, snow removal, wages, all utility services (except telephone, electricity, water and other services which are separately billed or metered to the individual Units by the utility or party furnishing such service), legal and accounting fees, management fees, expenses and liabilities incurred by the Board of Trustees or Management Committee under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the Condominium Project. The Board of Trustees or Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so fixed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the cash requirements for any year, any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in the cash requirements for a previous year, but were not included therein and also any sums which the Board of Trustees or Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

3. The portion payable with respect to each Unit in and for each year or for a portion of a year shall be a sum equal to the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid, multiplied by the fraction of undivided interest in the Common Areas and Facilities appurtenant to such Unit, as shown in Exhibit "C." Such assessments, together with any additional sums accruing under this Declaration, shall be payable quarterly in advance, or in such payments and installments as shall be provided by the Board of Trustees or Management Committee. The Board of Trustees or Management Committee has estimated that the Common Area expenses for the first year will be Two Hundred (\$200.00) per unit per month. The quarterly share initially attributable to each Unit is set forth in Exhibit "C" and constitutes the initial assessment. A sum equal to the initial quarterly assessment is to be paid by the initial purchaser at the time of purchase to be transferred to and held by the Association as a reserve. The foregoing is only an estimate, however, and may be revised by the Board of Trustees or Management Committee as experience is accumulated.

4. The Board of Trustees or Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Condominium Project and to determine the cash requirements of the Project to be paid as aforesaid by the Owners under this Declaration. Every such reasonable determination by the Board of Trustees or Management Committee within the bounds of the Act and this Declaration shall be final and conclusive as to the Owners, and any

expenditures made by the Board of Trustees or Management Committee, within the bounds of the Act and this Declaration shall as against the Owner be deemed necessary and properly made for such purpose.

5. If an Owner shall at any time let or sublet his Unit and shall default for a period of one (1) month in the payment of any assessments, the Board of Trustees or Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the Owner occupying the Unit so much of the rent due or becoming due and payable as is necessary to cure said default and the payment of such rent to the Board of Trustees or Management Committee shall be sufficient payment and discharge of such tenant or subtenant and the Owner to the extent of the amount so paid.

6. Each assessment and each special assessment shall be separate, distinct and personal obligations of the Owner(s) of the Unit against which the same is assessed at the time the assessment is made and shall be collectible as such. If not paid when due, the amount of any assessment, whether regular or special, assessed to a Unit plus interest at eighteen percent (18%) per annum, costs of action and reasonable attorney's fees, shall become a lien upon such Unit upon recordation of a notice thereof as provided by the Act. The said lien for non-payment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(a) Tax and special assessment liens on the Unit in favor of any assessing unit, or special district; and

(b) Encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

7. In any conveyance, except to a mortgagee as hereinafter set forth, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the common expenses 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. However, any such grantee shall be entitled to a statement from the Manager or Board of Trustees or Management Committee setting forth the amounts of the unpaid assessments against the grantor, and such 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.

8. A certificate executed and acknowledged by the Manager or Board of Trustees or Management Committee stating the unpaid common expenses then outstanding with respect to a Unit shall be conclusive upon the Board of Trustees or Management Committee and the Owners

as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or encumbrance or prospective Owner or encumbrances of a Unit upon request at a reasonable fee initially not to exceed Ten Dollars (\$10.00). Unless the request for a certificate of indebtedness shall be complied with within ten (10) days, all unpaid Common Expenses which become due prior to the date of making of such request shall be subordinate to the lien or interest held by or obtained by the person making the request. Any encumbrance holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment that encumbrance shall have a lien on that Unit of the same rank as the lien of his encumbrance for the amounts paid.

9. Upon payment or other satisfaction of delinquent assessments concerning which a notice of assessment has been recorded, the Board of Trustees or Management Committee shall cause to be recorded in the same manner as the notice of assessment a further notice stating the satisfaction and release of the lien thereof. Such lien for non-payment of assessment may be enforced by sale by the Board of Trustees or Management Committee or by a bank or trust company or title insurance company authorized by the Board of Trustees or Management Committee, such sale to be conducted in accordance with the provisions of the 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. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees.

10. In the event of foreclosure, the Unit Owner, if he is an owner-occupier and desires to remain in the Unit during any redemption period, shall be required to pay a reasonable rental for the Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the security. The Board of Trustees or Management Committee or Manager shall have the power to bid on the Unit at foreclosure or other sale and to hold, lease, mortgage and convey the Unit.

ARTICLE XX

MORTGAGEE PROTECTION

1. From and after the time a Mortgagee makes written request to the Board of Trustees or Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that the Owner of the Unit encumbered by the mortgage held by such Mortgagee neglects for a period of sixty (60) or more days to cure any failure on his part to perform any of his obligations under this Declaration.

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

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

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

(b) To partition or subdivide any Unit;

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

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

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

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

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

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

6. From and after the time a Mortgagee makes written request to the Board of Trustees or Management Committee or the Association of Unit Owners therefor, the Committee or the

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

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

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

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

ARTICLE XXI

EMINENT DOMAIN

In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of §57-8-32.5, Utah Code Ann. (Supp. 1977) shall apply. The Board of Trustees or Management Committee shall give written notice of such proceedings to all Mortgagees of record. No first lien priority of any Mortgagee shall be diminished or otherwise disturbed by virtue of such proceedings.

ARTICLE XXII

MAINTENANCE

1. Each Owner of a Unit at his own expense shall keep the interior of such Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that the Board of Trustees or Management Committee on behalf of all Unit Owners is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit, building or buildings caused by the act, negligence or carelessness of the Unit Owner or that of any tenant or subtenant or any member of the unit Owner's family or of the family of any tenant or subtenant or any agent, employee or guest of the Owner or his tenant or subtenant and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance or replacement of any heating equipment, hot water equipment or plumbing fixtures that may be used exclusively by the Unit. Each Unit Owner shall be entitled to the exclusive use and possession of the Limited Common Areas appurtenant to his Unit; provided, however, that without the written permission of the Board of Trustees or Management Committee first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration in or to the Unit or in or to the exterior of the building, and shall not paint or decorate any portion of the exterior of the Unit or of the building in which the Unit is located.

2. Except as hereinafter provided, the Board of Trustees or Management Committee shall provide for such maintenance and operation of the Common Areas and Facilities, including exterior maintenance of all buildings and improvements, as may be reasonably necessary to keep them clean, functional, attractive and generally in good condition and repair. The Board of Trustees or Management Committee shall have no obligation regarding maintenance or care of Units.

ARTICLE XXIII

RIGHT OF ENTRY

The Board of Trustees or Management Committee and its duly authorized agents shall have the right to enter any and all of the Units in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the Unit Owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of said Units at all reasonable times as required for the purpose of making

necessary repairs upon the Common Areas and Facilities of the Project or for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other Units in the Project; and provided further, that the Unit Owners affected by such entry shall first be notified thereof if available and if time permits.

ARTICLE XXIV

ADMINISTRATIVE RULES AND REGULATIONS

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

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

ARTICLE XXV

OBLIGATION TO COMPLY HEREWITH

Each Unit Owner, tenant, subtenant or other occupant of a Unit shall comply with the provisions of the Act, this Declaration, the Bylaws, and the rules and regulations of the Board of Trustees or Management Committee and Monte Luca Condominiums Association, all agreements and determinations lawfully made and/or entered into by the Board of Trustees or Management Committee or the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof shall be grounds for an action by the Board of

Trustees or Management Committee or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom, including costs and reasonable attorney's fees.

ARTICLE XXVI

INDEMNIFICATION OF Board of Trustees or Management Committee

Each member of the Board of Trustees or Management Committee shall be indemnified and held harmless by the Association of Unit Owners against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees reasonably incurred by him in connection with any proceeding in which he may become involved by reason of his being or having been a member of said Committee; provided, however, the foregoing indemnification shall not apply if the loss, expense or liability involved resulted from the willful misconduct or gross negligence of the member.

ARTICLE XXVII

AMENDMENT

In addition to the amendment provisions contained in Article VI hereof, and subject to the terms of Article XX, this Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of owners having ownership of not less than sixty-seven (67%) of the undivided interest in the common areas and facilities, and by the affirmative vote and approval of not less than fifty-one percent (51%) of those mortgage holders who hold first mortgage obligations on the condominium units. In the case of mortgage holders, only, consent shall be presumed to have been given by any mortgage holder who fails to respond to a written proposal for an amendment within thirty (30) days after receiving notice of such proposed amendment, provided that any such notice shall have been sent certified mail, return receipt requested. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Board of Trustees or Management Committee. In said instrument the Committee shall certify that the vote or consent required by this Article XXVII has occurred. Notwithstanding any other provision contained herein, until occurrence of either of the events referred to in Article XXIX hereof, no amendment to the map or to any provision of this Declaration which has or may have the effect of diminishing or impairing any right, power, authority, privilege, protection or control given to Declarant (in its capacity as Declarant) herein shall be accomplished or effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant.

ARTICLE XXVIII

CONSENT IN LIEU OF VOTE

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

- (a) all necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner;
- (b) any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose; and
- (c) unless the consents of all Owners having an interest in the same Unit are secured, the consent of none of such Owners shall be effective.

ARTICLE XXIX

DECLARANT'S SALES PROGRAM

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

- (a) Declarant shall have the right to maintain a sales office and/or model Units. Such office and/or model Units may be Units (at any location) owned by Declarant;
- (b) Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners or similar devices at any place or places on the Property, but any such device shall be of a size and in a location as is reasonable and customary.

(c) Declarant shall have the right to use the Common Areas and Facilities of the Project to entertain prospective purchasers or to otherwise facilitate Unit sales, provided said use is reasonable as to both time and manner.

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

ARTICLE XXX

LIMITATION ON IMPROVEMENTS BY ASSOCIATION

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

ARTICLE XXXI

SEVERABILITY

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

ARTICLE XXXII

DECLARANT'S RIGHTS ASSIGNABLE

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

privileges, protections and controls which are accorded to Declarant (in its capacity as Declarant herein).

ARTICLE XXXIII

GENDER

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

ARTICLE XXXIV

WAIVERS

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

ARTICLE XXXV

TOPICAL HEADINGS

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

ARTICLE XXXVI

EFFECTIVE DATE

This Declaration shall take effect upon recording.

ARTICLE XXXVII

DISPUTE ARBITRATION

All claims or disputes between the Manager, Board of Trustees or Management Committee or Association of Unit Owners and a unit owner, arising out of this Declaration, or the breach of any provision hereof, shall be decided by arbitration in accordance with the Rules of the American Arbitration Association currently in effect. Notice of demand for arbitration shall be filed in

writing with all affected parties within a reasonable time after the dispute has arisen. Each party to the controversy shall appoint an agent for purposes of choosing an arbitrator, which agent shall be an attorney at law, licensed to practice in the State of Utah. Said agents shall select an arbitrator within ten (10) days after their appointment. The arbitrator thus selected shall act as arbitrator for purposes of this Article. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. In the case of non-payment of common area assessments or other fees, the decision of the arbitrator shall be enforced in accordance with the lien provisions as set out elsewhere in this Declaration.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed on its behalf this 7 day of August, 2001.

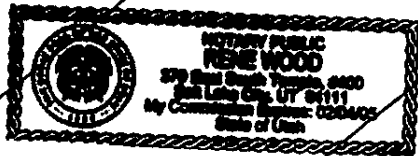
GLACIER LAND CO., L.L.C.

By *Daniel Vranes*
Manager

STATE OF UTAH)
: ss
COUNTY OF SALT LAKE)

I hereby certify that on this day before me, an officer duly authorized to take acknowledgements in the state and county aforesaid, personally appeared Daniel Vranes, known to me to be the person described in and who executed the foregoing instrument acknowledged before me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 7 day of August, 2001.



Rene Wood
NOTARY PUBLIC

BOOK 8490 PAGE 0882

EXHIBIT A

Beginning at a point 390.83 feet East and 1171.939 feet North from the South quarter corner of Section 35, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence North 08 deg. 23'00" East a distance of 1.868 feet; thence North 31 deg. 21'00" East a distance of 191.250 feet; thence North 37 deg. 58'00" West a distance of 342.732 feet; thence North 56 deg. 57'42" East a distance of 131.149 feet; thence around a curve to the right through a central angle of 01 deg. 30'22" an arc distance of 17.086 feet, a chord bearing of South 26 deg. 43'30" East a distance of 17.085 feet; thence around a curve to the left through a central angle of 02 deg. 09'24" an arc distance of 24.466 feet, a chord bearing of South 27 deg. 03'01" East a distance of 24.465 feet; thence North 57 deg. 14'22" East a distance of 113.508 feet; thence North 32 deg. 13'08" West a distance of 45.682 feet; thence North 57 deg. 46'52" East a distance of 67.717 feet; thence South 21 deg. 22'40" East a distance of 45.066 feet; thence South 89 deg. 58'39" East a distance of 295.598 feet; thence South 25 deg. 59'44" East a distance of 27.825 feet; thence North 89 deg. 58'39" West a distance of 16.165 feet; thence South 05 deg. 33'16" East a distance of 237.565 feet; thence South 18 deg. 25'09" East a distance of 74.815 feet; thence South 71 deg. 34'27" West a distance of 244.609 feet; thence South a distance of 87.994 feet; thence West a distance of 100.109 feet; thence South 68 deg. 34'00" West a distance of 181.098 feet to the point of beginning.

EXHIBIT "C"
OWNERSHIP OF COMMON AREAS

<u>Unit No.</u>	<u>Shares of Ownership of Common Areas & Facilities</u>	<u>Amount of Initial Quarterly Assessment</u>
1	6.67%	\$600.00
2	6.67%	\$600.00
3	6.67%	\$600.00
4	6.67%	\$600.00
5	6.67%	\$600.00
6	6.67%	\$600.00
7	6.67%	\$600.00
8	6.67%	\$600.00
9	6.67%	\$600.00
10	6.67%	\$600.00
11	6.67%	\$600.00
12	6.67%	\$600.00
13	6.67%	\$600.00
14	6.67%	\$600.00
15	6.67%	\$600.00

EXHIBIT "D"

Parcel No. 22-35-401-023

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

Parcel No. 22-35-401-022

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

Parcel No. 22-35-401-010

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

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

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

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

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

Containing 1.00 Acres

Parcel No. 21-35-401-024

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

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

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

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

Parcel 22-35-401-030

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

Parcel 22-35-451-003

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

BYLAWS FOR
“MONTE LUCA
HOMEOWNERS ASSOCIATION”

A Nonprofit Corporation

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

ARTICLE I

NAME AND PRINCIPAL OFFICE

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

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

ARTICLE II

DEFINITIONS

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

ARTICLE III

MEMBERS

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

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

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

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

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

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

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

3.07. Proxies. At each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member himself or herself or by his or her attorney thereunto duly authorized in writing. If a membership is jointly held, the instrument authorizing a proxy to act must have been executed by all holders of such membership or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

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

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

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

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

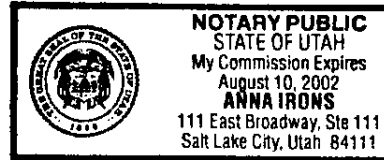
STATE OF UTAH, County of SALT LAKE) ss.

On this date, AUGUST 7, 2001, personally appeared before me DANIEL L. VRANES, who being by me duly sworn did say that he a MANAGING MEMBER of GLACIER LAND CO., L.L.C., a Utah Limited Liability Company, the limited liability company that executed the above and foregoing instrument and that said instrument was signed on behalf of said company by authority of its by-laws (or by authority of a resolution of its board of managers/members) and said DANIEL L. VRANES acknowledged to me that said limited liability company executed same.

Anna Irons

Notary Public

My commission expires:
Residing in:



ARTICLE IV

BOARD OF TRUSTEES

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

4.02. Number, Tenure, and Qualifications. The initial number of Trustees of the Association shall be three (3). The membership may expand the Board of Trustees to a maximum of nine (9) members. Expansion or contraction of the Board of Trustees may occur at any annual meeting and may be accomplished by the vote of 66% of the Class A members and all of the Class B members. Each Trustee shall hold office until the next annual meeting of the Members and until his or her successor shall have been elected and qualified. Trustees need not be residents of the State of Utah.

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

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

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

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

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

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

4.09. Informal Action by Trustees. Any action that is required or permitted to be taken at a meeting of the Board of Trustees may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Trustees.

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

ARTICLE V

OFFICERS

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VI

COMMITTEES

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

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

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

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

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

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

ARTICLE VII

INDEMNIFICATION

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

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

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

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

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

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

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

ARTICLE VIII

FISCAL YEAR AND SEAL

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

8.02. Seal. The Board of Trustees may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the State of incorporation, and the words "Corporate Seal."

ARTICLE IX

RULES AND REGULATIONS

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

ARTICLE X

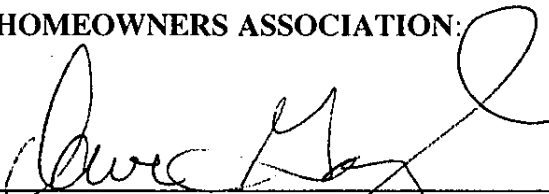
AMENDMENTS

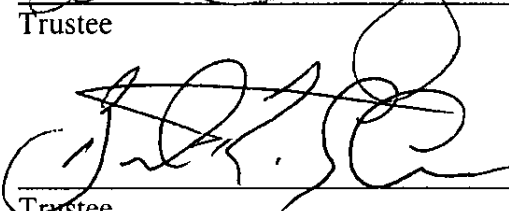
10.01. Except as otherwise provided by law, by the Articles of Incorporation of the Association, by the Declaration, or by these Bylaws, these Bylaws may be amended, altered,

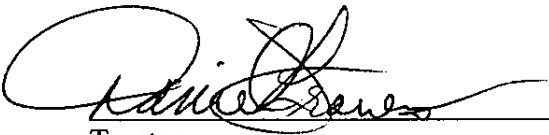
or repealed and new bylaws may be made and adopted by the Members holding at least sixty-six percent (66%) of the majority of the total votes in the Association consenting and agreeing to such amendment by an instrument or instruments duly recorded in the offices of the County Recorder for Salt Lake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

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

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


Trustee


Trustee


Trustee