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AFTER RECORDING PLEASE RETURN TO:

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PRESIDENTIAL CLUB

A Utah Condominium Project

AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM

AND BY LAWS

MILLER'S WILLOWCREEK DEVELOPMENT, L.C.

A Utah Limited Liability Company

DEVELOPER

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**AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM FOR PRESIDENTIAL CLUB,
A UTAH CONDOMINIUM PROJECT**

THIS Amended and Restated Declaration of Condominium, dated for reference September 20, 2001 is executed by MILLER'S WILLOW CREEK DEVELOPMENT, L.C., a Utah limited liability company, whose principal address is 4625 South 2300 East, Salt Lake City, Utah 84117 (hereinafter referred to as the "Declarant").

RECITALS:

A. The Declaration of Condominium of Presidential Club was recorded in the Office of the County Recorder of Salt Lake County, Utah on February 6, 2001 as Entry No. 7814779 in Book 8422 at Page 465 of the Official Records (the "Original Declaration").

B. This Declaration of Condominiums affects that certain real property located in Salt Lake County, Utah described with particularity in Article II below (hereinafter referred to as the "Tract").

C. Declarant is the owner of the Tract.

D. Declarant has constructed or is in the process of constructing upon the Tract into a residential condominium project which shall include certain Units, Limited Common Area, Common Area, and other improvements. The construction will be completed in accordance with the plans contained in the Record of Survey Map to be recorded concurrently herewith.

E. Declarant intends to sell to various purchasers the fee title to the individual Units contained in the Tract, together with an appurtenant undivided ownership interest in the Common Area and a corresponding membership interest in the Association of Unit Owners, subject to the Record of Survey Map, and the covenants, conditions and restrictions set forth herein.

F. Declarant desires, by filing this Declaration of Condominium and Record of Survey Map, to submit the property and all improvements now or hereafter constructed thereon to the provisions of the Utah Condominium Ownership Act, U.C.A., Sections 57-8-1 et seq. (1963) as amended and supplemented (the "Act").

G. The Project is to be known as "PRESIDENTIAL CLUB."

I. The Declarant desires to amend and restate the Original Declaration.

NOW, THEREFORE, for the reasons recited above and subject to the covenants, conditions and restrictions set forth below, Declarant hereby makes the following Declaration:

I. DEFINITIONS

When used in this Declaration (including in that portion hereof entitled "Recitals"), each of the following terms shall have the meaning indicated.

1. Additional Charges shall mean and refer cumulatively to all collection and administrative costs, including but not limited to all fines, attorney's fees, late charges, default interest, service fees, filing fees, recordation fees, and other expenditures incurred or charged by the Association.

2. Area of Common Responsibility shall mean and refer to the Common Area, together with those areas, if any, which the Association does not own but which by the terms of this Declaration, any Supplemental Declaration, or other applicable covenants, or by contract become the responsibility of the Association.

3. Area of Personal Responsibility shall mean and refer to the Unit, together with those areas, if any, which the Unit Owner does not own but which by the terms of this Declaration, any Supplemental Declaration, or other applicable covenants, or by contract become the responsibility of the Unit Owner.

4. Articles of Incorporation shall mean and refer to the Articles of Incorporation of the PRESIDENTIAL CLUB HOMEOWNERS ASSOCIATION, INC. on file or to be filed with the Utah Department of Commerce.

5. Assessment shall mean and refer to any amount imposed upon, assessed or charged a Unit Owner or Resident at the Project.

6. Association shall mean and refer to all of the Unit Owners of the PRESIDENTIAL CLUB HOMEOWNERS ASSOCIATION, INC. taken as or acting as, a group.

7. Benefit Assessment shall mean and refer to an Assessment levied against a particular Unit or Units for expenses incurred or to be incurred by the Association in accordance with this Declaration

8. Board of Trustees shall mean and refer to the Management Committee, the body responsible for establishing the operational and corporate policies of the Association and for overseeing their implementation and enforcement. The members of the Board shall be selected as provided in the By-Laws.

9. Building shall mean and refer to any of the structures existing or constructed in the Project.

10. Business Use and Trade shall mean and refer to any occupation, work, or activity

undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: a) such activity is engaged in full or part-time; b) such activity is intended to or does generate a profit; or c) a license is required therefor.

11. By Laws shall mean and refer to the bylaws of the Association, a copy of which is attached to and incorporated in this Declaration by reference as Exhibit "C".

12. Capital Improvement shall mean and refer to all nonrecurring expenses (as opposed to day-to-day expenses) to repair, maintain or replace significant fixed assets in the Project (e.g. roofs, sidewalks, parking and recreational amenities, entry monument, street, building exteriors, etc.) intended to restore, enhance, improve or ameliorate the utility, value or beauty of the Common Areas or Facilities.

13. Capital Improvement Expenses shall mean and refer to all expenses related to the design, purchase, installation, construction, maintenance, repair or replacement of a Capital Improvement.

14. Committee shall mean and refer to the Management Committee, unless the context clearly requires otherwise.

15. Common Areas shall mean and refer to all real property in the Project owned in common by the Unit Owners including but not limited to the following items:

a) The real property and interests in real property submitted hereby, including the entirety of the Tract and all improvements constructed thereon, excluding the individual Units.

b) All Common Areas and Facilities designated as such in the Survey Map or Maps;

c) All Limited Common Areas designated as such in the Survey Map or Maps;

d) All utility installations and all equipment connected with or in any way related to the furnishing of utilities to the Project and intended for the common use of all Unit Owners, such as telephone, electricity, gas, water, cable tv and sewer;

e) The Project's outdoor grounds, lighting, perimeter and screening fences, landscaping, sidewalks, parking amenities, street and recreational or leisure amenities;

f) All portions of the Project not specifically included within the individual Units;

g) All other parts of the Project normally in common use or necessary or

convenient to the use, existence, maintenance, safety, operation or management of the Property owned by the Association for the common benefit of its Members; and

h) The easement and right-of-way for utilities and ingress and egress over, across, under and through Parcel 2 to Parcel 1, the legal descriptions for which are set forth on Appendix "A" attached hereto and incorporated herein by this reference.

16. Common Expense shall mean and refer to: (a) All sums lawfully assessed against the Owners; (b) Expenses of administration, maintenance, repair or replacement of the Project; (c) Expenses allocated by the Association among the Owners; (d) Expenses agreed upon as common expenses by the Association; and (e) Expenses declared common expenses by the Declaration.

17. Community shall mean and refer to the Project.

18. Community Wide Standard shall mean and refer to the standard of conduct, maintenance, or other activity generally prevailing in the Community, as determined by the Management Committee from time to time.

19. Convertible Space shall mean and refer to that Convertible Space defined in Article III, Section 44 below that may later be converted into one or more Limited Common Areas.

20. Convertible Space Effective Date shall mean and refer to the date the Amended and Restated Declaration is recorded in the Office of the County Recorder of Salt Lake County, Utah.

21. Declaration shall mean and refer to this Declaration of Condominium for PRESIDENTIAL CLUB, a Utah Condominium Project.

22. Declarant's Parking Spaces shall mean and refer to the Limited Common Area described on the Record of Survey Map and Exhibit "D", attached hereto and incorporated herein by this reference, as "Contractible Land" and reserved for the exclusive use of the Declarant or its assignees.

23. Eligible Insurer shall mean and refer to an insurer or governmental guarantor of a mortgage or trust deed who has requested notice in writing of certain matters from the Association in accordance with this Declaration.

24. Eligible Mortgagee shall mean and refer to a mortgagee, beneficiary under a trust deed, or lender who has requested notice in writing of certain matters from the Association in accordance with this Declaration.

25. Eligible Votes shall mean and refer to those votes available to be cast on any issue before the Association or the Committee. A vote which is for any reason suspended is not an "eligible vote".

26. Family shall mean and refer to (1) a single person, (2) a group of natural persons related to each other by blood or legally related to each other by marriage or adoption, or (3) a group of not more than four unrelated persons who maintain a common household.

27. Guest shall mean and refer to an invitee, temporary visitor or any person whose presence within the Project is approved by or is at the request of a particular Resident.

28. Improvement shall mean and refer to every structure and all appurtenances thereto of every type and kind, including but not limited to, buildings, mailboxes, aerials, antennas, satellite dishes, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreak, planting, planted trees and shrubs, poles, signs, exterior air conditioning, water softener fixtures or equipment, pumps, wells, tanks, reservoirs, pipes, lines, meters, towers, and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

29. Land shall mean and refer to all of the real property subject to this Declaration.

30. Limited Common Areas shall mean and refer to those Common Areas designated in this Declaration or in the Record of Survey Map as reserved for the use of a certain Unit Owner to the exclusion of the other Unit Owners. Any doorsteps, landings, porches, decks, patios, balconies, assigned parking space, storage lockers, or other improvements intended to serve only a single Unit, shall constitute Limited Common Area appertaining to that Unit exclusively, whether or not the designation is made on the Survey Map or Maps as amended from time to time, the Declaration as amended from time to time, or in deeds or other documents of conveyance from the Declarant.

31. Majority shall mean and refer to those eligible votes of Owners or other groups as the context may indicate totaling more than fifty (50%) percent of the total eligible number.

32. Management Committee shall mean and refer to the committee of Owners elected to direct the affairs of the Association.

33. Manager shall mean and refer to the person or entity appointed or hired by the Association to manage and operate the Project and/or assist in the administration of the Association.

34. Map shall mean and refer to the Record of Survey Map on file in the office of the County Recorder of Salt Lake County, State of Utah.

35. Member shall mean and refer to each Unit Owner, unless the context clearly requires otherwise.

36. Mortgage shall mean and refer to both a first mortgage or first deed of trust on any Unit, but shall not mean or refer to an executory contract of sale.

37. Mortgagee shall mean and refer to a mortgagee under a first mortgage or a beneficiary under a first deed of trust on any Unit, but shall not mean or refer to a seller under an executory contract of sale.

38. Owner shall mean and refer to the person who is the owner of record (in the office of the County Recorder of the county in which the Property is located) of a fee or an undivided fee interest in a Unit, excluding a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

39. Par Value shall mean the number of dollars or points assigned to each Unit by the Declarant in Exhibit "B" attached in consideration of size, location, view, amenities and characteristics. Substantially identical Units may be assigned the same par value. The statement of value may not be considered to reflect or control the sales prices or fair market value of any unit, and no opinion, appraisal, or fair market transaction at a different figure may affect the par value of any Unit, or any undivided interest in the Common Areas and Facilities, voting rights in the Association, liability for Common Expenses, or the rights to Common Profits, assigned on the basis thereof.

40. Period of Declarant's Control shall mean and refer to a period of time commencing on the date this Declaration is recorded and terminating at such time as the earlier of the following events occurs: (a) four (4) months after seventy five percent (75%) of the Units have been sold; or (b) seven (7) years from the effective date of this Declaration; or (c) when in its sole discretion Declarant so determines.

41. Permanent Resident shall mean and refer to anyone who resides in the Project for more than four (4) consecutive weeks or for more than eight (8) weeks in any calendar year.

42. Person shall mean and refer to a natural person, corporation, partnership, trust, limited liability company, or other legal entity.

43. Project shall mean and refer to the PRESIDENTIAL CLUB.

44. Project Documents shall mean and refer to the Declaration, By-Laws, Rules and Regulations, and Articles of Incorporation.

45. Property shall mean and refer to all of the land or real estate, improvements and appurtenances submitted to the Act and this Declaration.

46. Record of Survey Map shall mean and refer to the "Record of Survey Map or Maps of PRESIDENTIAL CLUB on file in the office of the County Recorder of Salt Lake County, as amended or supplemented from time to time.

47. Recreational, Oversized or Commercial Vehicle shall mean and refer to any recre-

ational, commercial or oversized vehicle, motor home, commercial vehicle, tractor, golf cart, mobile home or trailer (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, or any other recreational or commercial transportation device of any kind.

48. Reduced Common Areas shall mean and refer to those Common Areas and Facilities as reduced by the conversion of Convertible Space to one or more Limited Common Area as permitted by Article III, Section 44 below.

49. Resident shall mean and refer to any person living or staying at the Project. This includes but is not limited to all lessees, tenants and the family members, agents, representatives, or employees of Owners, tenants or lessees.

50. Single shall mean and refer to one person, group or unit, such as a *single* family unit.

51. Single Family Residence shall mean and refer to both the architectural style of a Unit and the nature of the residential use or activities permitted therein.

52. Size shall mean and refer to the square footage of a Unit, rounded to the nearest whole number ending in zero. Size shall be computed and determined on the basis of dimensions shown on the Survey Map or Maps. So long as the measurement substantially complies with the provisions of this section and is not arbitrary, the Association's determination of Size shall be conclusive.

53. Supplemental Map or Maps shall mean and refer to the document of that name to be recorded as provided by Article III, Section 44 below to convert Convertible Space to one or more Limited Common Areas as permitted thereunder

54. Survey Map shall mean and refer to the Record of Survey Map on file in the office of the County Recorder of Salt Lake County.

55. Unit shall mean and refer to a separate physical part of the Property intended for independent use, including one or more rooms or spaces located in one or more floors or part or parts of floors in a building. Mechanical equipment and appurtenances located within any one Unit, or located without said Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors, furnace room, furnaces, water heaters, apparatus, systems or equipment, fixtures and the like, shall be considered part of the Unit; so shall all decorated surfaces of interior walls, floors and ceilings, including but not limited to all paint, wallpaper, wall coverings, windows and window frames, doors and door frames, trim, carpeting, tile and linoleum. All pipes, wires, conduits, or other utility lines or installations constituting a part of the Unit or serving only the Unit, and any structural members, parts, components or any other property of any kind, including fixtures or appliances within any Unit, which are removable without jeopardizing the integrity, soundness, safety or usefulness of the remainder of the Building within which the Unit is located shall be deemed to be part of the Unit.

56. Unit Number shall mean and refer to the number, letter or combination thereof designating a particular Unit.

II. SUBMISSION

The Land described with particularity on Exhibit "A" attached hereto and incorporated herein by this reference is hereby submitted to the Act.

The Land is hereby made subject to, and shall be governed by the Act, and the covenants, conditions and restrictions set forth herein.

The Land is SUBJECT TO the described easements and rights of way.

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real property.

ALL OF THE FOREGOING IS SUBJECT TO: All liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all Patent reservation and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described Tract or any portion thereof, including, without limitation, any mortgage or deed of trust; all visible and necessary easements and rights-of-way; all easements and rights-of-way of record; any easements, rights of-way, encroachments, or discrepancies shown on or revealed by the Survey Maps or otherwise existing; an easement for each and every common area improvement, equipment, pipes, lines, cables, wires, utility systems, or similar facilities which traverse or partially occupy the above-described Tract; and all easements necessary for servicing, repairing, ingress to, egress from, maintenance of, and replacement of all such common area improvements, equipment, pipes, lines, cables, wires, utility systems, and similar facilities.

III. COVENANTS, CONDITIONS, AND RESTRICTIONS

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

1. Description of Improvements. The significant improvements contained in the Project include: One Building and seventy-five (75) one, two and three bedroom Units. The Building will consist of seven (7) stories. There is no basement. There will be an underground parking and storage garage. The Units will be constructed principally of concrete foundations with exterior walls of stucco and metal, flat roofing, interior walls of wood and/or metal studs, plywood and dry wall plaster. One bedroom Units will be assigned one parking space and the two and three bedroom Units will be assigned two parking spaces. The Common Area and Facilities will include

a clubhouse, jacuzzi, exercise room, salon, multi-purpose room, open parking areas, green space, landscaping, utility systems, exterior lighting, road(s), sidewalk(s), walkway(s), halls, corridors, lobby and entry. The Project will also contain other improvements of a less significant nature. The location and configuration of the improvements referred to in the foregoing sentence are depicted on the Survey Map.

2. Description and Legal Status of the Property. The Map shows the Unit Number of each Unit, its location, those Limited Common Areas and Facilities which are reserved for its use, and the Common Areas and Facilities to which it has immediate access. All Units shall be capable of being independently owned, encumbered and conveyed; and shall have an appurtenant undivided percentage of ownership interest in the Common Areas and Facilities.

3. Membership in the Association. Membership in the Association is mandatory. Each Unit Owner by virtue of his accepting a deed or other document of conveyance to the property is deemed to be a member of the Association. Membership in the Association may not be partitioned from the ownership of a Unit.

4. Limited Common Areas. Limited Common Areas are also Common Areas. Limited Common Area may not be partitioned from the Unit to which it is appurtenant. The exclusive use of Limited Common Area is reserved to the Unit to which it is assigned on the Survey Map or Maps, as amended from time to time, the Declarant, as amended from time to time, or in deeds or other documents of conveyance from the Declarant.

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

All of UNIT NO.____ contained within PRESIDENTIAL CLUB, a Utah condominium project, as the same is identified in the Record of Survey Map recorded in Salt Lake County, Utah as Entry No. _____ in Book____ at Page ____ of the official records of the County Recorder of Salt Lake County, Utah (as said Record of Survey Map may have heretofore been amended or supplemented) and in the Declaration of Condominium of PRESIDENTIAL CLUB, recorded in Salt Lake County, Utah as Entry No.____ in Book_ __ at Page _____of the official records of the County Recorder of Salt Lake County, Utah (as said Declaration may have heretofore been supplemented), together with an undivided percentage of ownership interest in the common areas and facilities.

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

and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

6. Ownership and Use. Each Owner shall be entitled to the exclusive ownership and possession of his Unit, to an undivided percentage of ownership interest in the Common Areas, and to membership in the Association as set forth herein and subject to the following:

a) Nature and Restrictions on Ownership and Use in General. Each Owner shall have and enjoy the privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own a Unit, it being intended that they may and shall be owned as any other property rights by persons. The Common Areas shall only be used in a manner consistent with the residential nature of the Project.

b) Title to the Common Area. Each Unit Owner shall be entitled to a percentage of undivided ownership interest in and to the Common Areas and Facilities, free and clear of all liens (other than current years taxes, if any) prior to the Declarant's first conveyance of a Unit.

c) Mandatory Association. Each purchaser of a Unit shall automatically become a member of the Association.

d) Member's Easements and Rights of Way. Every Member of the Association shall as an Owner have the right and non-exclusive easement and right-of-way to enjoy the Common Areas and Facilities, including without limitation the utility easement and right-of-way for ingress and egress across, over, under and through Parcel 2 to Parcel 1 (described with particularity on Appendix "A"), which shall be appurtenant to and shall pass with the title to every Unit, subject to the following restrictions:

(1) The right of the Association to limit the number of guests, and to adopt administrative rules and regulations from time to time governing the use and enjoyment of the Common Area; and

(2) The right of the Association to suspend the voting rights and the privilege to use the playground area or equipment, or picnic sites by a member for: (a) any period during which his Assessment remains delinquent, and (b) a period not to exceed thirty (30) days after notice and hearing as may be set forth hereinafter for any infraction of the Association rules.

e) Rules and Regulations. The Association, acting through its Management Committee, shall have the power and authority to adopt administrative or house rules and regulations, which shall be binding upon all Owners and Residents, their guests and invitees.

f) Restrictions and Limitations of Use. The use of the Units is subject to the following guidelines, limitations and restrictions:

(1) Parties Bound. All provisions of the Declaration, By-Laws, Rules and Regulations shall be binding upon all Owners and Residents, their families, guests and invitees.

(2) Nuisance. It shall be the responsibility of each Owner and Resident to prevent the creation or maintenance of a nuisance in, on or about the Project. The term "nuisance" includes but is not limited to the following:

a. The development of any unclean, unhealthy, unsightly, or unkempt condition on, in or about his Unit or the Common Areas;

b. The storage of any item, property or thing that causes any Unit or the Common Area to appear to be in an unclean or untidy condition or that will be noxious to the senses;

c. The storage of any substance, thing or material upon any Unit or in the Common Areas that emits any foul, unpleasant or noxious odors, or that causes any noise or other condition that disturbs or might disturb the peace, quiet, safety, comfort, or serenity of the other residents at the Project;

d. The creation or maintenance of any noxious or offensive condition or activity in or about any Unit or the Common Areas;

e. Actions or activities tending to cause embarrassment, discomfort, annoyance, distress or a disturbance to any other residents, their guests or invitees, particularly if the police or sheriff must be called to restore order;

f. Maintaining any plants, animals, devices or items, instruments, equipment, machinery, fixtures, or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community by other residents, their guests or invitees;

g. Creating or allowing an unreasonable amount of noise or traffic in, on or about any Unit or the Common Area, especially after 10:00 p.m. and before 8:00 a.m.; and

h. Violations of U.C.A., Section 78-38-9 (1999) as it may be amended or supplemented from time to time.

(3) Signs. No signs or banners are permitted in the Common Area or in a Unit so as to be visible from the street, unless authorized in writing by the Management Committee; provided, however, one "For Sale" or "For Rent" sign, approximately 2' x 2', will be allowed in the window of a Unit.

(4) Removing Garbage, Dust and Debris. All rubbish, trash, refuse, waste, dust, debris and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate thereon.

(5) Subdivision of a Unit. No Unit shall be subdivided or partitioned.

(6) Firearms, Incendiary Devices and Graffiti. The use of firearms and incendiary devices, or the painting or graffiti, within the Project is prohibited. The term firearms includes but is not limited to all guns, pistols, handguns, rifles, automatic weapons, semi-automatic weapons, BB guns, pellet guns, sling shots, wrist-rockets, blow-dart guns, and other firearms of all types, regardless of size.

(7) Temporary Structures. No Owner or occupant shall place upon any part of the Project any temporary structures including but not limited to tents, trailers, or sheds, without the prior written consent of the Committee.

(8) Trees, Shrubs and Bushes; Maintenance of Proper Sight Distance at Intersections. All property located at or near driveways, entrances, exits, walkways, paths and street intersections or corners shall be landscaped so as to remove any obstructions and to permit safe sight. No fence, wall, hedge, shrub, bush, tree or monument, real or artificial, shall be planted or placed by any Owner or occupant in, on or about the Common Areas without the prior written consent of the Committee. The Management Committee may alter or remove any objects planted or placed in violation of this subsection and shall not be guilty of a trespass.

(9) Energy Conservation Equipment. No solar energy collector panels, other energy conservation equipment or attendant hardware shall be constructed or installed on the Project without the prior written consent of the Committee.

(10) Business Use. No commercial trade or business may be conducted in or from any Unit unless: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence; (b) the business activity conforms to all zoning requirements for the Project; (c) the business activity does not involve persons coming onto the Project who do not reside in the Project or door-to-door solicitation of residents of the Project; and (d) the business activity is consistent with the residential character of the Project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Project, as may be determined in the sole discretion of the Committee. Notwithstanding the above, the leasing of a residence shall not be considered a trade or business within the meaning of this sub-Section.

(11) Storage and Parking of Vehicles. The driving, parking, standing and storing of motor vehicles in, on or about the Project shall be subject to the following:

- a. The parking rules and regulations adopted by the Committee

from time to time;

b. Recreational, Commercial or Oversized motor vehicles may only be parked in designated areas, except for purposes of loading and unloading.

c. No motor vehicle or trailer, including but not limited to any car, automobile, truck, van, Recreational, Commercial or Oversized Vehicle or any other transportation device of any kind may be parked or stationed (except for purposes of loading or unloading), in such a manner so as to create an obstacle or potentially dangerous situation, in the Project or in front of any door, parking stall, driving lane, walkway, Building or Unit, or in an unauthorized Common Areas.

d. Residents may only park their motor vehicles within their assigned parking spaces without the express prior written consent of the Management Committee..

e. Residents may not park their motor vehicles in such a manner so as to impede or bar access by emergency vehicles, including without limitation all "RED ZONES," "FIRE LANES," or other, similar unauthorized areas.

f. Visitors or guests shall park their motor vehicles in that portion of the Common Areas designated for "guest" or "visitor" parking. Owners and residents shall not park in areas marked or designated as "guest" or "visitor" parking areas.

g. Without the prior express written consent of the Management Committee, no Owners or Residents may disassemble, assemble, repair or restore any vehicle of any kind in, on or about any Unit or the Common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.

I. No motor vehicle shall be parked in such a manner as to inhibit or block access to a handicapped parking stall, parking space, door, entrance, exit, driving lane or Unit.

j. Vehicles which are either (1) disabled or inoperable or (2) not currently licensed or registered and (3) which create an eyesore in the unanimous opinion of the members of the Management Committee may not be stored in any parking space.

k. No parking space may be enclosed.

l. Only storage lockers approved by the Management Committee in writing shall be permitted.

m. Parking spaces may be marked "RESERVED" or "AUTOMATIC TOW" by the Management Committee.

n. Vehicles parked in violation of this Declaration or parking Rules and Regulations adopted by the Committee may be immobilized, impounded and towed WITHOUT ADDITIONAL NOTICE and at the Owner's sole expense. By virtue of bring a motor vehicle on to the Property, the driver agrees to indemnify, save and hold the Association, Management Committee and members of the Committee harmless from any loss, damage or claim caused by or arising out of the immobilization, impounding or towing of a motor vehicle pursuant hereto.

(12) Bicycles. Bicycles in the Common Areas must be parked or stored in the bicycle racks or storage areas designated by the Management Committee.

(13) Aerials, Antennas, and Satellite Systems. Antennas and Satellite Dishes: Antennas and satellite dishes shall be prohibited within the Property, except (a) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (b) antennas or satellite dishes designed to receive video programming services via multipoint distribution services which are one meter or less in diameter or diagonal measurement; or © antennas or satellite dishes designed to receive television broadcast signals ("Permitted Devices") shall be permitted, provided that any such Permitted Device is: (1) located in the attic, crawl space, or other interior spaces of the Unit, or another location approved by the Management Committee; or (2) attached to or mounted on the patio, balcony or deck (the Limited Common Area) and extending no higher than the eaves of that portion of the roof of the dwelling directly in front of such antenna. The Management Committee may adopt rules establishing a preferred hierarchy of alternative locations and requiring screening of all Permitted Devices, so long as such rules do not unreasonably increase the cost of installation, maintenance, or use of the Permitted Device. Anything to the contrary notwithstanding, it is the intent of this document to at all times comply with the applicable federal, state and local laws, and regulations adopted by the FCC -- as they may be amended from time to time. DO NOT INSTALL A SATELLITE DISH ON THE ROOF OR OUTSIDE YOUR UNIT OR LIMITED COMMON AREA WITHOUT THE PRIOR, EXPRESS WRITTEN CONSENT OF THE MANAGEMENT COMMITTEE. Satellite dishes installed by an Owner or resident in violation of this section may be removed by the Management Committee without further notice or warning and at the owner's sole risk and expense.

(14) Window Coverings. No-aluminum foil, newspapers, reflective film coatings, sheets, bedspreads, or any other similar materials may be used to cover the exterior windows of any residential structure on a Unit. Only those sun shades approved in writing by the Management Committee as to color, style, quality of construction and uniformity of appearance will be allowed on the exterior of the Building.

(15) Windows. All windows and window panes in the Project shall be harmonious, and comparable in size, design and quality so as not to detract from uniformity in appearance and quality of construction.

(16) Pets. No pets, animals, livestock or poultry of any kind shall be bred

in, on or about the Project. Up to two (2) domestic pets per unit are allowed; provided, however, pets must be properly licensed and registered (if required) with the appropriate governmental agencies, owners may be required to pay a pet deposit to the Management Committee, obtain a certificate of registration from the Association, and abide by all local ordinances and pet rules and regulations adopted from time to time. Pets may not create a nuisance. The following acts may constitute a nuisance: (1) causing damage to the property of anyone other than the pet owner; (2) causing unreasonable fouling of the air by odors; (3) causing unsanitary conditions; (4) defecating on any common area when the feces are not immediately cleaned up by the responsible party; (5) barking, howling, whining or making other disturbing noises in an excessive, continuous or untimely fashion; (6) molesting or harassing passersby by lunging at at them or chasing passing vehicles; (7) attacking or threatening to attack people or other domestic animals; (8) otherwise acting so as to bother, annoy or disturb other reasonable residents or interfering with their right to the peaceful and quiet enjoyment of their property; or (9) the mere number of pets maintained creates an offensive or dangerous condition to the health, welfare or safety of other residents. Pets in the Common Area must be in a cage or on a leash and under the control of a responsible person.

(17) Wildlife. Capturing, trapping or killing wildlife within the Property is prohibited, except (1) in circumstances posing an imminent threat to the safety of persons or pets using the Property; (2) when authorized and supervised by the Management Committee in accordance with a game management program and with the consent of the Declarant as long as it owns any Property which it owns.

(18) Vegetation. Activities which materially disturb or destroy the vegetation, wildlife, or air quality within the Property or which result in unreasonable levels of sound or light pollution are prohibited.

(19) Lubricants, Oil and Gas. Disposal of any oil, gas, or lubricants, and the storage or disposal of other hazardous materials (as may be determined in the Management Committee's reasonable discretion and as defined by applicable law) anywhere within the Property is prohibited.

(20) Electronic Transmitters. No electronic or radio transmitter of any kind, other than garage door openers, shall be located or operated in or on the Property without the prior consent of the Management Committee.

(21) Dust or Pollen. Behavior which causes erosion or unreasonable amounts of dust or pollen is prohibited.

(22) Insurance. Nothing shall be done, including without limitation the submission of claims caused, in whole or in part, by the claimant or which occurred within the claimant's Unit, to the Association's insurance carrier under its insurance policies, or kept in, on or about any Unit or in the Common Areas or Limited Common Areas which may result in the cancellation of the insurance on the Property or an increase in the rate of the insurance on the

Property, over what the Management Committee, but for such activity, would pay.

(23) Laws. Nothing shall be done or kept in, on or about any Unit or Common Areas, or any part thereof, which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

(24) Damage or Waste. No damage to, or waste of, the Common Areas or Limited common Areas shall be committed by any Owner or Resident, their guests or invitees; and each Owner and Resident shall indemnify and hold the Management Committee and the other Owners in the Project harmless against all loss resulting from any such damage or waste caused by that Owner or Resident, their guests or invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee or any other Owner.

(25) Structural Alterations. Except in the case of an emergency repair, no structural alterations, plumbing, electrical or similar work within the Common Areas or Limited Common Areas shall be done or permitted by any Owner without the prior express written consent of the Management Committee. Structural alterations within the footprint of the Building or Roof as shown on the Survey Map may be authorized by the unanimous consent of the Management Committee (and governmental agency responsible for the issuing of all building permits, licenses, etc.) and the additional approval of the other Unit Owners shall not be required.

(26) Patios and Balconies. Owners and residents shall keep their patios, decks and balconies clean, tidy and neat, so as not to detract from the general appearance of the Project. One set of standard patio furniture (e.g., a table and chairs) is permitted.

(27) Hallway and Door Decorations, Name Signs, Welcome Signs, Knockers, and Wreaths. All Hallway and door decorations must be approved by the Management Committee in writing.

g) Declarant's Parking Spaces. Declarant may license, assign, transfer, convey or assign Declarant's Parking Spaces without any additional approval required, provided each such space is appurtenant to a Unit.

7. Leases. There is no restriction on the right of any Owner to lease his Unit.

8. Easement -- Support, Maintenance and Repair. There is hereby RESERVED and the Association is hereby GRANTED a non-exclusive easement over, across, through, above and under the Units and the Common Area for the operation, maintenance and regulation of the Common Area and Facilities.

9. Liability of Owners and Residents For Damages. Each Owner or Resident shall be liable to the Association, or other Owners or Residents for damages to person or property in the Community caused by his negligence.

10. Encroachments. If any portion of Common Area, Limited Common Area, or a Unit encroaches or comes to encroach upon other Common Area, Limited Common Area, or a Unit as a result of construction, reconstruction, repair, shifting, settling, or movement, an easement for such encroachment is created hereby and shall exist so long as such encroachment exists.

11. Management Committee. The Association shall be managed by a Management Committee comprised of three (3) Unit Owners who shall be duly qualified and elected.

12. Status and General Authority of Committee. After the termination of the Period of Declarant's Control, any instrument executed by the Management Committee that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument. The Association shall, in connection with its exercise of any of the powers delineated below, constitute a legal entity capable of dealing in its Committee name. The Management Committee shall have, and is hereby granted, the following authority and powers:

a) To Enter. The right, power and authority to have access to each Unit: (1) from time to time during reasonable hours and after reasonable notice to the occupant of the Unit being entered, as may be necessary for the maintenance, repair or replacement of any of the Common Areas and Facilities; or (2) for making emergency repairs necessary to prevent damage to the Common Areas and Facilities or to another Unit or Units, provided that a reasonable effort is made to provide notice to the occupant of the Unit prior to entry.

b) Grant Easements. The authority, without the vote or consent of the Owners, Mortgagees, insurers or guarantors of any Mortgage, or of any other person, to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and non-exclusive easements over, under, across, and through the Common Areas for utilities, site for communications facilities, including, without limitation, radio and other storage structures and other improvements related thereto, roads, and other purposes reasonably necessary or useful for the proper maintenance, operation or regulation of the Project.

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

d) Standing. The power to sue and be sued.

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

f) Transfer Interests in Real Property. The power and authority to exchange,

convey or transfer any interest in real property, so long as it has been approved by at least seventy five percent (75%) of the Association Members.

g) To Purchase or Add Property. The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as it has been approved by at least seventy five percent (75%) of the Association Members.

h) Promulgate Rules. The authority to promulgate such reasonable administrative and house rules, guidelines, regulations, internal policies, and standard operating 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 Act and this Declaration.

i) Meetings. The authority to establish procedures for the conduct of its meetings, including but not limited to the power to decide what portion of the meeting shall be open or closed to Owners or Residents not on the Committee, to retire to executive session, to regulate record keeping, and to allow, control or prohibit the electronic reproduction (video or audio) of Committee meetings.

j) Delegation of Authority. The power and authority to delegate its responsibilities over the management and control of the Common Areas and regulation of the Project to a professional manager, reserving the right, power and authority, however, to control and oversee the administration thereof.

k) All other Acts. The power and authority to perform any and all other acts, and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions on behalf of the Owners.

13. Delegation of Management Responsibilities: The Management Committee may delegate some of its management responsibilities to either a professional management company, an experienced on-site manager, an independent contractor, through service contracts, or any combination thereof. The Manager may be an employee or an independent contractor. The termination provision of any such contract must not require a termination penalty or any advance notice of any more than sixty (60) days, and no such contract or agreement shall be for a term greater than one (1) year. The Management Committee may also employ general laborers, grounds crew, maintenance, bookkeeping, administrative and clerical personnel as necessary to perform its management responsibilities.

14. Owners Meetings. The Association shall meet at least annually.

15. Lists of Unit Owners, Eligible Mortgagees, and Eligible Insurers or Guarantors. The Committee shall maintain up-to-date records showing:

- a) the name of each person who is an Owner, the address of such person, and the Unit which is owned by him;
- b) the name and address of each Resident;
- c) the name of each person or entity who is an Eligible Mortgagee, the address of such person or entity, and the Unit which is encumbered by the Mortgage held by such person or entity; and
- d) the name of each person or entity who is an Eligible Insurer or Guarantor, the address of such person or entity, and the Unit which is encumbered by the Mortgage insured or guaranteed by such person or entity.

In the event of any transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the Committee with written evidence verifying that the transfer has occurred, that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Salt Lake County, Utah, and that the transferee has received a copy of the Declaration and By-Laws then in force. The Committee may for all purposes act and rely on the information concerning Unit ownership in its records or, at its option, the records of the county recorder. The address of any Owner shall be deemed to be the address of the Unit owned by such person unless the Committee is otherwise advised in writing.

16. Capital Improvements. All expenses for capital improvements shall be governed by and subject to the following conditions, limitations and restrictions:

- a) Committee Discretion/Expenditure Limit. Any capital improvement to the Project which costs ten percent (10%) or less of the Total Annual Budget, and does not alter the nature of the Project, may be authorized by the Management Committee alone (the "Capital Improvement Ceiling").
- b) Homeowner Approval/Expenditure Limit. Any capital improvement, the cost of which will exceed the Capital Improvement Ceiling, must, prior to the commencement of construction, be authorized by at least a majority of the percentage of undivided ownership interest in the Common Area.
- c) Homeowner Approval/Changing the Nature of the Project. Any capital improvement which would materially alter the nature of the Project must, regardless of its cost and prior to being constructed or accomplished, be authorized by at least sixty-seven (67%) percent of the undivided ownership interest in the Common Areas.

17. Operation, Maintenance and Alterations.

- a) General Obligations. Each Unit, the Limited Common Area and the Common

Area shall be maintained in a usable, clean, functional, attractive and good condition, consistent with Community Standards.

b) Landscaping. All landscaping in the Project shall be maintained and cared for in a manner consistent with the standards of design and quality originally established by Declarant and in accordance with Community Standards. Specific written guidelines, standards, controls, and restrictions on landscaping may be adopted or amended by the Committee from time to time. All landscaping shall be maintained in a neat and orderly condition. Any weeds or diseased or dead lawn, trees, ground cover or shrubbery shall be removed and replaced. All lawn areas shall be neatly mowed and trees, shrubs and bushes shall be neatly trimmed. All landscaping shall be tasteful and appropriate, so as not to affect adversely the value or use of any other Unit, or to detract from the uniform design and appearance of the Project.

c) Area of Common Responsibility. The Association shall maintain, repair and replace all of the Area of Common Responsibility which shall include but is not limited to the recreational amenities, clubhouse, jacuzzi, multi-purpose room, exercise room, salon, landscaping and green space, sprinkler system, entry, road(s), garage, roof, Building exteriors, foundations, columns, girders, beams, supports, main walls, halls, corridors, lobby, stairs, stairways, fire escapes, entrance(s) and, unless otherwise determined by the Management Committee, any Common Area item not included in the Area of Personal Responsibility. Owners shall be given at least thirty (30) days prior written notice of any changes in the Area of Common or Personal Responsibility. The Association shall repair and replace all Limited Common Area improvements.

d) Area of Personal Responsibility. Each Owner shall maintain his Limited Common Area and keep it clean. Each Owner shall repair and replace his Unit, utilities serving only his Unit, power, light, gas, hot and cold water, heating, refrigeration, air conditioning, swamp cooler, fixtures, windows, doors and patios. Each Unit Owner shall be responsible for keeping his Unit and Limited Common Area clean, attractive, safe, sanitary and functional so as not to detract from the health, safety or uniform appearance or design of the Project and in a manner consistent with Community Standards. Owners are responsible for all window and door replacements, which must be approved in advance by the Management Committee to insure uniformity of appearance and quality of construction.

e) Owner Neglect. If the Committee determines that any Owner has failed or refused to discharge properly his maintenance obligations or that the need for maintenance, repair, or replacement of the Common Area or Facilities is due to the willful or negligent act of any Owner, his family members, lessees, guests or invitees, and it is not covered or paid by insurance, either in whole or in part, then the Association may, but is not obligated to, provide such maintenance at the Owner's sole cost and expense. The Association and its contractors, maintenance personnel, agents, representatives and employees shall have the right to entry upon or into any Unit or Limited Common Area as necessary to perform such work and shall not be liable for trespass for such entry or work. Any such expense shall be deemed to be an Individual Assessment for such Unit and Owner. Except in an emergency situation, the Association shall give the Owner written notice of the

Association's intent to do work at Owner's cost and expense, which shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Committee. The Owner shall have ten (10) days after delivery of notice within which to complete the work, or if the work is not capable of completion within such time period, to commence the work. In an emergency, the Owner shall be given subsequent written notice of what work was done, when and by whom.

f) Declarant's Rights. The Declarant may make changes to the design and construction of the improvements located in or on the Common Areas without the consent of the Committee or Members of the Association. Provided, however, no Owner or Resident may make any structural alterations to the Common Area (including the Limited Common Area) without the prior written consent of the Committee.

18. Common Expenses. Each Owner shall pay his Assessments subject to and in accordance with the procedures set forth below.

a) Declarant. Anything to the contrary notwithstanding, the Declarant shall not be obligated to pay Assessments on any Units owned by it until such time as: (1) the conversion process is complete; (2) certificates of permanent occupancy are issued and the Units are sold or rented; or (3) Declarant elects in writing to pay the Assessments, whichever first occurs.

b) Purpose of Common Area Expenses. The Assessments provided for herein shall be used for the general purpose of operating the Project, promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and residents, including the maintenance of any real and personal property owned by the Association, and regulating the Community, all as may be more specifically authorized from time to time by the Committee.

c) Creation of Assessments. Since the Assessments shall pay for the common expenses of the Association, as shall be determined by the Management Committee from time to time, each Owner, by acceptance of a deed to a Unit, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association in a timely manner all Assessments assessed by the Committee.

d) Budget. At least thirty (30) days prior to the Annual Homeowners Meeting, the Management Committee shall prepare and deliver to the Owners a proposed Budget which:

(1) Itemization. Shall set forth an itemization of the anticipated Common Expenses for the twelve (12) month calendar year (including that portion earmarked for the reserve account(s)) commencing with the following January 1.

(2) Basis. Shall be based upon advance estimates of cash requirements by the Management Committee to provide for the payment of all estimated expenses growing out

of or connected with the maintenance and operation of the Common Areas and regulation of the Association, which estimate shall include but is not limited to expenses of management, grounds maintenance, taxes and special assessments, premiums for all insurance which the Committee is required or permitted to maintain, common lighting and heating, water charges, trash collection, sewer service charges, carpeting, painting, repairs and maintenance of the Common Areas and replacement of those elements of the Common Areas that must be replaced on a periodic basis, wages for Management Committee employees, legal and accounting fees, any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus or sinking fund, capital improvement reserve, and other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under and by reason of this Declaration. Until the Project is completed, and all Phases are added, this estimate may need to be adjusted periodically as each new Phase is completed.

e) Common Profits, Common Expenses and Voting Rights. The common profits of the Property shall be distributed among, the common expenses shall be charged to, and the voting rights shall be available to, the Unit Owners according to their respective percentage or fractional undivided interests in the common areas and facilities.

f) Approval of Budget and Assessments. The proposed Budget and the Assessments shall become effective unless disapproved at the Annual Meeting by a vote of at least a majority of the percentage of ownership interest in the Common Areas. Notwithstanding the foregoing, however, if the membership disapproves the proposed budget and Assessments or the Management Committee fails for any reason to establish the Budget and Assessments for the succeeding year, then and until such time as a new budget and new Assessment schedule shall have been established, the Budget and the Assessments in affect for the then current year shall continue for the succeeding year.

g) Payment of Assessments. The Management Committee has the sole authority and discretion to determine how and when the annual Assessments are paid.

h) Personal Obligation of Owner. Owners are liable to pay all Assessments assessed and Additional Charges; provided, however, no first mortgagee or beneficiary under a first deed of trust (but not the Seller under a uniform real estate contract, land sales contract, or other similar instrument), who obtains title to a Unit pursuant to the remedies provided in the mortgage or trust deed shall be liable for unpaid Assessments which accrued prior to the acquisition of title. For purposes of this Section, the term "Owner" shall mean and refer jointly and severally to: (1) the Owner of both the legal and equitable interest in any Unit; (2) the owner of record in the offices of the County Recorder of Salt Lake County, Utah; and (3) both the Buyer and Seller under any executory sales contract or other similar instrument.

i) Equitable Changes. If the aggregate of all monthly payments on all of the Units is too large or too small as a result of unanticipated income or expenses, the Committee may from time to time effect an equitable change in the amount of said payments, but, without the prior

approval of a majority of the percentage of ownership interest in the Common Area, not greater than fifteen (15%) percent of the Assessment in any calendar year. Owners shall be given at least thirty (30) days written notice of any changes.

j) Dates and Manner of Payments. The dates and manner of payment shall be determined by the Committee.

k) Reserve Account. The Committee shall establish and maintain a reserve account to pay for unexpected operating expenses and capital improvements.

l) Acceleration. Assessments shall be paid in the manner and on dates fixed by the Committee who may, at its option and in its sole discretion, elect to accelerate the entire annual Assessment for delinquent Owners. If, however, the Assessment is accelerated and an Owner subsequently files bankruptcy or the Committee otherwise decides acceleration is not in its best interest, the committee, at its option and in its sole discretion, may elect to decelerate the obligation.

m) Statement of Assessments Due. Upon written request, the Committee shall furnish to any Owner a statement of Assessments due, if any, on his Unit. Failure to provide the certificate within ten (10) days after a written request is received by the Secretary, shall be deemed conclusive evidence that all Assessments are paid current. The Association may require the advance payment of a processing charge not to exceed \$15.00 for the issuance of such certificate.

n) Superiority of Assessments. All Assessments and liens created to secure the obligation to pay Assessments are superior to any homestead exemptions to which an Owner may be entitled which insofar as it adversely affects the Association's lien for unpaid Assessments each Owner by accepting a deed or other document of conveyance to a Unit hereby waives.

o) Termination of Right to Use Amenities for Non-Payment. At the discretion of the Committee, the right to use any amenities in the Project, including but not limited to the recreational and leisure amenities may be terminated if the Owner is in arrears on his obligation to pay Assessments and has failed to cure or make satisfactory arrangements to cure the default after reasonable notice of at least ten (10) days.

p) Suspension of Right to Vote for Non-Payment. At the discretion of the Committee, the right of an Owner to vote on issues concerning the Association may be suspended if the Owner is delinquent in the payment of his Assessments, and has failed to cure or make satisfactory arrangements to cure the default after reasonable notice of at least ten (10) days.

19. Special Assessments. In addition to the other Assessments authorized herein, the Association may levy special assessments in any year, subject to the following:

a) Committee Based Assessment. So long as the special assessment does not exceed the sum of Two Hundred and 00/100ths Dollars (\$200.00) (the "Special Assessment Limit")

per Unit in any one fiscal year, the Committee may impose the special assessment without any additional approval.

b) Association Approval. Any special assessment which would exceed the Special Assessment Limit shall be effective only if approved by a majority of the members of the Association. The Committee in its discretion may allow any special assessment to be paid in installments.

20. Benefit Assessments. The Management Committee shall also have the power and authority to assess a Unit Owner in a particular area or on a particular floor for a particular benefit if the Unit Owner has the choice to accept or reject the benefit. The Benefit Assessment shall be assessed as follows:

(1) Benefit only To Specific Unit. If the expense benefits less than all of the Units, then those Units benefitted may be assessed, and the Benefit Assessment shall be equitably apportioned among those Units according to the benefit received.

(2) Unequal or Disproportionate Benefit. If the expense benefits all Units, but does not provide an equal benefit to all Units, then all Units shall be assessed, but the Benefit Assessment shall be equitably apportioned among all Units according to the benefit received.

Failure of the Committee to exercise its authority under this Section shall not be grounds for any action against the Association or the Committee and shall not constitute a waiver of the Committee's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Committee has not previously exercised its authority under this Section.

21. Individual Assessments. Individual Assessments shall be levied by the Committee against a Unit and its Owner to reimburse the Association for: (a) administrative costs and expenses incurred by the Committee in enforcing the Project Documents; (b) fines; (c) costs associated with the maintenance, repair or replacement of Common Area for which the Unit Owner is responsible; (d) any other charge, fee, due, expense, or cost designated as an Individual Assessment in the Project Documents or by the Management Committee; and (e) attorneys' fees, interest, and other charges relating thereto as provided in this Declaration. Provided, however, no fine shall be assessed until after the party to be fined has received written notice of the alleged violation and an opportunity to be heard by the Management Committee.

22. Collection of Assessments. The Owners must pay their Assessments in a timely manner. Payments are due in advance on the first of the month. Payments are late if received after the 10th day of the month in which they were due.

a) Lien. If any Unit Owner fails or refuses to make any payment of the Common Expenses when due, that amount constitutes a lien on the interest of the Unit Owner in the property, and upon the recording of a notice of lien upon the Unit Owner's interest in the property prior to all

other liens and encumbrances, recorded or unrecorded, except: (1) tax and special assessment liens on the Unit in favor of any assessing unit or special improvement district; and (2) 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.

b) Late Fees and Default Interest. A late fee of twenty-five dollars (\$25.00) or five percent (5%) of the delinquent amount, whichever is greater, shall be assessed on all tardy payments. Simple interest at the rate of one and one-half percent (1.5%) per month shall accrue on all delinquent accounts. The Committee may, in its sole discretion, waive late fees and accruing interest but is not required to do so.

c) Foreclosure of Lien and/or Collection Action. If the Assessments remain unpaid, the Association may, as determined by the Committee, institute suit to collect the amounts due and/or to foreclose the lien.

d) Personal Obligation. Each Owner, by acceptance of a deed or as a party to any other type of conveyance, vests in the Association or its agents the right and power to bring all actions against him personally for the collection of the charges as a debt or to foreclose the lien in the same manner as mechanics liens, mortgages, trust deeds or encumbrances may be foreclosed.

e) No Waiver. No Owner may waive or otherwise exempt himself or herself from liability for the Assessments provided for herein, including but not limited to the non-use of Common Areas or the abandonment of his Unit.

f) Duty to Pay Independent. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association or Committee to take some action or perform some function required to be taken or performed by the Association or committee under this Declaration or the By Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner.

g) Foreclosure of Lien as Mortgage or Trust Deed. The lien for nonpayment of Assessments may be enforced by sale or foreclosure of the Owner's interest therein by the Committee. The sale or foreclosure shall be conducted in the same manner as foreclosures in deeds of trust or mortgages or in any other manner permitted by law. In any foreclosure or sale, the Owner shall pay the costs and expenses of such proceedings, including but not limited to the cost of a foreclosure report, reasonable attorney's fees, and a reasonable rental for the Unit during the pendency of the foreclosure action. The Association in the foreclosure action may require the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Committee may bid for the Unit at foreclosure or other sale and hold, lease, mortgage, or convey the same.

h) Appointment of Trustee. If the Committee elects to foreclose the lien in the same manner as foreclosures in deeds of trust, then the Owner by accepting a deed to the Unit hereby irrevocably appoints the attorney of the Association, provided s/he is a member of the Utah State Bar, as Trustee, and hereby confers upon said Trustee the power of sale set forth with particularity in Utah Code Annotated, Section 57-1-23 (1953), as amended. In addition, Owner hereby transfers in trust to said Trustee all of his right, title and interest in and to the real property for the purpose of securing his performance of the obligations set forth herein.

i) Attorney-in-Fact. Each Owner by accepting a deed to a Unit hereby irrevocably appoints the Association as his attorney-in-fact to collect rent from any person renting his Unit, if the Unit is rented and Owner is delinquent in his Assessments. Rent due shall be paid directly to the Association, upon written demand, until such time as the Owner's Assessments are current; and the Owner shall credit the Renter, against rent due, for the amount of money paid to the Association.

23. Liability of Management Committee. The Association shall indemnify every officer and member of the Committee against any and all expenses, including but not limited to attorney's fees reasonably incurred by or imposed upon any officer or member of the Committee in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Committee) to which he may be a party by reason of being or having been an officer or member of the Committee. The officers and members of the Committee shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and members of the Committee shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or members of the Committee may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and member of the Committee free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall be exclusive of any other rights to which any officer or member of the Committee, or former officer or member of the Committee, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officer's and director's insurance coverage to fund this obligation, if such insurance is reasonably available.

24. Insurance. The Management Committee shall at all times purchase, maintain in force, and pay the premiums for, if reasonably available, insurance on the Common Areas satisfying at least the following requirements:

a) Property Insurance. Blanket property insurance using the standard "Special" or "All Risk" building form. Loss adjustment shall be based upon replacement cost. For purposes of this sub-section, the term "casualty insurance" shall not mean or refer to "earthquake" or other special risks not included in the standard planned residential development casualty policy. This additional coverage may be added by the Committee as it deems necessary in its best judgement and in its sole discretion.

b) Flood Insurance. If any part of the Project's improvements are in a Special Flood Hazard Area -- which is designated as A, AE, AH, AO, A1-30, A-99, V, VE, or V1-30 on a Flood Insurance Rate Map (FIRM) -- the Association shall obtain a "master" or "blanket" policy of flood insurance and provide for the premiums to be paid as a common expense. The policy should cover any common element buildings and any other common property. The Lot Owner may also be required to purchase an individual policy. The amount of flood insurance should be at least equal to the lesser of 100% of the insurable value of the facilities or the maximum coverage available under the appropriate National Flood Insurance Administration program.

c) Liability Insurance. A public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million (\$1,000,000) Dollar single person limit as respects bodily injury and property damage, a Two Million (\$2,000,000) Dollar limit per occurrence, if reasonably available, and a One Million (\$1,000,000) Dollar minimum property damage limit. If possible, the policy should be written on the comprehensive form and shall include non-owned and hired automobile liability protection.

d) Directors and Officers Insurance. A director's and officer's liability or errors and omissions policy, if reasonably available, with at least One Million (\$1,000,000) Dollars in coverage.

e) Fidelity Bond. A separate fidelity bond in a reasonable amount to be determined by the Management Committee to cover all non-compensated officers as well as all employees for theft of Association funds, subject to the following:

(1) Agents. Furthermore, where the Committee or the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such bonds are required for the management agent's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Committee or the Association.

(2) Amount of Coverage. The total amount of fidelity bond coverage required shall be based upon the Committee's best business judgement, but shall not be less than the estimated maximum amount of funds, including reserve funds, in the custody of the Committee, the Association, or the management agent as the case may be, at any given time during the term of each bond. Nevertheless, in no event may the amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all Lots, plus reserve funds.

(3) Quality of Coverage. The bonds required shall meet the following additional requirements: (a) they shall name the Committee, the Owners Association, and the Property Manager as obligee; (b) if the insurance contract or bond excludes coverage for damages caused by persons serving without compensation, and may use that exclusion as a defense or reason not to pay a claim, the insurance company shall, if possible, be required to waive that exclusion or defense; (c) the premiums on all bonds required herein for the Committee and the Association

(except for premiums on fidelity bonds maintained by a management agent for its officers, employees and agents) shall be paid by the Committee or the Association as part of the Common Expenses; and (d) the bonds shall provide that they may not be canceled or substantially modified, including cancellation for nonpayment of premium, without at least ten days' prior written notice to the Committee and the Association, to any Insurance Trustee, and to each service of loans on behalf of any Mortgagee, and FNMA.

f) Earthquake Insurance shall not be required unless requested by at least Seventy five percent (75%) of the Members of the Association.

g) Miscellaneous Items. The following provisions shall apply to all insurance coverage:

(1) Quality of Carrier. A "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Reports, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance reports -- International Edition, an "A" or better rating in Demotech's Hazard Insurance Financial Stability Ratings, a "BBBq" qualified solvency ratio or a "BBB" or better claims-paying ability rating in Standard and Poor's International Confidential Rating Service -- if the carrier is issuing a master policy or an insurance policy for the common elements in the Project.

(2) The Insured. The name of the insured under each policy required to be maintained hereby shall be set forth therein substantially as follows: "Association of Lot Owners of the PRESIDENTIAL CLUB, for the use and benefit of the individual Owners."

(3) Designated Representative. The Association may designate an authorized representative of the Association, including any Insurance Trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor to such Trustee, for the use and benefit of the individual Owners.

(4) Beneficiary. In any policy covering the entire Project, each owner and his Mortgagee, if any, shall be beneficiaries of the policy in an amount equal to the Owner's percentage of undivided Ownership interest in the Common Areas and Facilities.

(5) Certificate of Insurance. Evidence of insurance shall be issued to each Owner and Mortgagee upon request.

(6) Mortgage Provisions. Each policy shall contain a standard mortgage clause or its equivalent and shall provide that the policy may not be canceled or substantially modified without at least ten (10) days prior written notice to the Association and to each Mortgagee.

(7) Prohibited Provisions. Each insurance policy shall contain at least the following additional miscellaneous items: (a) A waiver of the right of a subrogation against Owners

individually; and (b) A provision that the insurance is not prejudiced by any act or neglect of any individual Owner.

(8) Prompt Repair. Each Owner further covenants and agrees that in the event of any partial loss, damage or destruction of his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction.

(9) Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed to repair promptly and reasonably the damages. Any proceeds remaining thereafter shall be placed in the Capital Improvement Reserve Account and retained by and for the benefit of the Association. This is a covenant for the benefit of the Association and any Mortgagee of a Lot, and may be enforced by them.

(10) Special Endorsements. Each policy shall also contain or provide those endorsements commonly purchased by other Associations in similarly situated first class subdivisions in the county, including but not limited to a guaranteed replacement cost endorsement under which the insurer agrees to replace the insurable property regardless of the cost and,; or a Replacement Cost Endorsement under which the insurer agrees to pay up to 100% of the property's insurable replacement cost, but no more, and, if the policy includes a coinsurance clause, an Agreed Amount Endorsement which waives the requirement for coinsurance; an Inflation Guard Endorsement when it can be obtained, a Building Ordinance or Law Endorsement, if the enforcement of any building, zoning or land-use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs, and increased costs of reconstruction; Steam Boiler and Machinery Coverage Endorsement if the Project has any central heating or cooling.

(11) Restrictions on Policies. No insurance policy shall be maintained where:

a. Individual Assessments Prohibited. Under the term of the carrier's charter, By-Laws, or policy, contributions may be required from, or assessments may be made against, an Owner, a borrower, a Mortgagee, the Management Committee, the Association, FNMA, or the designee of FNMA.

b. Payments Contingent. By the terms of the Declaration, By- Laws, or policy, payments are contingent upon action by the carrier's board of directors, policyholder, or member; or

c. Mortgagee Limitation Provisions. The policy includes any limited clauses (other than insurance conditions) which could prevent the party entitled (including, without limitation, the Committee, the Association, an Owner, FNMA, or the borrowers) from collecting insurance proceeds.

(12) Intent. The foregoing provisions shall not be construed to limit the power or authority of the Association, Committee or Owners to obtain and maintain insurance

coverage, in amounts and in such forms as the Management Committee or Association may deem appropriate from time to time.

h) Adjusting and Submission of Claims; Payment of the Deductible; and Primary Coverage. The Management Committee has the authority to adjust claims, including without limitation the power to decide NOT to submit a claim to its insurance carrier. The Management Committee may require, among other things, a formal notice of rejection of a claim or its equivalent from the insurance carrier of a unit owner or renter before submitting the claim to the Association's insurer. Each unit owner is liable for any damages, losses or claims to other units, unit owners and the common area arising out of or caused by his or her negligence. Neither the unit owner nor his or her insurance carrier shall act or fail to act in such a manner so as to risk either the cancellation of the Association's insurance policy or the increase in its insurance premium. If a claim is covered by any unit owner's or renter's policy AND the Association's policy of insurance, the insurance of the owner (or renter) is considered primary and the insurance of the Association is considered secondary. The deductible on the Association's property insurance coverage shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties the loss shall be allocated in relation to the amount each party's loss bears to the total.

25. Destruction, Condemnation, and Obsolescence. The following provisions shall apply with respect to the destruction, condemnation, or obsolescence of the Project.

a) Definitions. Each of the following terms shall have the meaning indicated:

(1) "Substantial Destruction" shall exist whenever, as a result of any damage or destruction to the Project or any part thereof, the excess of the estimated cost of restoration over the funds available is Twenty five percent (25%) percent or more of the estimated restored value of the Project.

(2) "Partial Destruction" shall mean any other damage or destruction to the Project or any part thereof.

(3) "Substantial Condemnation" shall exist whenever a complete taking of the Project or a taking of part of the Project has occurred under eminent domain or by grant or conveyance in lieu of condemnation, and the excess of the estimated cost of restoration over the funds available is Twenty five (25%) percent or more of the estimated restored value of the Project.

(4) "Partial Condemnation" shall mean any other such taking by eminent domain or grant or conveyance in lieu thereof.

(5) "Substantial Obsolescence" shall exist whenever the Project or any part thereof has reached such a state of obsolescence or disrepair that the excess of the estimated cost of

restoration over the funds available is Twenty five percent (25%) percent or more of the estimated restored value of the Project.

(6) "Partial Obsolescence" shall mean any state of obsolescence or disrepair which does not constitute Substantial Obsolescence.

(7) "Restored Value" shall mean the fair market value of the Project after Restoration as determined by an MAI or other qualified appraisal.

(8) "Estimated Cost of Restoration" shall mean the estimated costs of restoring the Project to its former condition.

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

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

c) Restoration of the Project. Restoration of the Project shall be undertaken by the Committee promptly without a vote of the Owners in the event of Partial Destruction, Partial Condemnation, or Partial Obsolescence and shall also be undertaken in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence unless the failure to make Restoration is consented to by Owners collectively holding at least sixty-seven percent of the Project's undivided Ownership interest and is further consented to by Eligible Mortgagees holding Mortgages on Units which have appurtenant at least fifty-one (51%) percent of the undivided ownership interest in the Common Areas and Facilities which is then subject to Mortgages held by Eligible Mortgagees.

d) Notices of Destruction or Obsolescence. Within thirty (30) days after the Committee has determined that Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence exists, it shall send to each Owner and Eligible Mortgagee a written description of the destruction, condemnation, or state of obsolescence involved, shall take appropriate steps to ascertain the preferences of the Eligible Mortgagees concerning Restoration, and shall, with or without a

meeting of the Owners (but in any event in accordance with the applicable provisions of this Declaration), take appropriate steps to determine the preferences of the Owners regarding Restoration.

e) Excess Insurance. In the event insurance proceeds, condemnation awards, or payments in lieu of condemnation actually received by the Committee or Association exceed the cost of Restoration when Restoration is undertaken, the excess shall be paid and distributed to the Owners in proportion to their respective undivided interests in the Common Areas. Payment to any Owner whose Unit is the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.

f) Inadequate Insurance. If the cost of Restoration exceeds Available Funds, the Management Committee may elect to make a special assessment in accordance with Article III, Section 21 above to pay for the deficiency.

g) Reallocation in Event of Partial Restoration. In the event that all or any portion of one or more Units will not be the subject of Restoration (even though the Project will continue as a condominium project) or is taken in a condemnation proceeding or pursuant to any agreement in lieu thereof, the undivided Ownership interest in the Common Areas and Facilities shall be immediately reallocated to the remaining Units.

h) Sale of Project. Unless Restoration is accomplished as set forth above, the Project shall be sold in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence. In the event of such sale, condominium Ownership under this Declaration and the Survey map shall terminate and the proceeds of sale and any Available Funds shall be distributed by the Committee to the Owners in proportion to their respective undivided interests in the Common Areas. Payment to any Owner whose Unit is then the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.

i) Authority of Committee to Represent Owners in Condemnation or to Restore or Sell. The Committee, as attorney-in-fact for each Owner, shall represent all of the Owners and the Association in any condemnation proceeding or in negotiations, settlements, and agreements with the condemning authority for the acquisition of all or any part of the Common Areas and Facilities.

j) Settlement Proceeds. The award in any condemnation proceeding and the proceeds of any settlement related thereto shall be payable to the Association for the use and benefit of the Owners and their mortgagees as their interests may appear.

k) Restoration Power. The Committee, as attorney-in-fact for each Owner, shall have and is hereby granted full power and authority to restore or to sell the Project and each Unit therein whenever Restoration or sale, as the case may be, is undertaken as hereinabove provided.

l) Right of Entry. Such authority shall include the right and power to enter into any contracts, deeds or other instruments which may be necessary or appropriate for Restoration or sale, as the case may be.

m) Termination of Legal Status. Any action to terminate the legal status of the Project after Substantial Destruction or Condemnation occurs shall be agreed to by Unit Owners who represent at least sixty-seven (67%) percent of the total allocated votes in the Association and by Eligible Mortgage holders who represent at least fifty-one (51%) percent of the votes of the Units that are subject to mortgages held by eligible holders.

The termination of the legal status of the Project for reasons other than Substantial Destruction or Condemnation of the property shall be agreed to by Eligible Mortgage holders that represent at least sixty-seven (67%) percent of the votes of the mortgaged Units. However, implied approval may be assumed when an Eligible Mortgage holder fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

26. Consent in Lieu of Vote. In any case in which this Declaration requires the vote of an Owner for authorization or approval of an act or a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Owners who collectively hold the required percentages, subject to the following conditions:

a) Ninety-Day Limit. All necessary consents must be obtained prior to the expiration of ninety (90) days from the time the first written consent is obtained; and

b) Change In Ownership. 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.

27. Mortgagee Protection. The lien or claim against a Unit for unpaid Assessments levied by the Management Committee or by the Association pursuant to this Declaration or the Act shall be subordinate to any Mortgage recorded on or before the date such Assessments become due, subject to the following:

a) Effects of Voluntary and Involuntary Sale. The lien or claim against a Unit for such unpaid Assessments shall not be affected by any sale or transfer of such Unit, except that a sale or transfer pursuant to a foreclosure of the Mortgage affecting such Unit or the exercise of a power of sale available thereunder shall extinguish any debt payable prior to such sale or transfer. Nevertheless, any such unpaid Assessments which are extinguished in accordance with the foreclosure or power of sale shall not relieve the purchaser or transferee of such Unit from liability for, nor such Unit the lien of any Assessments becoming due thereafter.

b) Books and Records Available for Inspection. The Committee or the Association

shall make available to the Owners, to Mortgagees, and lenders, and to holders, insurers, or guarantors of any Mortgage current copies of the Declaration, By-Laws, and administrative rules and regulations concerning the Project, as well as the books, records, and financial statements of the Committee and the Association. The term "Available," as used in the Paragraph, shall mean available for reasonable inspection upon request during normal business hours or under other reasonable circumstances. The Association shall have the right to recover its photocopying and service charges incurred in making the inspection and photocopying available.

c) Right to Financial Statement. The holder, insurer or guarantor of any Mortgage shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year. Any financial statement requested pursuant hereto shall be furnished to the requesting party within a reasonable time following such request.

d) Management Contracts. Any agreement for professional management of the Project, and any contract for goods or services, or any lease which is entered into by the Management Committee shall provide, or be deemed to provide hereby, that:

(1) Either party may terminate the contract with cause upon at least thirty (30) days prior written notice to the other party; and

(2) No contract may be for an initial term greater than one (1) year.

e) Eligible Mortgagee Designation. Upon written request to the Committee or the Association by the holder, insurer, or guarantor of a Mortgage (which request identifies the name and address of such holder, insurer or guarantor and the Unit Number or address of the property encumbered by the Mortgage held or insured by such holder, insurer, or guarantor), such holder insurer, or guarantor shall be deemed thereafter to be an "Eligible Mortgagee" or "Eligible Insurer" or "Eligible Guarantor," as the case may be, shall be included on the appropriate lists maintained by the Association, and shall be entitled to timely written notice of any of the following:

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

(2) Delinquency. Any delinquency in the payment of Assessments owed by an Owner of a Unit subject to a Mortgage held, insured or guaranteed by such Eligible Insurer or Guarantor, which delinquency remains uncured for a period of sixty days.

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

(4) Consent Required. Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees.

28. Amendment. Anything to the contrary notwithstanding, while the Declarant is in control of the Association and prior to the termination of the Period of Declarant's Control, the Declarant may amend the Declaration or Survey Map without any additional consent or approval required. After the end of the Period of Declarant's Control, the affirmative vote of at least sixty seven percent (67%) of the undivided ownership interest in the Common Areas shall be required and shall be sufficient to amend the Declaration or the Record of Survey Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument the Committee shall certify that the vote required by this Section for amendment has occurred, and, if approval of a specified percentage of Eligible Mortgagees is required for such amendment, that such approval has been obtained. The foregoing right of amendment shall, however, be subject to the following:

a) Consent of Eligible Mortgagee. The consent of Eligible Mortgagees holding at least sixty seven percent (67%) of the undivided ownership interest in the Common Areas and shall be required to any amendment which would terminate the legal status of the Project; and the consent of Eligible Mortgagees holding at least fifty-one (51%) percent of the undivided ownership interest in the Common Areas shall be required to add to or amend any material provision of this Declaration or the Survey Map which establishes, provides for, governs, or regulates any of the following, which are considered as "material":

- (1) voting rights;
- (2) increases in assessments that raise the previously assessed amount by more than twenty-five (25%) percent, assessment liens, or the priority of assessments liens;
- (3) reduction in reserves for maintenance, repair, and replacement of the Common Areas;
- (4) responsibility for maintenance and repairs;
- (5) reallocation of interests in the general or limited Common Areas, or rights to their use;
- (6) redefinition of any Unit boundaries;
- (7) convertibility of Units into Common Areas or vice versa;
- (8) expansion or contraction of the project, or the addition, annexation, or withdrawal of property to or from the Project;
- (9) hazard or fidelity insurance requirements;

- (10) imposition of any restrictions on the leasing of Units;
- (11) imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit;
- (12) a decision by the Association of fifty (50) or more Units to establish self-management if professional management had been required previously by the Project Documents or by an Eligible Mortgage holder;
- (13) restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in the documents; or
- (14) any provisions that expressly benefit mortgage holders, insurers or guarantors.

Any addition or amendment shall not be considered material for purposes of this Paragraph (b) if it is for the clarification only or to correct a clerical error.

Notice of any proposed amendment to any Eligible Mortgagee to whom a written request to approve an addition or amendment to this Declaration or the Survey Map is required shall be mailed postage prepaid to the address for such Mortgagee shown on the list maintained by the Association.

Any Eligible Mortgagee who does not deliver to the Management Committee or the Association a negative response to the notice of the proposed amendment within thirty (30) days from the date of such mailing shall be deemed to have approved the proposal.

The foregoing consent requirements shall not be applicable to amendments to this Declaration and the Survey Map or the termination of the legal status of the Project as a condominium if such amendments or such termination are made or accomplished in accordance with the provisions of this Declaration regarding Condemnation or Substantial Obsolescence.

29. Due Process. No Unit Owner shall be fined or have any rights or privileges revoked without written notice of the alleged violation and penalty, and the opportunity to be heard. Provided, however, the Management Committee may, without any additional notice required, immobilize, impound and/or tow a motor vehicle parked or stored in violation of the Project Documents.

30. Declarant's Sales Program. Anything to the contrary notwithstanding, for so long as Declarant continues to own any of the Units, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations of an Owner to pay Assessments, except as herein otherwise provided, as to each Unit owned by Declarant in accordance with the Declaration. The Declarant shall have the following rights in furtherance of any sales, promotions or other activities designed to accomplish or facilitate the sale

of all Units owned by Declarant:

a) Interference with Sales. Neither the Owners, the Association nor the Management Committee shall interfere or attempt to interfere with the Developer's completion of improvements and first sale of all of the Units, and

b) Sales Office and Model Units. Declarant shall have the right to maintain one (1) or more sales offices and one (1) or more model Units at any one time. Such office and/or models may be one or more of the Units owned by the Declarant, one or more separate structures or facilities placed on the Property for the purpose of aiding Declarant's sales effort, or any combination of the foregoing;

c) Promotional. 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.

d) Use of the Common Area and Facilities. Declarant shall have the right to use the Common Areas of the Project.

e) Relocation and Removal. Declarant shall have the right from time to time to locate or relocate any of its sales offices, models, or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Section. Declarant shall have the right to remove from the Project any signs, banners or similar devices and any separate structure or facility which was placed on the Property for the purpose of aiding Declarant's sales effort.

31. Limitation on Improvements by Association. Until the end of the Period of Declarant's Control, neither the Unit Owners, nor Association or the Committee shall, without the written consent of Declarant, make or attempt to make any improvement to or alteration in any of the Common Areas and Facilities created or constructed by Declarant, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as originally created or constructed by Declarant, which may or would be likely to interfere with Declarant's sales..

32. Completion Obligation. Declarant hereby covenants in favor of each Owner that within two (2) years from the date of any contract of sale:

a) Units. The improvements which the Declarant has contractually obligated itself to provide in the Unit the Owner has contracted to purchase, the Building within which such Unit is contained or is to be contained, and the appurtenant Limited Common Area shall be substantially constructed, and, except for the improvements the Owner has contracted to provide, is ready for use or occupancy (as the case may be); and

b) Common Area. There shall be substantially completed and usable as part of the Common Areas all planned landscaping, green space, sidewalks, parking facilities, roads, fences, outdoor lighting, and utility lines and conduits adjacent to the Unit or Building in which a Unit is located, and necessary for its use.

33. 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 Units or Buildings in the Project title to which is vested in 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.

34. Alterations to the Common Area. Anything to the contrary notwithstanding and until the termination of the Period of Declarant's Control, the Declarant may make changes to the Common Area without the consent of either the Association or the Management Committee; provided, however, no Owner or resident may at any time modify the drainage patterns or systems, landscaping, or make any structural alterations, modifications, changes or improvements to the Common Area or Facilities, including but not limited to the construction or installation of any additions, the extension or enclosure of any existing structures not shown on the approved plans and specifications, without the prior written consent of the Management Committee.

35. Transfer of Management. Upon the termination of the Period of Declarant's Control, Declarant shall notify Owners in writing of the effective date of such transfer (the "Transfer Date") at least forty five (45) days prior thereto. Thereupon, the Owners shall call a meeting of the Unit Owners in order to transfer control of the management of the Project and the Association, and to have the Unit Owners elect the Members of the Management Committee to take office as of the Transfer Date. Declarant covenants to cooperate with the Owners in effecting an orderly transition of management. Moreover, Declarant shall cause all obligations for Common Expenses of the Association prior to the Transfer Date to be paid in full on or before such date, and shall transfer any Association funds to the newly elected Committee. Anything to the contrary notwithstanding, Declarant may at any time relinquish its reserved right to select the Members of the Committee and may elect to transfer the management of the Project to a Committee elected by the Owners.

36. Recycling Programs. The Management Committee may establish a recycling program and recycling center within the Project, and in such event all occupants of Dwelling Units shall support such program by recycling, to the extent reasonably practical, all materials which the Association's recycling program or center is designed to accommodate. The Association may, but shall have no obligation to, purchase recyclable materials in order to encourage participation, and any income received by the Association as a result of such recycling efforts shall be used to reduce Common Expenses.

37. Provision of Services. The Association may provide services and facilities for the

Members of the Association and their guests, lessees and invitees. The Association shall be authorized to enter into contracts or other similar agreements with other entities, including Declarant, to provide such services and facilities. The costs of services and facilities provided by the Association may be funded by the Association as a Common Expense. In addition, the Management Committee shall be authorized to charge additional use and consumption fees for services and facilities. By way of example, some services and facilities which may be provided include snow removal, landscape maintenance, pest control service, cable television service, security, caretaker, fire protection, utilities, and similar services and facilities. The Management Committee shall be permitted to modify or cancel existing services or facilities, if any, or to provide additional services and facilities. Nothing contained herein shall be relied upon as a representation as to what services and facilities, if any, will be provided by the Association.

38. Declarant's Exclusive Right to Use or Assign Parking Spaces. Declarant has reserved and hereby reserves the right to use or assign certain parking spaces, which have been or will be identified on the Record of Survey Map or in deeds or other documents of conveyance (the "Declarant's Parking Spaces"). Declarant shall have the irrevocable and perpetual right to use, lease, rent, license, assign, exchange or otherwise transfer its interest in the Declarant's Parking Spaces to other Unit Owners or residents at the Project, provided the transfer is evidenced by a written instrument, a copy of which must be filed with the Management Committee, entitled Assignment of Parking Space or its equivalent.

39. Change of Use of Common Area. The Management Committee may change the use of any portion of the Common Area and construct, reconstruct, or change the buildings and other improvements thereon in any manner necessary to accommodate the new use of the Common Area. Any new use shall be for the benefit of the Owners and not inconsistent with the residential nature of the Project.

40. View Impairment. Neither the Declarant nor the Association guarantees or represents that any view over and across any property, including any Unit, from adjacent Units will be preserved without impairment. Neither the Declarant nor the Association shall have the obligation to prune or thin trees or other landscaping except as may be expressly required herein. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

41. Relations with Adjacent Project. Adjacent to or in the vicinity of the Project are projects which have been or, in the future, may be developed as independent residential areas. The Declarant or the Association may enter into a Covenant to Share Costs with all or any of the owners of such adjacent or nearby residential areas which allocates access, use of Common Area, maintenance responsibilities, expenses, and other matters between the Association and such property owners. Unless annexed in the manner set forth herein, the owners of real property adjacent to or nearby the Property shall not be entitled to vote on Association matters, and shall not be subject to assessments or other conditions or restrictions set forth in this Declaration.

42. Amenities Reciprocal Use Agreements. Declarant may cause the Association to, and the Association may from time to time, enter into amenities reciprocal use with other master planned communities.

43. Parking Easement on Parcel No. 2. Declarant hereby grants unto the Association and the Unit Owners a non-exclusive easement and right-of-way on that land identified as Parcel No. 2 on the Record of Survey Map for the purpose of parking motor vehicles and gaining access to the parking spaces; provided, however, the Declarant expressly reserves hereby all subsurface and air space under, above and through Parcel No. 2. The Declarant does not guarantee or represent that any view over and across Parcel No. 2 from any Unit, the Building or any portion of the Common Area will be preserved without impairment. Any express or implied easements for subsurface rights, including without limitation all gas, oil or mineral rights, or for view purposes or for the passage of light and air are hereby expressly disclaimed.

44. Convertible Space. The land designated as "Convertible Space" on the Record of Survey Map may be converted to one or more Limited Common Areas in accordance with Utah law and the remaining provisions of this Article.

a. Consents. Anything to the contrary notwithstanding, to convert Common Area to Limited Common Area on the Convertible Space as described above, the consent of the following persons and entities shall not be required.

(1) Any successor-in-interest of any Unit Owner, who, prior to his interest being transferred, consented to this Amended and Restated Declaration and such Convertible Space;

(2) The successor-in-interest to any mortgagee or lienholder who consented to this Amended Declaration and such Convertible Space prior to the Mortgage or other lien being transferred to such successor-in-interest; and

(3) Any person or entity holding a Mortgage, encumbrance or other lien which is created or recorded after the date of the recordation of this Amended Declaration.

b. Conversion of Common Area within the Convertible Space. The Declarant hereby reserves the option to convert Common Area to Limited Common Area located in the Convertible Space. This option to convert Common Area into Limited Common Area in the Convertible Space may be exercised from time to time, at different times and in any order, without limitation, provided however, the option shall expire five (5) years from the date following the recordation of this Amended and Restated Declaration, unless sooner terminated by Declarant's recorded Waiver of such option, there being no other circumstances which will cause the option to expire prior to said five (5) years. Such right may be exercised without first obtaining more consents or votes than is required by the original Declaration or Utah law, or the additional consents or votes of successors-in-interest to Unit Owners, mortgagees or lienholders who have consented. Such new Limited Common Area must be constructed on the Convertible Space.

c. Supplemental Declarations and Supplemental Maps. The conversion of the Common Area into Limited Common Area located in the Convertible Space may be accomplished by the filing for record by the undersigned in the office of the County Recorder of Salt Lake County, Utah, no later than five (5) years from the date this Amended and Restated Declaration is recorded, a Supplement or Supplements to this Declaration containing a legal description of the site or sites for new Units, together with Supplemental Map or Maps containing the same information with respect to the new Limited Common Area as was required on the original Record of Survey Map. The conversion may be accomplished in phases by successive supplements or in one supplemental conversion.

d. Modification of Definitions. In the event of such conversion of Common Area into Limited Common Area constructed in the Convertible Space, the definitions used in this Declaration automatically shall be modified to encompass and refer to the Project as so converted. Reference to this Declaration shall mean this Amended and Restated Declaration as so supplemented. All conveyances of Units after such conversion shall be effective to transfer rights in the Project, with additional references to the Supplemental Declaration and the Supplemental Map. The recordation in the office of the Salt Lake County Recorder of a Supplemental Map incident to any conversion shall operate automatically to grant, transfer, and convey to then Owners of Units in the Project as it existed before such conversion the respective undivided interest or interests in the property as modified by such conversion. Such recordation shall also operate to vest in any then mortgagee of any Unit in the Project as it existed, security in the interest so acquired by the Owner of the Unit as affected by such conversion.

e. Declaration Operative on New Limited Common Area. The new Limited Common Area shall be subject to all the terms and conditions of this Amended and Restated Declaration and of a Supplemental Declaration, and the Limited Common Area therein shall be subject to condominium ownership with all the incidents pertaining thereto as specified herein, upon recording the Supplemental Map and Supplemental Declaration in the said office of the Salt Lake County Recorder.

f. Right of the Association to Adjust Ownership Interest in Common Areas. Each deed of a Unit shall be deemed to irrevocably reserve to the undersigned the power to appoint to Unit Owners, from time to time, the percentages in the Common Areas set forth in Supplemental Declaration. The proportionate interest of each Unit Owner in the Common Areas after any conversion within the Project shall be an undivided interest of the Project as so converted. A power coupled with an interest is hereby granted to the undersigned, its successors and assigns, as attorney in fact to shift percentages of undivided ownership interest in and to the Common Areas in accordance with the Supplemental Declarations recorded pursuant hereto and each deed of a Unit in the Project shall be deemed a grant of such power to the undersigned. Various provisions of this Declaration and deeds and mortgages of the Units may contain clauses designed to accomplish such a shifting of ownership percentages in the Common Areas. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of the percentages of ownership in the Common Areas can be accomplished. Accordingly, upon

the recordation of a Supplemental Declaration and Supplemental Map incident to any conversion, the revised schedule of undivided ownership interests in the Common Areas contained therein shall automatically become effective for all purposes and shall fully supersede any similar schedule which was contained in any declaration associated with any prior phase. In the event the provisions of the separate instruments relating to the Project conflict irreconcilably, the terms of that instrument which was recorded most recently shall control. Notwithstanding anything to the contrary herein, no change in the percentage of undivided ownership interest in the Common Areas may be effected more than five (5) years after the effective date of this Amended Declaration without the prior written consent or vote of at least two-thirds (2/3rds) of the undivided ownership interest in the Common Areas and Facilities.

g. Other Provisions Concerning Conversion. If a conversion or conversions occur as contemplated above, then:

(a) All or any part of the Convertible Space may be converted without any limitations whatsoever save and except that any additional Limited Common Area created must be restricted to a use consistent with the residential nature of the Project.

(b) Portions of the Convertible Space may be converted within the Project at different times without any limitations.

© The undersigned shall have the right without further conveyance or documentation to have access to the Convertible Space through the easement areas as shown on the Map. No Unit Owner or Owners shall obstruct or interfere with or allow anything to obstruct or interfere with said easement areas.

(d) No assurances are made concerning:

(1) The locations of any Limited Common Area or improvement that may be made on any portion of the Convertible Space within the Project.

(2) The type, kind or nature of improvement which may be created on any portion of the Convertible Land, except that the Limited Common Area and improvements will be comparable to the other Limited Common Area facilities, and will be of a similar quality of materials and construction within the Project.

(3) Whether any Limited Common Area created on any portion of the Convertible Space will be substantially identical to those within the initial Project except that Limited Common Area and improvements will be constructed of an equal or better quality of materials and construction than the other Limited Common Areas in the Project.

(e) Notwithstanding anything to the contrary which may be contained herein, the Amended and Restated Declaration is not intended, and shall not be construed so as to impose upon

the undersigned any obligation respecting, or to restrict the undersigned in any way with regard to: (I) the conversion of any portion of the Convertible Space within the Project; (ii) the creation, construction, or addition to the Project of any additional Limited Common Area; (iii) the carrying out in any particular way or within any particular time of any development which may be undertaken except as herein mentioned; or (iv) the taking of any particular action with respect to the Convertible Space within the Project.

45. Compliance with Development Agreements. The development and operation of the Project is subject to various development agreements between and among Declarant and its affiliates, and various other developers and/or governmental agencies. The Association shall comply with all terms and conditions of the Development Agreements, as applicable, and shall accept responsibility for and shall comply with any obligations of the Declarant under the Development Agreements which are assigned to it by contract or law.

46. Interpretation. To the extent Utah law is consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

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

48. Enforcement and Right to Recover Attorney's Fees. Should the Association, Management Committee or an aggrieved Unit Owner be required to take action to interpret, construe or enforce the Project Documents, including without limitation the Act, Declaration, By-Laws, or any Administrative or House Rules and Regulations, or to pursue any remedy provided hereunder or by applicable law, whether such remedy is pursued by filing a lawsuit or otherwise, that Person shall be entitled to injunctive relief and/or damages, including a reasonable attorney's fee.

49. Agent for Service of Process. The President of the Association is the person to receive service of process in the cases authorized by the Act and the office. The initial Registered Agent is Preston Miller and the initial office of the Registered Agent is 4625 South 2300 East, Salt

Lake City, Utah 84117.

50. Government Financing. Anything to the contrary notwithstanding, if any financing or the guaranty of any financing on a Unit is provided by the Federal Housing Administration of the United States Department of Housing and Urban Development (FHA), the Federal Home Loan Mortgage Corporation or the Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA) or the Veterans Administration (VA), the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for the purpose of providing utilities and similar or related purposes, the termination of the legal status of the Project for reasons other than substantial destruction or condemnation of the property, no material amendment to the Declaration, or merger, may become effective, as to said Agencies, without their prior express written consent.

51. Second Hand Smoke. Smoking or the use of tobacco products IS NOT prohibited in the Building, Units or Common Area and Facilities. The right to prohibit smoking or the use of tobacco products in the Common Area and Facilities in the future is expressly reserved to the Association, although the Unit Owners and residents shall be given at least thirty (30) days prior written notice of any change in policy. A Unit Owner who is bothered by second hand smoke from another Unit may have a cause of action for nuisance against the generator or the smoke but shall not be entitled to demand that the Association abate the nuisance. Utah Code Annotated, Section 76-3-203.1 (1997) defines a "nuisance" so as to include tobacco smoke that drifts into any Unit a person rents, leases or owns from another Unit more than once in each of two (2) or more consecutive seven (7) day periods which is injurious to health, indecent, offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property. The Association adopts this definition until such time as it is amended or repealed by the Utah legislature at which time this definition shall be similarly and automatically amended or repealed. By accepting a deed or other document of conveyance to a Unit, each Owner hereby expressly waives, releases and forever discharges, and further agrees to indemnify, save and hold the Association, Management Committee and members of the Management Committee harmless against any and all claims, suits, actions, debts, damages, costs, charges and expenses, including court costs and attorney's fees, and against all liability, losses and damages of any nature whatever, arising out of the smoking of tobacco products in, on or about the Project, including but not limited to any claim that the Association or Management Committee abate or attempt to abate any alleged nuisance caused by smoking tobacco products. Anything to the contrary notwithstanding, the right of action of a Unit Owner or resident created by Utah Code Annotated, Section 78-38-1 (1997), as it may be amended from time to time, against another Unit Owner or resident who creates a nuisance by generating tobacco smoke is expressly recognized and reserved, conditioned upon the existence of the statutory remedy or its equivalent, and the Association shall approve any reasonable structural alterations to the Common Areas and Facilities provided the alterations (1) do not impair the structural integrity of the buildings or improvements, (2) do not materially alter the nature of the Project, (3) do not damage another Unit, and (4) are paid for by the Unit Owner or resident.

52. No Severance. The elements of a Unit and other rights appurtenant to the ownership of a Unit, including without limitation the interest in Common Areas and Facilities, Limited Common Areas, and the grant of the utility easement and right-of-way for ingress and egress across, over, under and through Parcel 2 for access to Parcel 1 (described with particularity on Appendix "A") are inseparable, and each Owner agrees that he shall not, while this Declaration is in effect, make any conveyance of less than an entire Unit and such appurtenances. Every conveyance, even though not specifically mentioned in the instrument of transfer, shall be deemed to have passed said elements of the Unit and all rights, title and interests appurtenant thereto.

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

EXECUTED the day and year first above written.

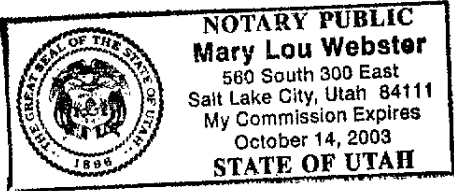
MILLER'S WILLOW CREEK DEVELOPMENT, L.C.,
a Utah limited liability company

BY: *Preston Miller*
TITLE: Preston Miller, Manager

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

On the 3 day of October, 2001, personally appeared before me Preston Miller, who by me being duly sworn, did say that he is the Manager of MILLER'S WILLOW CREEK DEVELOPMENT, L.C., a Utah limited liability company, and that the within and foregoing instrument was signed in behalf of said Company by authority of a resolution of its Members or its Articles of Organization, and said Preston Miller, duly acknowledged to me that said Company executed the same.

Mary Lou Webster
NOTARY PUBLIC
Residing at: *Salt Lake County, UT*
My Commission Expires: *10-14-03*



BK8507PG4725

LEGAL DESCRIPTION
EXHIBIT "A"

The Land described in the foregoing document is located in Salt Lake County, Utah and is described more particularly as follows:

BEGINNING at a point on the North line of Kennedy Drive, said point being North 167.24 feet and East 302.41 feet and South 89°36'40" East along said North line 47.19 feet from the center of Section 11, Township 1 South, Range 1 East, Salt Lake Base and Meridian; and running thence South 89°36'40" East 205.505 feet to a point of curvature of a 55.0 foot radius curve to the left; thence East and Northerly along the arc of said curve 62.77 feet to a point of tangency; thence North 25°00'00" East 63.52 feet to a point of curvature of a 415 foot radius curve to the left; thence Northeasterly along the arc of said curve 94.16 feet to a point of tangency; thence North 12°00'00" East 19.79 feet to a point of curvature of a 570 foot radius curve to the right; thence Northeasterly along the arc of said curve 104.46 feet to a point of tangency; thence North 22°30'00" East 7.57 feet to the most Southerly corner of the property described in that certain Special Warranty Deed recorded September 08, 1978, as Entry No. 3165742, in Book 4736, at Page 1197, Salt Lake County Recorder's Office; thence along the Southerly line of said property North 63°51'00" West 223.42 feet to the Northeast corner of Parcel No. 1 described in that certain Warranty Deed recorded September 09, 1975, as Entry No. 2740836, in Book 3964, at Page 325, Salt Lake County Recorder's Office; thence South 26°09'00" West 166.56 feet; thence South 63°51'00" East 60.0 feet; thence South 26°09'00" West 216.82 feet; thence North 63°51'00" West 17.50 feet; thence South 26°09' West 43.00 feet to the point of BEGINNING.

Tax Parcel No. 16-11-266-001 through 16-11-266-076

EXHIBIT "B"
PERCENTAGES OF UNDIVIDED OWNERSHIP INTEREST

| <u>Unit No.</u> | <u>Type</u> | <u>Bedroom(s)</u> | <u>Par Value</u> | <u>Percentage of Ownership</u> |
|-----------------|-------------|-------------------|------------------|--------------------------------|
| 019 | A | 1 | 1,205 | 1.0775% |
| 018 | M | 2 | 1,425 | 1.2743% |
| 021 | C-1 | 3 | 1,700 | 1.5202% |
| 110 | A | 1 | 1,205 | 1.0775% |
| 112 | N | 1 | 1,205 | 1.0775% |
| 119 | A | 1 | 1,205 | 1.0775% |
| 120 | A | 1 | 1,205 | 1.0775% |
| 102 | E | 2 | 1,425 | 1.2743% |
| 116 | B | 2 | 1,425 | 1.2743% |
| 117 | B | 2 | 1,425 | 1.2743% |
| 118 | M | 2 | 1,425 | 1.2743% |
| 122 | B | 2 | 1,425 | 1.2743% |
| 101 | P | 3 | 1,700 | 1.5202% |
| 104 | C | 3 | 1,700 | 1.5202% |
| 106 | D | 3 | 1,700 | 1.5202% |
| 108 | D | 3 | 1,700 | 1.5202% |
| 121 | C-1 | 3 | 1,700 | 1.5202% |
| 210 | A | 1 | 1,205 | 1.0775% |
| 212 | N | 1 | 1,205 | 1.0775% |
| 219 | A | 1 | 1,205 | 1.0775% |
| 220 | A | 1 | 1,205 | 1.0775% |
| 205 | F | 2 | 1,425 | 1.2743% |
| 215 | B | 2 | 1,425 | 1.2743% |
| 216 | B | 2 | 1,425 | 1.2743% |
| 217 | B | 2 | 1,425 | 1.2743% |
| 218 | M | 2 | 1,425 | 1.2743% |
| 222 | B | 2 | 1,425 | 1.2743% |
| 201 | P | 3 | 1,700 | 1.5202% |
| 202 | B-2 | 3 | 1,700 | 1.5202% |
| 203 | C-7 | 3 | 1,700 | 1.5202% |

| <u>Unit No.</u> | <u>Type</u> | <u>Bedroom(s)</u> | <u>Par Value</u> | <u>Percentage of Ownership</u> |
|-----------------|-------------|-------------------|------------------|--------------------------------|
| 204 | C | 3 | 1,700 | 1.5202% |
| 206 | D-1 | 3 | 1,700 | 1.5202% |
| 208 | D-1 | 3 | 1,700 | 1.5202% |
| 221 | C-1 | 3 | 1,700 | 1.5202% |
| 310 | A | 1 | 1,205 | 1.0775% |
| 312 | N | 1 | 1,205 | 1.0775% |
| 305 | F | 2 | 1,425 | 1.2743% |
| 307 | B-1 | 2 | 1,425 | 1.2743% |
| 314 | J | 2 | 1,425 | 1.2743% |
| 315 | B | 2 | 1,425 | 1.2743% |
| 316 | B | 2 | 1,425 | 1.2743% |
| 317 | H | 2 | 1,425 | 1.2743% |
| 301 | P | 3 | 1,700 | 1.5202% |
| 302 | B-2 | 3 | 1,700 | 1.5202% |
| 303 | C | 3 | 1,700 | 1.5202% |
| 304 | C | 3 | 1,700 | 1.5202% |
| 306 | C-3 | 3 | 1,700 | 1.5202% |
| 308 | C-6 | 3 | 1,700 | 1.5202% |
| 410 | A | 1 | 1,205 | 1.0775% |
| 412 | N | 1 | 1,205 | 1.0775% |
| 405 | F | 2 | 1,425 | 1.2743% |
| 407 | B-1 | 2 | 1,425 | 1.2743% |
| 413 | B | 2 | 1,425 | 1.2743% |
| 414 | J | 2 | 1,425 | 1.2743% |
| 415 | B | 2 | 1,425 | 1.2743% |
| 416 | B | 2 | 1,425 | 1.2743% |
| 417 | H-1 | 2 | 1,425 | 1.2743% |
| 403 | C-2 | 3 | 1,700 | 1.5202% |
| 404 | C | 3 | 1,700 | 1.5202% |
| 406 | C-4 | 3 | 1,700 | 1.5202% |
| 408 | C-4 | 3 | 1,700 | 1.5202% |
| 409 | C | 3 | 1,700 | 1.5202% |
| 411 | C | 3 | 1,700 | 1.5202% |

| <u>Unit No.</u> | <u>Type</u> | <u>Bedroom(s)</u> | <u>Par Value</u> | <u>Percentage of Ownership</u> |
|-----------------|-------------|-------------------|------------------|--------------------------------|
| 510 | A | 1 | 1,205 | 1.0775% |
| 512 | N | 1 | 1,205 | 1.0775% |
| 505 | F | 2 | 1,425 | 1.2743% |
| 507 | B-1 | 2 | 1,425 | 1.2743% |
| 513 | B | 2 | 1,425 | 1.2743% |
| 514 | J | 2 | 1,425 | 1.2743% |
| 515 | B | 2 | 1,425 | 1.2743% |
| 504 | C | 3 | 1,700 | 1.5202% |
| 506 | C-5 | 3 | 1,700 | 1.5202% |
| 508 | C-5 | 3 | 1,700 | 1.5202% |
| 509 | C | 3 | 1,700 | 1.5202% |
| 511 | C | 3 | 1,700 | 1.5202% |

TOTAL:

100.0%

EXHIBIT "C"
BY-LAWS

The administration of the PRESIDENTIAL CLUB CONDOMINIUMS (the "property") and the PRESIDENTIAL CLUB HOMEOWNERS ASSOCIATION (the "Association") shall be governed by the Act, Declaration and these Bylaws dated for reference January 24, 2001.

1. Application of Bylaws.

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

2. Management Committee.

a). The administration of the property on behalf of the Association shall be conducted by a Management Committee of three (3) to nine (9) natural individuals.

b). Until the termination of the Period of Declarant's Control, MILLER'S WILLOW CREEK DEVELOPMENT, L.C. shall appoint all of the members of the Management Committee. At each annual meeting of the Association thereafter, the unit owners shall elect the members of the Management Committee for the forthcoming year. At least thirty (30) days prior to any annual meeting of the Association, the Management Committee shall elect from the unit owners a nominating committee of not less than three (3) members (none of whom shall be members of the then Management Committee) who shall recommend to owners present at the annual meeting one nominee for each position on the Management Committee to be filled at that particular annual meeting. Nominations for positions on the Management Committee may also be made by petition filed with the secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by ten (10) or more unit owners and signed by the nominee named therein indicating his willingness to serve as a member of the Management Committee, if elected. Members of the Management Committee shall be required to be unit owners, and must be natural individuals and residents of the State of Utah.

c). Members of the Management Committee shall serve for a term of two (2) years. The terms of no more than three (3) members will end each year. The members of the Management Committee shall serve until their respective successors are elected, or until their death, resignation or removal. Any member of the Management Committee who fails to attend three (3) consecutive Management Committee meetings or fails to attend at least 25% of the Management Committee meetings held during any calendar year shall forfeit his membership on the Management Committee.

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

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

f). The Management Committee, for the benefit of the property and the Association, shall manage the business, property and affairs of the property and the Association and enforce the provisions of the Declaration, these Bylaws, the house rules and the administrative rules and regulations governing the property. The Management Committee shall have the powers, duties and responsibilities with respect to the property as contained in the act, the Declaration and these Bylaws.

g). The meetings of the Management Committee shall be held at such places within the State of Utah as the Management Committee shall determine. A majority of the members of the Management Committee shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Management Committee. The Management Committee shall annually elect all of the officers of the Association. The meeting for the election of officers shall be held at the first meeting of the Management Committee immediately following the annual meeting of the Association.

h). Special meetings of the Management Committee may be called by the president or by any two (2) Management Committee members.

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

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

transacted at such meeting.

k). The fiscal year shall be determined by the Management Committee.

l). Because service on the Management Committee is voluntary and in the interest of being sensitive to time and commitments, it is proposed that the Committee may hold meetings via telephone, so long as all members have no difficulty hearing each other. Members of the Management Committee or any subcommittee designated by the Management Committee may participate in a meeting of the Management Committee or subcommittee by means of conference telephone or other similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant hereto shall constitute presence in person at such meeting.

m). All Management Committee meetings shall be open to all voting members, but attendees other than members of the Management Committee may not participate in any discussion or deliberation unless a majority of a quorum requests that they be granted permission to speak. In such case, the President may limit the time any such individual may speak.

n). Any action to be taken at the meeting of the Management Committee or any action that be taken at a meeting of the Management Committee may be taken without a meeting if a consent in writing, setting for the action so taken, shall be signed by all the members of the Management Committee. An explanation of the action taken shall be posted at a prominent place or places within the common areas with three (3) days after the written consents of all of the members of the Management Committee have been obtained.

o). The Management Committee, with approval of a majority of a quorum, adjourn a meeting and reconvene an executive session to discuss and vote upon personnel matters, litigation or threatened litigation in which the Association is or may become involved, and orders of business of a privileged, confidential, sensitive or similar nature. The nature of any and all business to be considered in an executive session shall first be announced in open session.

3. Meetings of the Association.

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

b). Unless otherwise determined by the Management Committee, the annual meeting

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

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

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

4. Officers.

a). All officers and employees of the Association shall serve at the will of the Management Committee. The officers shall be a president, secretary and treasurer. The Management Committee may appoint such other assistant officers as the Management Committee may deem necessary. No officer shall be required to be a unit owner, but the president must be a member of the Management Committee. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Management Committee and may be removed and replaced by the Management Committee.

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

c). The secretary shall keep minutes of all proceedings of the Management Committee and of the meetings of the Association and shall keep such books and records as may be necessary

and appropriate for the records of the unit owners and the Management Committee. In the absence or inability of the president, the secretary shall perform the functions of the president.

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

5. Litigation.

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

b). Complaints brought against the Association, the Management Committee or the officers, employees or agents thereof, in their respective capacities as such, or the property as a whole, shall be directed to the Management Committee, which shall promptly give written notice thereof to the unit owners and any mortgagees and shall be defended by the Management Committee, and the unit owners and mortgagees shall have no right to participate other than through the Management Committee in such defense. Complaints against one or more, but less than all unit owners shall be directed to such unit owners, who shall promptly give written notice thereof to the Management Committee and to the mortgagees affecting such units, and shall be defended by such unit owners.

6. Abatement and Enjoinment of Violations by Unit Owners.

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

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

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

7. Accounting.

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

b). At the close of each fiscal year, the books and records of the Management Committee shall be audited by a certified public accountant approved by the Association.

c). The books and accounts of the Association shall be available for inspection at the office of the Association by any unit owner or his authorized representative during regular business hours.

8. Special Committees.

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

9. Amendment of Bylaws.

These Bylaws may be amended by a majority affirmative vote of the Association at a meeting duly called for such purposes. Any material amendment to these Bylaws must be approved in writing by all mortgagees as defined in the Declaration. Upon such an affirmative vote, the Management Committee shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the unit owners and mortgagees where necessary and the amendment shall be effective upon recording.

10. Severability.

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

11. Captions.

The captions herein are inserted only as a matter of convenience and for reference

and in no way to define, limit or describe the scope of these Bylaws nor the intent of any provision hereof.

12. Effective Date.

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

DATED the day and year first above written.

DECLARANT:
MILLER'S WILLOW CREEK DEVELOPMENT, L.C.,
a Utah limited liability company

BY: *P. Preston Miller*
TITLE: Preston Miller, Manager

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

On the 3 day of October, 2001, personally appeared before me Preston Miller, who by me being duly sworn, did say that he is the Manager of MILLER'S WILLOW CREEK DEVELOPMENT, L.C., a Utah limited liability company, and that the within and foregoing instrument was signed in behalf of said Company by authority of a resolution of its Members or its Articles of Organization, and said Preston Miller, duly acknowledged to me that said Company executed the same.

Mary Lou Webster
NOTARY PUBLIC
Residing at: *Das Rock*
My Commission Expires: *10-14-03*

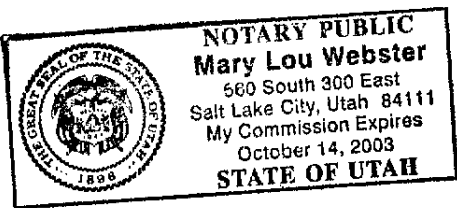


EXHIBIT "D"
LEGAL DESCRIPTION OF CONTRACTIBLE LAND

The real property referred to in the foregoing document as Contractible Land is located in Salt Lake County, Utah and is described more particularly as follows:

Parking Space Numbers 1, 2, 3, 10, 11, 14, 31, 52, 53, 54, 164, 74, 75, 85, 86, 89, 90, 91, 92, 125, 126, 144 and 163, as shown on the Record of Survey Map.

APPENDIX "A"

The Land referred to in the foregoing document as Parcel No. 1 and Parcel No. 2 is located in Salt Lake County, Utah and is described more particularly as follows:

Parcel No. 1:

BEGINNING at a point on the North line of Kennedy Drive, said point being North 167.24 feet and East 302.41 feet and South $89^{\circ}36'40''$ East along said North line 47.19 feet from the center of Section 11, Township 1 South, Range 1 East, Salt Lake Base and Meridian; and running thence South $89^{\circ}36'40''$ East 205.505 feet to a point of curvature of a 55.0 foot radius curve to the left; thence East and Northerly along the arc of said curve 62.77 feet to a point of tangency; thence North $25^{\circ}00'00''$ East 63.52 feet to a point of curvature of a 415 foot radius curve to the left; thence Northeasterly along the arc of said curve 94.16 feet to a point of tangency; thence North $12^{\circ}00'00''$ East 19.79 feet to a point of curvature of a 570 foot radius curve to the right; thence Northeasterly along the arc of said curve 104.46 feet to a point of tangency; thence North $22^{\circ}30'00''$ East 7.57 feet to the most Southerly corner of the property described in that certain Special Warranty Deed recorded September 08, 1978, as Entry No. 3165742, in Book 4736, at Page 1197, Salt Lake County Recorder's Office; thence along the Southerly line of said property North $63^{\circ}51'00''$ West 223.42 feet to the Northeast corner of Parcel No. 1 described in that certain Warranty Deed recorded September 09, 1975, as Entry No. 2740836, in Book 3964, at Page 325, Salt Lake County Recorder's Office; thence South $26^{\circ}09'00''$ West 166.56 feet; thence South $63^{\circ}51'00''$ East 60.0 feet; thence South $26^{\circ}09'00''$ West 216.82 feet; thence North $63^{\circ}51'00''$ West 17.50 feet; thence South $26^{\circ}09'$ West 43.00 feet to the point of BEGINNING.

Tax Parcel No. 16-11-266-001 through 16-11-266-076

Parcel No. 2:

BEGINNING at a point on the North line of Kennedy Drive, said point being North 167.24 feet and East 302.41 feet from the center of Section 11, Township 1 South, Range 1 East, Salt Lake Base and Meridian; and running thence North $26^{\circ}09'$ East 280.33 feet; thence South $63^{\circ}51'$ East 60.00 feet; thence South $26^{\circ}09'$ West 216.82 feet; thence North $63^{\circ}51'$ West 17.50 feet; thence South $26^{\circ}09'$ West 43.00 feet to the North line of said Kennedy Drive; thence North $89^{\circ}36'40''$ West along said North line 47.19 feet to the point of BEGINNING.

Tax Parcel No. 16-11-259-005