

WHEN RECORDED MAIL TO:

Larry Lindstrom
Jordan Villas, LLC
1923 North 300 East
Lehi, Utah 84095

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GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
LARRY LINDSTROM
JORDAN VILLAS LLC
1923 N 300 E
LEHI UT 84095
BY: ZJM, DEPUTY - WI 75 P.

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS,
AND RESERVATION OF EASEMENTS
FOR JORDAN VILLAS, AN EXPANDABLE CONDOMINIUM PROJECT
(PHASE I)**

**THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND
RESERVATION OF EASEMENTS FOR JORDAN VILLAS, AN EXPANDABLE
CONDOMINIUM PROJECT (PHASE I)** is made as of this 10th day of October,
2001, by Jordan Villas, LLC, a Utah limited liability company ("Declarant").

ARTICLE I

RECITALS

1.01: Declarant is the owner of certain real property (the "Real Property") located in Salt Lake County, Utah, the legal description of which is set forth in the attached Exhibit "A," and incorporated herein by reference.

1.02: Declarant has constructed or will construct Phase I of an expandable condominium project on the Real Property, substantially in accordance with the plans as set forth in the Record of Survey Map of Jordan Villas Phase I ("Map") filed concurrently herewith (a reduced, unrecorded copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference). The Project shall be known as Jordan Villas Condominiums, as the initial Project comprised of Phase I may be later expanded as permitted by this Declaration. Declarant intends to establish the Project under and pursuant to the provisions of the Utah Condominium Ownership Act, and Declarant reserves the right to expand the Project in the manner described in Article VI below to include as part of the Project additional land located in Salt Lake County, State of Utah, more particularly described in Exhibit "D" attached hereto and incorporated herein by reference ("Additional Land").

1.03: The Project shall initially contain sixty-four (64) residential condominium Units comprising Phase I of the Project. Declarant, by this Declaration, hereby establishes a plan for the ownership of real property estates of the Project whereby the Owner of each Unit will receive title to his individual Unit and an undivided interest in the Common Areas contained in the Project, as the same are defined below. Each Unit shall have appurtenant to it a membership in the

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Association, as defined below, which, as provided below, shall administer and control the Common Areas and Facilities.

1.04: Declarant intends by this Declaration to impose upon the Real Property mutually beneficial restrictions under a general plan of improvement for the benefit of all of said Units and the Owners thereof.

1.05: Declarant hereby declares that said Real Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved subject to the provisions and conditions of the following declarations, limitations, covenants, conditions, restrictions, and easements, all of which, pursuant to the provisions of the Utah Condominium Ownership Act, shall be enforceable equitable servitudes, where reasonable, shall run with the land, and shall be binding upon Declarant, upon its successors and assigns, and upon all parties having or acquiring any right, title or interest in or to any portion of said Real Property.

ARTICLE II

DEFINITIONS

2.01: **INTERPRETATION:** Definitions contained in the Utah Condominium Ownership Act, to the extent they are not inconsistent with the following definitions, shall be and are hereby incorporated herein by this reference and shall have the same effect as if expressly set forth herein and made a part hereof.

2.02: **DEFINITIONS:**

- (a) The "Act" shall mean the Utah Condominium Ownership Act, Utah Code Annotated, §§ 57-8-1 through 57-8-36, as the same may be amended from time to time.
- (b) "Additional Land" shall mean the real property described in the attached Exhibit "D," together with all easements, rights, and appurtenances belonging thereto.
- (c) "Association" shall mean and refer to the Jordan Villas Condominium Owners Association, a Utah nonprofit corporation organized under the Utah Nonprofit Corporation and Co-operative Association Act and acting in accordance with this Declaration and its Bylaws, as the same may be amended from time-to-time by the Association.
- (d) "Articles" and "Articles of Incorporation" shall mean the Articles of Incorporation of the Association.
- (e) "Board" or "Board of Trustees" shall mean the governing board of the Association, created in accordance with and governed by the provisions and conditions of

the Utah Nonprofit Corporation and Co-operative Association Act and its Bylaws from time-to-time in effect. Until the rights of Declarant under Article XXVI below are terminated, the Board of Trustees of its Association shall consist of three (3) trustees selected by the Declarant.

(f) "Building" shall mean any building containing Units constructed on the Real Property and upon the Additional Land once the Project has been expanded to include the Additional Land as permitted by this Declaration.

(g) "Bylaws" shall mean the Bylaws of the Association, created under and pursuant to the provisions of the Act.

(h) "Common Areas" or "Common Areas and Facilities" shall mean:

(1) The Real Property;

(2) The Additional Land after the Project is expanded as permitted by this Declaration to include the Additional Land.

(3) All improvements of the Project and appurtenances thereto, except those portions labeled or described in Article V below of this Declaration or labeled as part of a Unit on the Map or on any amended or supplemental record of survey map or any amended or supplemental declaration adding any of the Additional Land as an additional phase to the Project.

(i) "Common Assessment" shall mean that portion of the Common Expenses which is charged to each Unit Owner.

(j) "Common Expenses" shall mean all expenses of utilities, administration, maintenance, taxes, repair or replacement of the Common Areas and Facilities, including the Limited Common Areas, together with reserves therefor, and other expenses declared Common Expenses by the provisions of the Act, this Declaration, or any Bylaws duly adopted by the Association.

(k) "Condominium Instruments" means this Declaration, the Bylaws, the Map, and all other documents, contracts, or instruments establishing ownership of or exerting control over the Project or a Unit, as the same may be hereafter amended and/or supplemented.

(l) "Condominium Constituent Documents" shall mean the Articles, the Bylaws, the Map, and this Declaration, as the same may be hereafter amended and/or supplemented.

(m) "Declarant" shall mean, for purposes of Phase I of the Project, **Jordan Villas, LLC**, a Utah limited liability company, including its successors and assigns, and shall also

include, in addition, any owner or owners of the Additional Land, if any, other than Jordan Villas, LLC, (i) who have the right to add the Additional Land to the Project pursuant to Article VI below and (ii) who, during the seven (7) year time period described in that Article VI, actually exercise that right to add the Additional Land to the Project.

(n) "Declaration" shall mean and refer to this DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATION OF EASEMENTS FOR JORDAN VILLAS, A CONDOMINIUM PROJECT (PHASE I), as the Project may be hereafter expanded in the manner permitted by this Declaration to include the Additional Land and one additional phase constructed on the Additional Land.

(o) "Limited Common Areas" or "Limited Common Areas and Facilities" shall mean those portions of the Common Areas that are labeled or designated "limited common areas" on the Map or described in this Declaration as Limited Common Areas, as those instruments may be hereafter amended or supplemented. In the case of each Unit, Limited Common Areas appurtenant to a Unit consist of an exterior parking area immediately in front of the garage serving that Unit, and, in the case of some Units, as shown on the Map, a contiguous fenced-in patio and other improvements within that patio. Each of such Limited Common Area is reserved for the exclusive use of the Owners and Occupants of the Unit it is designated to serve. Any shutters, awnings, window boxes, doorsteps, porches, balconies, patios, or other apparatuses intended to serve a single Unit, but located outside the boundaries of the Unit, shall constitute a Limited Common Area and Facility appertaining to that Unit exclusively, whether or not such items are labeled as Limited Common Areas on the Map.

(p) "Management Committee" shall mean the Board of Trustees acting as a body having the responsibility and authority, subject to the rights of the Declarant under Article XXVI below, to make and to enforce all of the reasonable rules covering the operation and maintenance of the Property and to carry out any other duties assigned to it under this Declaration.

(q) "Manager" shall mean the person(s) or entity(s) selected by the Board to manage the affairs of the Project as directed by the Board, although the Board shall not be required to appoint such a Manager.

(r) "Map" shall mean the Jordan Villas Condominiums Record of Survey Map recorded by Declarant concurrently with this Declaration prepared by Caldwell Richards Sorensen, engineers, the surveyor's certificate of which is signed by Greg Cates, a licensed land surveyor in the State of Utah, as the same may be hereafter amended or supplemented in expanding the Project as permitted by this Declaration.

(s) "Member" shall mean an Owner acting as a member of the Association as described in Article IX below.

- (t) "Mortgage" shall mean any mortgage, deed of trust, or other security instrument by which a Unit or any part thereof is encumbered; a "First Mortgage" shall constitute a Mortgage that constitutes a lien on a Unit superior to any other Mortgage.
- (u) "Mortgagee" shall mean any person or entity named as the Mortgagee, beneficiary, or obligee under any Mortgage, including any successor-in-interest to any such person or entity; a "First Mortgagee" shall mean a Mortgagee under a First Mortgage.
- (v) "Occupant" shall mean a person lawfully residing in a Unit, regardless of whether or not that person is a Unit Owner.
- (w) "Owner" or "Unit Owner" shall mean any person or entity having an ownership interest in the fee simple title of a Unit, including the Declarant. The term Unit Owner or Owner shall not include Mortgagees and other persons or entities having any interest merely as security for the performance of an obligation.
- (x) "Person" shall mean a natural individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.
- (y) "Project" shall mean the entire "Property" defined below, together with all rights, obligations and organizations established by this Declaration. The Project shall be known as the "Jordan Villas, A Condominium Project" or "Jordan Villas Condominiums." If and when the Project is later expanded in the manner permitted by this Declaration, the term "Project" shall be automatically deemed to include the Additional Land added to the Project and the additional Phase II added to the Project through such expansion.
- (z) "Property" shall mean: the Real Property; the Additional Land as and when the Project is expanded in the manner permitted by this Declaration to include the Additional Land; all Buildings located upon the Real Property; all Buildings hereafter located upon the Additional Land after the Project is expanded as permitted by this Declaration to include the Additional Land; any and all easements, rights, and appurtenances belonging to the Real Property; any and all easements, rights, and appurtenances belonging to the Additional Land if and when the Project is expanded to include the Additional Land; all other improvements and structures on the Real Property; when the Project is expanded to include the Additional Land, all other improvements and structures on the Additional Land; and all articles of personal property intended for common use of Unit Owners in connection with the Common Areas and Facilities or Units.
- (aa) "Real Property" shall mean the real property described in the attached Exhibit "A," together with all easements, rights, and appurtenances belonging thereto.
- (bb) "Trustee" and "Trustees" shall mean that person or those persons serving, at the time pertinent, as a trustee or trustees of the Association, and shall also mean a member or

members of the Management Committee, which Management Committee shall be made up of the trustees of the Association.

(cc) "Unit" and "Units" shall mean that portion or portions of the Property described as a Unit or Units in Article V of this Declaration below.

(dd) "Unit Number" shall mean the letter of a particular Building designating a particular Unit in this Declaration and in the Map.

(ee) "Utility Services" shall include, but shall not be limited to, water, electric power, trash collection, and sewage disposal.

ARTICLE III

APPLICABILITY OF ACT

3.01: It is the intention of Declarant that the provisions of the Act shall apply to the Project and that the provisions of this Declaration shall be construed in accordance therewith, except where the language of the Declaration is clearly inconsistent with the Act.

ARTICLE IV

DESCRIPTION OF THE PROJECT

4.01: LOCATION: The Project is located on the Real Property which is situated at approximately 9400 South 2200 West, West Jordan, Salt Lake County, Utah.

4.02: DESCRIPTION OF IMPROVEMENTS:

(a) Residential Buildings. Subject to the right of Declarant to expand the Project as permitted by this Declaration, there are sixteen (16) residential Buildings that are a part of Phase I of the Project, each containing four dwelling Units, making a total of sixty-four (64) dwelling Units. The residential Buildings are of traditional architectural style, single story, ranch type, with quadplex layouts, so that each dwelling Unit in a Building faces in a different direction, and so that the garage spaces in each Building adjoin at the center of the Building. These buildings are of wood frame construction, on concrete slabs, with brick or cultured stone and stucco exterior walls and fiberglass shingle roofs. The principal materials of which these Buildings are constructed are wood, glass, concrete, brick, fiberglass shingle, and drywall. The residential Buildings are located as shown on the Map.

(b) Other Improvements. Each dwelling Unit has a private exterior entrance and an exterior parking area immediately in front of the attached garage which is part of that dwelling Unit. Some Units have a screened veranda or porch, while others have an exterior fenced-in patio. The Project also contains an approximately 2,400 square foot community building or clubhouse built of similar architectural style and similar materials as the residential Buildings. The Clubhouse contains an office, two restrooms, a large lounge meeting room, a mechanical room, and an exercise room. The Project also contains an outdoor swimming pool, approximately eighteen by forty feet. There are no other recreation facilities in the Project. In addition, the Project has an entryway guard house approximately six and one-half feet wide by six and one-half feet deep and eleven feet high, built of similar materials as the residential Buildings, paved drive and parking areas, and green and landscaped areas.

4.03: NO SEPARATE CONVEYANCE OF UNDIVIDED INTERESTS: The undivided interest in the Common Areas appurtenant to each Unit of Phase I of the Project is shown on Exhibit "C" attached hereto, and, in each case, is based on a par value for each type of Unit that is set forth on Exhibit "C." These par values have been assigned on the basis of various factors, including average fair market values, replacement costs, relative sizes, and simplicity. Undivided interests have been adjusted to thousandths of a percent, in Declarant's discretion, so that the total of undivided interests equals 100.000%. The Common Areas shall be owned by the Unit Owners as tenants in common, and ownership thereof shall remain undivided. No Unit Owner may waive or release any rights in the Common Areas. Further, the undivided interest in the Common Areas of a Unit shall not be separated from the Unit to which it appertains, and such undivided interest shall be deemed to be conveyed and shall be encumbered and/or released from liens with conveyance, encumbrance, and/or release of the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

ARTICLE V

UNITS

5.01: UNIT DESIGNATIONS: Each of the dwelling Units of Phase I of the Project, each of which is called a "Unit," is designated by a letter associated with a particular Building and a particular street address as set forth on Exhibit "C." The Unit designation of each Unit is also shown on the Map where the location of the Unit is depicted.

5.02: COMPOSITION OF UNITS:

(a) Unit Composition. Each Unit constitutes a single freehold estate and consists of the space in a Building as designated on the Map. Each Unit is bounded by the undecorated interior surfaces of the perimeter walls, the unfinished surface of the floors, and the unfinished interior surface of the ceilings, all projected, if necessary by reason of structural division such as interior walls and partitions, to constitute complete enclosures

of space, and all improvements within that space. Without limiting the generality of the foregoing, or, as appropriate, in addition, each Unit shall include:

- (1) the decorated surfaces, including paint, lacquer, varnish, wall covering, tile and other finishing material applied to floors, ceilings, and interior and perimeter walls, carpeting, if any, and also the floors and ceilings, themselves, and the drywall, paneling, and other finishing wall material;
- (2) all windows, skylights, if any, and screens and doors, including storm doors and windows, if any, and the frames, sashes and jambs, and the hardware therefor;
- (3) all fixtures and appliances installed for the exclusive use of that Unit, commencing at the point of disconnection from the structural body of the Building and from utility pipes, lines, or systems serving the entire Building or more than one Unit thereof, including, without limiting the generality hereof, built-in cabinets, dishwashers, garbage disposal units, refrigerators, stoves and hoods, television antennas and cables, furnaces, hot water heaters, heat pumps, air conditioning units (even though located outside the bounds of a Unit), and components of the foregoing, if any;
- (4) all plumbing, electric, heating, cooling and other utility or service lines, pipes, wires, ducts, conduits and apparatuses, wherever located, which serve only that Unit;
- (5) all control knobs, switches, thermostats, and electrical outlets and connections affixed to or projecting from the walls, floors, and ceilings which service either the Unit or the fixtures located therein;
- (6) all interior walls that are not necessary for support of the structure, and all components thereof and all space encompassed thereby;
- (7) the portion of fireplaces actually within the interior of a Unit, and fireplace vents or chases;
- (8) the space in the attached garage;
- (9) in the case of a Unit with an attached porch or veranda, the space in that attached porch or veranda; and
- (10) the attic space or storage space above a Unit, and the crawl space below a Unit, if any, to which the Unit has direct and exclusive access.

Excluded from a Unit, however, are all of the following items, whether or not located within the bounds of that Unit:

- (1) any supporting element of the Building contained in interior walls;
- (2) all plumbing, electric, heating, cooling and other utility or service lines, pipes, sump pumps and accessories thereto, wires, ducts and conduits which serve any other Unit; and
- (3) fireplace brick chimneys.

(b) Unit Types, Sizes, Locations and Components. All Units are of the types described on the Map and in Exhibit "C" attached hereto, which Map also sets forth the size and floor plan of each type of Unit. The size of Units of each type is described in terms of "gross interior square feet," which means the area of space that constitutes a Unit, and is measured from the interior surfaces of exterior walls inward, and includes space occupied by interior partitions, space in the porch or veranda, and space in the attached garage. The type and location of each Unit is also set forth on the Map. Each Unit has its own gas furnace, hot water heater, and a fireplace. Each Unit has direct access to a Common Area, which leads directly to 9400 South Street and to 2200 West Street, West Jordan City, Utah, Utah, which are public streets.

ARTICLE VI

ALTERATIONS AND AMENDMENT OF MAP AND DECLARATION; RIGHT TO EXPAND PROJECT

6.01: For four (4) years following the recording of this Declaration, Declarant, to the extent permitted by law, reserves the right to change the interior design and interior arrangement of any Unit and to alter the boundaries between Units, so long as the Declarant owns the Units so altered or obtains and duly records the written authorization of the Owner of any altered Unit not owned by Declarant. Further, to the extent permitted by law, Declarant reserves the right, during such four (4) year period, to change or alter the exterior design of the Units, including, but not limited to, altering or changing the placement, size, number, and configuration of doors, entryways, windows, and similar items, provided the principal type of construction and building materials described in paragraph 4.02 above are not altered. Any change of the boundaries between Units or of Common Areas shall be reflected by an amendment of this Declaration and to the Map, which amendments, notwithstanding the provisions of Article XXII below, may be executed solely by the Declarant and the Owner(s) of any Unit(s) whose boundary or boundaries are changed. It is understood that, as part of such right and during such period, Declarant may change the floor plan of any Unit he owns to mirror or to be essentially the same as the floor plan of any other Unit of the Project, so long as, in doing so, (i) Declarant does not alter either the par value of the Unit whose floor plan is changed or the percentage of undivided interest in the

Common Areas applicable to the Unit so changed and (ii) Declarant does not alter the exterior boundaries of the Project without amendment of this Declaration and the Map in the manner described in Article XXII of this Declaration.

6.02: Jordan Villas, LLC, a Utah limited liability company, as Declarant and for itself, its successors, its assigns, any other current owner or owners of the Additional Land, their successors, and their assigns, hereby reserves the right to expand the Project at anytime without the consent of any Unit Owners to include the Additional Land and Phase II in the Project; provided, however, that such right to expand shall expire seven (7) years from the date of the recording of this Declaration submitting Phase I to the Act. Other than termination of such right by expiration of such period of time, such right to expand may not be terminated other than by an instrument recorded of record with the Salt Lake County Recorder and signed and acknowledged by Jordan Villas, LLC, and all persons and entities who are owners of the Additional Land at the time of such termination if Jordan Villas, LLC, is not then the sole owner of the Additional Land. It is, therefore, understood that the term "Declarant" as used in this Declaration for purposes of expanding the Project and thereafter may include persons and entities other than Jordan Villas, LLC, although, until such expansion actually occurs, Jordan Villas, LLC shall be deemed the sole "Declarant" for all purposes of this Declaration other than such right to expand. Such right to expand shall be subject to no limitations other than those set forth in this paragraph 6.02 below, which provisions shall govern expansion of the Project:

- (a) For purposes of this Article VI and other provisions of this Declaration, the term "Additional Land" shall mean the real property described in the attached Exhibit "D," together with all easements, rights, and appurtenances belonging thereto.
- (b) The only land that may be added to the Project through the expansion permitted by this Article shall be the Additional Land set forth in Exhibit "D."
- (c) There may be only one additional phase added to the Project consisting of Phase II, the land of which shall be comprised of the Additional Land.
- (d) If the Project is expanded to include the Additional Land, it must be added to the Project all at one time and not at different times.
- (e) No assurances are made as to where improvements may be placed on the Additional Land comprising Phase II, and there are no limitations as to the location of such improvements on the Additional Land.
- (f) The maximum number of Units that may be created on the Additional Land is forty-eight (48).
- (g) All Units on the Additional Land shall be restricted exclusively to residential purposes.

- (h) Any structures erected on the Additional Land will be compatible in all material respects with the structures comprising Phase I in terms of quality of construction, principal materials used, and architectural style.
- (i) Each Unit on the Additional Land must be substantially identical to one of the types of Units of Phase I of the Project, and no other types of Units may be created on the Additional Land.
- (j) Limited Common Areas assigned for the benefit of any Unit created on the Additional Land shall be of the same general type, size, and configuration as the Limited Common Areas of a Unit of similar type in Phase I of the Project.
- (k) Expansion of the Project shall be accomplished in accordance with the provisions of the Act. In expanding the Project, an amendment of this Declaration and a supplemental record of survey map shall be duly executed, acknowledged, and recorded by Jordan Villas, LLC, and all then owners and lessees of the Additional Land, if there are any other than Jordan Villas, LLC. Such amendment shall include the information required by the Act.
- (l) The amendment to this Declaration described above shall reallocate the undivided interests in the Common Areas so that the Units depicted on the supplemental record of survey map described above shall be allocated undivided interests in the Common Areas on the same basis as the Units depicted on the Map that is recorded with this Declaration. In this regard, allocation of undivided interests in the Common Areas shall be made on the basis of assigned par values, unless Jordan Villas, LLC, and all other persons and entities, if any, who, at the time of such amendment, have an ownership interest in the Additional Land, mutually agree to make an allocation on any different basis that may then be permitted by the Act. However, should such allocation continue to be made on the basis of par value, substantially identical Units in the expanded Project shall be assigned the same par value. It is understood, however, that, for purposes of this paragraph, Units located at substantially different heights above the ground, or having substantially different views, or having substantially different amenities or other characteristics that might result in differences in market value, may, but need not, be considered by Declarant as being substantially identical.

ARTICLE VII

STATEMENT OF PURPOSE AND RESTRICTION ON USE

7.01: PURPOSE: The purpose of this Declaration, in addition to establishing separate individual parcels from the Property to which fee simple interests may be conveyed, is to create restrictions, covenants, and easements providing for, prompting, and preserving the values of

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Units and the Common Areas and the well being of Unit Owners and Occupants, and to establish a Unit Owners' Association to administer the Project, to administer and enforce the covenants, easements, charges and restrictions hereinafter set forth, and to raise funds through assessments to accomplish these purposes.

7.02: RESTRICTIONS ON USE: In addition to all of the covenants contained herein, the use of the Units and Common Areas and Facilities are subject to the following:

(a) Residential Use. Except as otherwise specifically provided in this Declaration, no Unit shall be used for any purpose other than that of a residence for individuals living together as a single housekeeping unit, and uses customarily incidental thereto, provided, however, that no Unit may be used as a rooming house, group home, commercial foster home, fraternity or sorority house, off-campus housing by unrelated students, or any similar type of lodging, care or treatment facility. The foregoing residential use restriction is subject, however, to any applicable current or future federal or Utah housing law that may now or in the future render such residential use restriction unenforceable in whole or in part, in which event such residential use restriction shall restrict use of the Project only to the extent permitted by law. Notwithstanding the foregoing: (i) an Occupant maintaining a personal or professional library, keeping personal business or professional records or accounts, conducting personal business (provided that such use does not involve customers, employees, licensees or invitees coming to the Unit), making professional telephone calls, or corresponding, in or from a Unit, is engaging in a use expressly declared customarily incidental to residential use and is not in violation of these restrictions; (ii) it shall be permissible for the Declarant to maintain, during the period of its sale or rental of Units, but for no longer than a four (4) year period of time following the time of the closing of the first sale of a Unit to a bonafide purchaser, one or more Units as sales and rental models and offices, and for storage and maintenance purposes, provided that one or more Units may be maintained for the use of the Association in fulfilling its responsibilities.

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

(c) Visible Areas. Nothing shall be caused or permitted to be hung or displayed on the outside or inside of windows of Buildings or placed on the outside walls of a Building or otherwise outside of a Unit, or any part thereof, except interior inoffensive drapes, curtains, or louvered blinds which, from exterior observation, must be white, beige or gray, or as otherwise authorized by the Management Committee. No awning, canopy,

shutter or television or citizens' band or other radio antenna or transmitter, or any other device or ornament, shall be affixed to or placed upon an exterior wall or roof or any part thereof of a Building, or the exterior of any door or window of a Building, or in, on, or over a patio, porch or balcony of a Building, visible to the exterior, unless authorized by the Management Committee. Notwithstanding the foregoing, nothing in this Declaration shall be deemed to prohibit the reasonable placement of reasonably small satellite discs on the roofs of individual Units by the Owner or Owners of those Units.

(d) Offensive Activities. No noxious or offensive activity shall be carried on in any Unit or in the Common Areas, nor shall any be used in any way or for any purpose which may endanger the health of or unreasonably disturb any Owner or lawful Occupant of other Units.

(e) Structured Integrity. Nothing shall be done in any Unit or in, on, or to the Common Areas which will impair the structural integrity of any Building or structurally change the same or any part thereof except as is otherwise provided in this Declaration.

(f) Common Areas. The Common Areas shall be kept free and clear of all rubbish, debris, and other unsightly materials. The Common Areas (except the Limited Common Areas) shall be used in common by Unit Owners and lawful Occupants and their agents, servants, customers, invitees and licensees, in accordance with the purposes for which they are intended, reasonably suited and capable, and as may be required for the purposes of access, ingress to, egress from, use, occupancy, and enjoyment of Units. Unless expressly provided otherwise herein, no Common Areas shall be used for any purpose other than the health, safety, welfare, convenience, comfort, recreation or enjoyment of Unit Owners and Occupants. There shall be no obstruction of the Common Areas, nor shall anything be kept or stored on any part of the Common Areas in violation of the rules adopted by the Management Committee. Nothing shall be altered on, constructed in, or removed from, the Common Areas except upon the prior written consent of the Management Committee.

(g) Animals. Except as hereinafter provided, no animals, livestock, or poultry of any kind shall be raised, bred, or kept in any Unit or on the Common Areas. Notwithstanding the foregoing, household domestic pets, not bred or maintained for commercial purposes, may be maintained in a Unit, provided that: (i) no more than one pet may be maintained in any Unit, except that, if a Unit Owner, prior to the commencement of occupancy of a Unit, requests the Management Committee, in writing, for permission to maintain two pets in a Unit, the Management Committee, in its discretion, may, in writing, authorize two pets, provided the two pets are either dogs of a miniature breed or cats who have or will have a combined mature weight not in excess of twenty (20) pounds, the pets shall be house pets only and not permitted in Common areas, those pets are owned by the Unit Owner at the time of commencement of occupancy of a Unit, and the Unit Owner shall not be permitted to replace the first of those two pets who dies; (ii) the maintaining of animals shall be subject to such rules and regulations as the Management Committee may

from time to time promulgate, including, without limitation, the right to prohibit pets entirely, to place limitations on the size, number and type of such pets, and the right to levy enforcement charges against persons who do not clean up after their pets; and (iii) the right of a lawful Occupant to maintain an animal in a Unit shall be subject to termination if the Management Committee, in its full and complete discretion, determines that maintenance of the animal constitutes a nuisance or creates a detrimental effect on the Project or other Units or Occupants.

(h) Privacy. Each Owner shall have a drape, blind, or other covering which covers the windows of his Unit.

(i) No Admission Fee. Other than the right of the Association to charge a reasonable fee for use of the clubhouse to reimburse the Association for the cost of clean up, maintenance, and/or repair of damage required by such use, no admission fees, charges for use, leases or other income-generating arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas. Nothing in this subparagraph shall be construed to relieve Owners or Occupants from their responsibility to clean the clubhouse or to repair any damage caused by them as may be required by other provisions of this Declaration or in any rules and regulations adopted by the Board.

(j) Liability of Unit Owner for Damages. Each Unit Owner shall be liable to the Association for all damages to the Common Areas caused by such Unit Owner or any invitee or Occupant of his Unit, except for that portion of said damage, if any, that is covered by insurance maintained by the Association. The failure of the Association to continue any insurance in effect shall not be a defense to any such liability.

(k) Renting and Leasing. No Unit or part thereof shall be rented or used for transient or hotel purposes, which is defined as: (i) rental under which Occupants are provided customary hotel services such as room service for food and beverages, maid service, the furnishing of laundry and linen, busboy service, and similar services; or (ii) rental to roomers or boarders, that is, rental to one or more persons of a portion of a Unit only. No lease may be of less than an entire Unit. Any lease agreement shall be in writing, shall provide that the lease shall be subject in all respects to the provisions of this Declaration, and to the rules and regulations promulgated from time to time by the Management Committee, and shall provide that the failure by the tenant to comply with the terms of the Condominium Constituent Documents and lawful rules and regulations established by the Management Committee shall be a default under the lease. Prior to the commencement of the term of a lease, the Unit Owner shall notify the Management Committee, in writing, of the name or names of the tenant or tenants and the time during which the lease term shall be in effect. Any violation of this Declaration or of such rules and regulations by a tenant shall also constitute a violation by the Unit Owner, and the Management Committee shall have the right to enforce this Declaration against the Unit Owner and such tenant.

- (l) Signs. No sign of any kind shall be displayed to the public view on the Project except: (a) on the Common Areas, signs regarding and regulating the use of the Common Areas, provided they are approved by the Management Committee; (b) on the interior side of the window of a Unit, one professionally prepared sign not in excess of nine square feet in size, advertising the Unit for sale or rent; and (c) on the Common Areas and model Units, signs advertising the sale and/or rental of Units by the Declarant during the period of its initial sale and rental of Units, provided, if these limitations on use of signs, or any part thereof, are determined to be unlawful, only the signs described in subparagraph 7.02(a), above, shall be permitted after Declarant's period of initial sales and rental of Units.
- (m) Vehicles. The Management Committee may establish rules and regulations restricting or prohibiting the parking of automobiles, vans, buses, inoperable vehicles, trucks, trailers, boats, and recreational vehicles on the Common Areas, or parts thereof, and may enforce such regulations or restrictions by levying enforcement charges, having such vehicles towed away, or taking such other lawful actions as it, in its sole discretion, deems appropriate.
- (n) Replacements. Any Building erected to replace an existing Building containing Units shall be of new construction, shall be of comparable structure, type, size, design, and construction to that replaced, and shall contain a like number of Units of comparable size to the Units in the Building replaced.
- (o) Discrimination/Handicapped Accommodation. No action shall at any time be taken by the Association, its Board, or the Management Committee which in any manner would discriminate against any Unit Owner in favor of another. In addition, notwithstanding any provision hereof, or any rule or regulation, the Management Committee shall make reasonable accommodation if necessary to afford a handicapped person equal opportunity to use and enjoy the Project as compared to any other Unit Owner, provided that nothing contained herein shall be construed to mean or imply that any such accommodation be at the cost of the Association.
- (p) Architectural Control. No building, fence, wall, sign, or other structure or improvement shall be commenced, erected, or maintained upon the Property, or any part thereof, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the same shall have been submitted to and approved in writing by the Management Committee or its designated representative or representatives, in its or their sole and unfettered discretion. Nothing visible to the exterior shall be permitted to be hung, placed, displayed or maintained in Limited Common Areas unless approved, in writing, by the Management Committee or its designated representative or representatives, in its or their sole and unfettered discretion, or unless the same is authorized by existing rules or regulations adopted by the Management Committee.

(q) Rules and Regulations. In addition to adopting and enforcing rules and regulations in the instances specifically hereinbefore mentioned, the Management Committee may, from time to time, adopt and enforce such further reasonable rules and regulations as it deems necessary or desirable to promote harmony, to serve the best interests of the Unit Owners, as a whole, and the Association, and to protect and preserve the nature of the Project. A copy of all rules and regulations shall be furnished by the Management Committee to the Owner(s) of each Unit prior to the time when the same shall become effective.

(r) Parking/Vehicles.

(1) No boats, trailers, motor homes, trucks (larger than a 3/4 ton pickup), travel trailers, or any vehicle with commercial advertising may be parked on any street or driveway of the Project overnight. Other vehicles used for recreation (van conversions/RVs) not garage-able, will be permitted to park in the Limited Common Areas of a Unit (in front of garage) for only forty-eight (48) hours to allow for loading and unloading. Such vehicles must not exceed twenty (20) feet in length and must not block normal access of other residents. Commercial moving vans, when conducting contract business, and commercial trucks when in the Project to perform service or repair work are an authorized exception. All parking by Owners, Occupants, or their guests must be: (a) within the garage, (b) in the Limited Common Area in front of the garage door of the Unit occupied by such persons, (c) in the parking spaces at the Clubhouse area and in front of Building 13, or (d) on the side drive in such a manner so as not to block any other residents access to a garage or street. **PARKING IS PROHIBITED IN THE "TURN-AROUND" AREAS AT THE END OF ANY DRIVEWAY.** No vehicle may be parked in the clubhouse parking areas for more than forty-eight (48) consecutive hours. Vehicles parked there for more than forty-eight (48) hours are subject to being towed.

(2) Inoperable vehicles (with flat tires, expired license tags, etc.), or vehicles which cannot be identified as belonging to a resident which are parked in any Common Areas, including Limited Common Areas, for more than 48 consecutive hours may be towed off the Project at the vehicle owner's expense. No repair work is permitted on vehicles in Common Areas, including Limited Common Areas, except for short-term emergency work (flat tire, battery charge, etc.).

(3) No vehicle shall be parked in any manner which blocks any street or driveway of the Project, or the ingress/egress to any garage other than the Unit owned by the owner of the vehicle. The speed limit within the Project is 14 mph. Reckless operation, excessive speed, and parking or driving on the lawn areas is prohibited.

ARTICLE VIII

OWNERSHIP AND CONVEYANCE OF UNITS AND COMMON AREAS

8.01: OWNERSHIP OF A UNIT: The Owners of a Unit in Phase I of the Project shall be entitled to the exclusive fee simple ownership and possession of their Unit, to the exclusive possession of any Limited Common Areas appurtenant to their Unit, and to the fee simple ownership of an undivided interest in the Common Areas in the percentage set forth in Exhibit "C" attached hereto, until Exhibit "C" is otherwise amended in connection with the expansion of the Project as permitted by this Declaration. Units may and shall be owned as any other property rights by persons in the form of tenancy in common or joint tenancy. Nothing in this Declaration shall be construed to prohibit an Owner from transferring his ownership interest in trust, to a family limited partnership, or in another form of legal entity for the benefit of the Owner or his family.

8.02: NO SUBDIVISION OR COMBINATION OF UNITS: No Unit Owner may sub-divide or partition his Unit or his undivided share of the Common Areas. No Unit Owner may combine his Unit with another Unit to make a larger Unit. No part of a Unit may be separated from any other part thereof during the period of Project ownership prescribed herein. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Unit or any part thereof shall be construed to be a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Unit, together with all appurtenant rights created by law or by this Declaration.

8.03: NATURE OF OWNERSHIP OF COMMON AREAS AS BETWEEN OWNERS OF DIFFERENT UNITS AND AS BETWEEN MULTIPLE OWNERS OF A SINGLE UNIT: The Common Areas, as between the Owner(s) of one Unit and the Owner(s) of another Unit shall be owned by the Unit Owners as tenants in common; provided, however, that if a Unit is owned by two or more Owners, the interests in the Common Areas attributable to such Unit shall be held as between such Owners in the same manner as they hold the ownership of the Unit. The Common Areas shall remain undivided. No Unit Owner or combination of Unit Owners shall bring any action for partition or division of the Common Areas.

8.04: CONVEYANCE: The undivided interest of a Unit in the Common Areas shall be deemed to be conveyed or encumbered with the Unit even though that interest is not expressly mentioned or described in the deed, Mortgage, or other instrument of conveyance or encumbrance. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of an interest in the Common Area will be void unless the Unit to which that interest is allocated is also transferred to the same transferee. The right of a Unit Owner to sell, transfer, or otherwise convey that Owner's Unit is not subject to any right of first refusal, and any Unit Owner may transfer that Owner's Unit free of any such limitation. To enable the Association to maintain accurate records of the names and addresses of Unit Owners, each Unit Owner agrees to notify the Association, in writing, within five (5) days after an interest in that Unit Owner's Unit

has been transferred to another person. In addition, each Unit Owner agrees to provide to a purchaser of that Owner's Unit a copy of the Condominium Constituent Documents and all effective rules and regulations.

8.05 RESTRICTIONS ON RENTAL AND INITIAL SALE OF UNITS BY

DECLARANT: The rental and initial sale of Units by Declarant shall be restricted such that, when all sixty-four (64) of the Units of Phase I have been rented or initially sold by Declarant, at least fifty-two (52) of those Units ("Qualifying Units"), the identity of which qualifying Units shall be determined exclusively by Declarant, shall have been rented or initially sold by Declarant either: (i) to an individual who, at the time of such rental or initial sale, was at least 55 years of age, or (ii) in the case of multiple purchasers of a Unit, to purchasers at least one of whom was an individual at least 55 years of age at the time of such rental or initial sale (collectively "Age 55 Criteria"). Similarly, should the Project be expanded to include the Additional Property, when all sixty (60) of the Units of Phase II have been rented or initially sold by Declarant, sales and rental activities by Declarant shall be such that at least forty-eight (48) of those Units shall also be Qualifying Units. There shall be no minimum or maximum number of Qualifying Units that may be rented as opposed to sold by Declarant; provided, however, that, if and when Declarant sells a Unit that Declarant has been renting and whose inclusion was necessary to achieve a minimum number of Qualifying Unit, Declarant may sell that Unit only to a purchaser or purchasers meeting one of the Age 55 Criteria.

ARTICLE IX

UNIT OWNERS' ASSOCIATION MEMBERSHIP AND VOTING

9.01: ESTABLISHMENT OF ASSOCIATION. The Association has been formed to be and to serve as the Unit Owners' Association of the Project. The Declarant is presently the sole member of the Association.

9.02: MEMBERSHIP: Every Owner shall be a member of the Association. If title to a Unit is held by more than one person, the membership related to that Unit shall be shared by all such persons in the same percentage as their percentage interest in the Unit. Each such membership shall be appurtenant to the Unit upon which it is based and shall be transferred automatically by conveyance of that Unit and the Association shall record the transfer on its books upon being presented with evidence of the transfer of the Unit. No person or entity other than an Owner may be a member of the Association, and a person or entity who holds an interest in a Unit merely as security for the performance of an obligation shall not be deemed a member of the Association. A membership in the Association may not be transferred except in connection with the transfer of a Unit; provided, however, that the rights of membership may be assigned as further security for a loan secured by a Mortgage on a Unit. Further, a contract purchaser of a Unit, while not constituting a Member of the Association, shall have the right to use the Common Areas and the right to vote the Membership interest of the Owner whose Unit interest he or she is purchasing if such purchaser has a written proxy from such Owner. In the event the Owner of any

Unit should fail or refuse to transfer the membership registered in his name to the purchaser of such Unit upon transfer of fee title thereto, the Board shall have the right, but not the obligation, to record the transfer upon the books of the Association. The Board shall have the right to charge a reasonable Special Assessment against any Owner, and against his Unit, equal to the cost of the Association of effectuating any such transfer of his membership upon the books of the Association.

9.03: VOTING RIGHTS: The Management Committee shall maintain a list of Owners which shall be updated on a regular basis. Disputes over the membership list shall be resolved by reference to the official records of the Salt Lake County Recorder's office. At a meeting of the Association, the Owners of each Unit shall, collectively, be entitled to vote, in person or by proxy, the same number of votes attributable to such Unit's percentage interest in the Common Areas as set forth on Exhibit "C" attached to this Declaration, as that Exhibit may be later amended due to the addition of the Additional Land to the Project. For example, unless and until additional Units are added to the Project through the addition of the Additional Land as permitted by this Declaration, where a particular Unit has an assigned par value of 1 in Exhibit "C," its Owners shall have an undivided 1.3441 percentage interest (rounded to four decimal places) in the Common Areas and shall be entitled to cast 1.3441 votes. By way of further example, unless and until additional Units are added to the Project through the addition of the Additional Land as permitted by this Declaration, where a particular Unit has an assigned par value of 1.2 in Exhibit "C," its Owners shall have an undivided 1.6129 percentage interest (rounded to four decimal places) in the Common Areas and shall be entitled to cast 1.6129 votes. The Board, from time to time, may suspend the right of a member to vote with respect to his, her, or its Unit for failure to pay assessments when due, or for failure to observe other of the terms hereof, the Bylaws, or rules and regulations of the Association. Such suspension shall be accomplished pursuant to rules and regulations duly adopted by the Board from time to time.

9.04: MANNER OF VOTING: The vote of each Unit shall be cast by the Owner or Owners of such Unit in person or by proxy in the manner specified in the Bylaws. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised by a majority of such Owners as may be determined among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to all Owners of the Unit concerned, whether or not all Owners of the Unit are present, unless an objection is immediately made by another Owner of the same Unit or such vote is in conflict with a written proxy given by another Owner of the Unit. In the event of such a conflict or objection, the vote involved shall not be counted for any purpose whatsoever until the matter is resolved to the reasonable satisfaction of the Board. In such case, the Board may, but shall not be required to, apportion such Unit's vote among the Owners thereof.

9.05: TRANSFER: The Association shall maintain records showing the name and address of each Owner and the Unit which is owned by him or her. In the event of any transfer of a fee interest in a Unit, either the transferor or the transferee shall furnish the evidence establishing that the transfer has occurred. An Owner who fails to furnish such information shall continue to

be liable for assessments of Common Expenses, even after transferring ownership of his Unit, until the Association is advised of the transfer. At its option, the Association may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Salt Lake County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such Owner unless the Association is otherwise advised.

ARTICLE X

MANAGEMENT OF ASSOCIATION

10.01: INCORPORATION: The Association shall be incorporated as a Utah nonprofit corporation. Management of any such corporation shall substantially conform to this Article X, although it is understood that additional provisions for the operation of the Association that are not in conflict with this Declaration may be contained in the Bylaws.

10.02: BOARD OF TRUSTEES: Subject to the rights of Declarant described in Article XXVI below and elsewhere in this Declaration, the business, property and affairs of the Association shall be managed, operated, and maintained by the Board of Trustees acting as the Management Committee and by any Manager they may designate. Subject to the rights of Declarant set forth in Article XXVI and elsewhere in this Declaration below, the Management Committee, acting for and on behalf of the Association, shall have, and are hereby granted, the following authority and powers:

- (a) Without the vote or consent of the Owners or any other persons, the Management Committee may grant or create, to the extent permitted by law and on such conditions as it deems advisable, utility and similar easements, over, under, across and through the Common Areas;
- (b) The Management Committee may execute and record, on behalf of all Owners, any amendment to the Declaration or Map which has been approved by any vote or consent necessary to authorize such amendment;
- (c) The Management Committee shall have the authority to enforce this Declaration on behalf of the Association and its Members;
- (d) The Management Committee shall have authority to enter into contracts which in any way concern the Project on behalf of the Association, so long as any vote or consent of the Owners which may be necessitated by the subject matter of the agreement has been obtained;
- (e) The Management Committee shall have authority to purchase, otherwise acquire, and accept title to, in the name of the Association, any personal property and/or interest in real property, and to convey or transfer any interest in real property, so long as such

action has been authorized by any vote or consent of the Owners which may be necessary under the circumstances;

(f) The Management Committee may add any interest in real property obtained pursuant to subparagraph (e) immediately above to the Project, so long as such action has been authorized by any necessary vote or consent of the Owners;

(g) The Management Committee, as the Board may adopt Bylaws of the Association;

(h) The Management Committee may promulgate, from time to time, such reasonable rules, regulations, and procedures as may be necessary or desirable to aid in carrying out the Association's functions and/or to govern the reasonable use, maintenance, and operation of the Project;

(i) The Management Committee shall have authority to maintain, repair, replace, restore, operate, and manage the Common Areas and all property that may be acquired by the Association, to appoint a Manager in regard to such activities, and to establish an adequate reserve fund for repair, replacement, and restoration thereof;

(j) The Management Committee shall have authority to secure fidelity bond coverage and such other policy or policies of insurance as the Management Committee deems necessary or desirable in protecting the interests of the Association and the Owners; and

(k) The Management Committee may perform any other acts and may enter into any other transactions which are permitted by the Bylaws, which may be deemed reasonably necessary by the Board for the Board of Trustees to perform its function, and which the Act shall permit.

10.03: COMPOSITION OF BOARD: The initial number of trustees on the Board shall be three (3) and, until the rights of Declarant under Article XXVI below are terminated, all trustees, unless Declarant otherwise agrees in writing, will be appointed by Declarant. If the Declarant relinquishes its right to appoint the trustees of the Board or its right to do so is otherwise terminated in accordance with the provisions of Article XXVI below, the Board at the time of such relinquishment or termination shall continue in office until the next special or annual meeting of Members who shall then have authority to elect a new Board of six (6) trustees in accordance with the Association's Bylaws.

10.04: FILLING OF VACANCIES: The terms of the six (6) Trustees described in paragraph 10.03 above shall be staggered so that the terms of one-third of the Trustees will expire and successors will be elected at each annual meeting of the Association as provided in the Bylaws. Thereafter, at such annual meetings, successors to the two Trustees whose terms then expire shall be elected to serve terms of four (4) years. Notwithstanding the foregoing, but subject to the rights of Declarant under Article XXVI below, the Members, by the vote of

Members exercising not less than a majority of the voting power of Members, may, from time to time, change the number and terms of Trustees, provided, that in any such event the terms of not less than one-third of the Trustees shall expire annually.

Trustees shall serve until their successors have been duly elected and qualified unless removed in accordance with the Bylaws. Any trustee who fails on three (3) successive occasions to attend Board meetings (whether regular or special) shall automatically forfeit his or her seat. Excepting only trustees named in the Articles or selected by Declarant, any trustee may be removed from the Board with or without cause, by a majority vote of the Unit Owners.

Subject to the rights of Declarant under Article XXVI below and the Bylaws, any vacancy occurring on the Board prior to an annual meeting shall be filled by the affirmative vote of the remaining trustees until the next annual meeting or, in the event there are no remaining trustees, by the affirmative vote of a majority of the votes of the Members at any special meeting of the Members held in accordance with the Association's Bylaws.

10.05: MANNER OF EXERCISING VOTES FOR TRUSTEES: At any meeting, the votes exercised by the Owner or Owners of a Unit shall be the number of votes determined by multiplying the Unit's number of votes associated with the par value of the Unit as shown on Exhibit "C," as such Exhibit may hereafter be amended as permitted by this Declaration to include additional Units due to the expansion of the Project to include the Additional Land, times the number of seats to be filled. Said votes may be voted in favor of as many candidates as there are trustee seats to be filled.

10.06: INITIAL BOARD: Until the rights of Declarant under Article XXVI below are terminated, the following persons are hereby appointed by the Declarant as trustees of the Board and shall also act as the officers of the Association unless and until Declarant decides otherwise.

Larry B. Lindstrom President-Treasurer
1923 North 300 East
Lehi, Utah 84043

Raymond B. Jenkins Vice President
9471 South McVea Ct.
South Jordan, Utah 84095

Pamala Hallenburg Secretary
3667 East Apollo Drive
Salt Lake City, Utah 84124

10.07: MANAGEMENT COMMITTEE: If entered into during the period the Declarant has appointed the Board of Trustees, no management contract or other contract designed to benefit the Declarant which was executed by or on behalf of the Management

Committee shall be binding beyond the termination of Declarant's rights under Article XXVI below unless such contract is renewed or ratified by the consent of the Board elected by the Members following such termination of rights.

10.08: OPERATION OF BOARD OF TRUSTEES: Meetings of the Board of Trustees may be held in person or telephonically, within or without the State of Utah. Regular meetings shall be fixed by the Board as provided in the Bylaws. Special meetings may be convened at the request of the President of the Association, the Manager (if one has been appointed by the Board), upon the request of any two trustees, or in any other manner provided by the Bylaws.

10.09: APPROVAL REQUIRED: The Management Committee shall not, without the prior favorable vote or the written consent of all of the Owners, have the authority to purchase or sell any real property constituting the Common Areas or to add any property to, or to remove any property from, the Common Areas.

10.10: ADDITIONAL FACILITIES: The Management Committee shall have the authority, with the approval or consent of a majority of Owners, to provide such facilities, in addition to those for which the provision has already been made, as it may deem to be in the best interests of the Unit Owners and to effect the necessary amendment of documents and maps in connection therewith.

10.11: MANAGER: The Management Committee may appoint a Manager of the Project as contemplated by the Act. An officer or other agent of Declarant shall act as Manager of the Project so long as Declarant wishes to do so and until Declarant's rights under Article XXVI below are terminated. Thereafter, the Management Committee may carry out through a Project Manager any of its functions which are properly the subject of delegation. Any Manager so engaged shall be responsible for managing the Project for the benefit of the Unit Owners and shall, to the extent permitted by law and the provisions of the agreement with the Management Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee. Any agreement for professional management of the Project which may be entered into by the Association shall call for a term not exceeding three (3) years and shall provide that such management agreement may be terminated by the Management Committee for cause, with such termination to be effective at such time as is set forth in a written notice to the Manager terminating the management agreement.

ARTICLE XI

EASEMENTS

11.01: RECORDED EASEMENTS: The Project shall be subject to all easements as shown on any Map or other recorded plat affecting the Project or the Real Property and to any other easements of record or use as of the date of recordation of this Declaration

11.02: EASEMENTS OF ENJOYMENT: LIMITATIONS: Every Unit Owner shall have a right and easement of enjoyment in, over, and upon the Common Areas and an unrestricted right of access to and from his, her, or its Unit, which rights and easements shall be appurtenant to and shall pass with the title to a Unit, subject to the right of the Management Committee to make reasonable rules and regulations concerning the use and management of the Common Areas, including the Limited Common Areas, provided that no such rule or regulation shall limit or prohibit the right of ingress and egress to a Unit, or any part thereof, or to that Unit's parking facilities. Each Unit Owner shall be deemed to have delegated that Unit Owner's right of enjoyment to the Common Areas and to ingress and egress to the Occupants of that Owner's Unit.

11.03 RIGHT OF ENTRY FOR REPAIR: The Association shall have a right of entry and access to, over, upon, and through all of the Property, including each Unit and the Limited Common Areas, to enable the Association to perform its obligations, rights, and duties pursuant hereto with regard to maintenance, repair, restoration, and/or servicing of any items, things or areas of or in the Property. In the event of an emergency, the Association's right of entry to a Unit and its appurtenant Limited Common Areas may be exercised without notice; otherwise, the Association shall give the Owners or Occupants of a Unit no less than twenty-four hours advance notice prior to entering a Unit or its appurtenant Limited Common Areas.

11.04: EASEMENTS FOR ENCROACHMENTS: Each Unit and the Common Areas, including the Limited Common Areas, shall be subject to and shall be benefitted by easements for encroachments on or by any other Unit or the Common Areas, including the Limited Common Areas, created or arising by reason of overhangs; or by reason of deviations in construction, reconstruction, repair, shifting, settlement, or other movement of any portion of a Unit or other improvements; or by reason of errors on the Map. Valid easements for these encroachments and for the maintenance of same, as long as the physical boundaries of the Units after the construction, reconstruction, repairs, etc. are in substantial accord with the description of those boundaries that appears on the Map, shall and do exist so long as the encroachments remain.

11.05: EASEMENT FOR SUPPORT: Every portion of a Building or utility line or any improvement on any portion of the Property contributing to the support of another Building, utility line, or improvement on another portion of the Property shall be burdened with an easement of support for the benefit of all other such buildings, utility lines, improvements, and other portions of the Property.

11.06: EASEMENTS FOR PROPER OPERATIONS: Easements to the Association shall exist upon, over, and under all of the Property for ingress to and egress from, and the installation, replacing, repairing, and maintaining of all utilities, including, but not limited to, water, sewer, gas, telephone, electricity, security systems, master television antennas and cable television, and the road system and all walkways, and for all other purposes necessary for the proper operation of the Property. By these easements it shall be expressly permissible for the Association to grant to the appropriate public authorities and/or the providing companies and

contractors permission to construct and maintain the necessary appurtenances and improvements on, above, across, and under the Property, so long as such appurtenances and improvements do not unreasonably interfere with the use and enjoyment of the Property. Should any public authority or other company furnishing a service request a specific easement, permit, or license, the Board shall have the right to grant such easement, permit, or license without conflicting with the terms hereof. In addition, in the event the Board determines that the grant of easement rights to others is in the best interests of the Association, the Association shall have the right to grant the same, provided that use of the same would not, in the sole judgment of the Board, unreasonably interfere with the use and enjoyment of the Property by Owners and Occupants.

11.07: EASEMENT FOR SERVICES: Non-exclusive easements are hereby granted to all police, firemen, ambulance operators, mailmen, delivery men, garbage and trash removal personnel, and all similar persons, and to the local governmental authorities and to the Association, but not to the public in general, to enter upon the Common Areas in the performance of their duties, subject to such reasonable rules and regulations as the Management Committee may establish, from time to time.

11.08: EASEMENTS RESERVED TO DECLARANT: Non-exclusive easements are hereby reserved to Declarant, its successors and assigns, over and upon the Common Areas and Limited Common Areas (a) for a four (4) year period of time from the date of the closing by Declarant of the first sale of a Unit to a bona fide purchaser, for access to and for the purpose of completing improvements for which provision is made in this Declaration, provided that such right of access shall be to the extent, but only to the extent, that access thereto is not otherwise reasonably available, (b) for the periods provided for any warranties hereunder or by law, for purposes of making repairs required pursuant to those warranties or pursuant to contracts of sale made with Unit purchasers, and (c) for the initial sales and rental period, but for no longer than three (3) years from the time of the closing of the first sale of a Unit to a bona fide purchaser, to maintain and utilize one or more Units and appurtenances thereto, for sales and management offices and for storage and maintenance, and model Units, parking areas for sales and rental purposes, and advertising signs.

The Association, at all times, shall maintain an unimpeded route of vehicular and pedestrian ingress and egress over and upon the Property and a public street.

All rights and easements reserved to Declarant, its successors and assigns, pursuant to this Article, shall be exercised and utilized, as the case may be, in a reasonable manner, and in such way as not to unreasonably interfere with the operation of the Association and the rights of Owners and Occupants of Units.

11.09: POWER OF ATTORNEY: Each Unit Owner, by acceptance of a deed to a Unit, appoints the Association or its designated representative, as his, her or its attorney-in-fact, to execute, deliver, acknowledge, and record, for and in the name of such Unit Owner, such deeds of easement, licenses, permits, and other instruments as may be necessary or desirable, in the sole

discretion of the Board, or its authorized representative, to further establish or effectuate the foregoing easements and rights. This power is for the benefit of each and every Unit Owner, the Association, and the real estate to which it is applicable, runs with the land, is coupled with an interest, and is irrevocable.

11.10: GENERAL: The easements and grants provided herein shall in no way affect any other recorded grant or easement. Failure to refer specifically to any or all of the easements and/or rights described in this Declaration in any deed of conveyance or in any Mortgage or other evidence of obligation shall not defeat or fail to reserve said rights or easements and the same shall be deemed conveyed or encumbered, as the case may be, along with the Unit.

11.11: ASSOCIATION'S RIGHT TO USE OF COMMON AREAS: The Association shall have a non-exclusive easement to make such use of the Common Areas as may be necessary or appropriate for the Management Committee to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain in the Common Areas maintenance and storage facilities for use by the Association.

ARTICLE XII

ASSESSMENTS

12.01: TYPES OF ASSESSMENTS: The Declarant, for each Unit within the Project, hereby covenants and agrees, and each Unit Owner by acceptance of a deed to a Unit (whether or not it shall be so expressed in such deed) is deemed to covenant and agree, to pay to the Association: (a) annual Common Assessments, (b) special assessments for capital improvements, and (c) special individual Unit assessments, all of such assessments to be established and collected as hereinafter provided.

12.02: PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be used exclusively to promote and provide for the health, safety, and welfare of Unit Owners and Occupants and the best interests of the Property.

12.03: ELEMENTS-APPORTIONMENT AND DUE DATES:

(a) Annual Common Assessments.

(1) Within sixty (60) days following the closing of the sale of the first Unit by Declarant, or earlier if Declarant so decides, the Board shall estimate, and prorate among all Units and their Owners on the basis of the undivided interest of each Unit in the Common Areas, Common Expenses of the Association, consisting of the following:

- a. the estimated next fiscal year's cost of the maintenance, repair, any amount necessary to pay real property taxes and/or other assessments coming due during the next fiscal year that are assessed on the Common Areas separately from those assessed on the Units, any amount necessary to pay personal property taxes and/or other assessments coming due during the next fiscal year that are assessed on any personal property owned by the Association, and other services to be provided or paid for by the Association;
 - b. the estimated next fiscal year's costs for insurance premiums to be provided and paid for by the Association;
 - c. the estimated next fiscal year's costs for utility services not separately metered or charged to Unit Owners;
 - d. the estimated amount required to be collected to maintain a working capital reserve fund, to assure availability of funds for normal operations of the Association, in an amount deemed adequate by the Board, but in no event less than an amount equal to two months' currently estimated assessments on all Units;
 - e. an amount deemed adequate by the Board to maintain a reserve for the cost of unexpected repairs and replacements of capital improvements and for the repair and replacement of major improvements for which cash reserves over a period of time in excess of one year ought to be maintained; and
 - f. the estimated next fiscal year's costs for the operation and administration of the Association, including, but not limited to, fees for property management, fees for legal and accounting services, costs of mailing, postage, supplies and materials for operating the Association, and the salaries, wages, payroll charges, and other costs to perform these services, and any other costs constituting Common Expenses not otherwise herein specifically excluded.
- (2) The Board shall thereupon allocate to each Unit that Unit's share of all of these items, prorated in accordance with each respective Unit's undivided interest in the Common Areas, and thereby establish the annual operating assessment for each separate Unit. For administrative convenience, any such assessment may be rounded so that monthly installments will be in whole dollars.
- (3) The annual Common Assessment shall be payable in advance, in equal monthly installments, provided that nothing contained herein shall prohibit any

Unit Owner from prepaying assessments in annual, semiannual, or quarterly increments. The due dates of any such installments shall be established by the Board, or, if it fails to do so, an equal monthly pro rata share of the annual operating assessment for a Unit shall be due the first day of each month.

(4) If the amounts so collected are, at any time, insufficient to meet all obligations for which those funds are to be used, the deficiency shall be assessed by the Board among the Units on the same basis as heretofore set forth.

(5) If Common Assessments collected during any fiscal year are in excess of the funds necessary to meet the anticipated expenses for which the same have been collected, the excess shall be retained as reserves, or as reductions in future assessments, as determined by the Board, in its sole discretion, and shall in no event be deemed profits nor available, except on dissolution of the Association, for distribution to Unit Owners.

(6) So long as the Declarant is in control of the Association, Declarant shall not use any part of the working capital reserve fund to defray Declarant's expenses, reserve contributions or construction costs, or to make up any budget deficits, and shall maintain the working capital reserve fund in a segregated account and shall transfer the same to the Association at or prior to the time Unit Owners other than Declarant control the Association. Each Unit's share of the working capital reserve fund shall be collected either at the time the sale of the Unit is closed or when control of the Association of the Unit is vested in a Unit Owner other than Declarant, whichever is earlier, without prejudice to Declarant's right to recover its contribution from purchasers of Units from Declarant subsequent to such vesting of control.

(b) Special Assessments for Capital Improvements.

(1) In addition to the annual Common Assessments, the Board may levy, at any time, special assessments to construct, reconstruct, or replace capital improvements of the Common Areas to the extent that reserves therefor are insufficient. However, except for new capital improvements that must be made to comply with applicable law or to correct any condition creating a safety or health hazard to Occupants, new capital improvements that do not replace existing improvements shall not be constructed, nor shall funds be assessed therefor, in any fiscal year without the prior approval of at least a seventy-five percent (75%) vote of the Unit Owners, if the cost of such new improvements would exceed five percent (5%) of that fiscal year's budget

(2) Any such Special Assessment shall be prorated among all Units in proportion to their respective undivided interests in the Common Areas, and shall

become due and payable on such date or dates as the Board determines following written notice to the Unit Owners.

(c) Special Individual Unit Assessments. The Board may levy assessments against an individual Unit, or Units, and the Owner or Owners thereof, to reimburse the Association for those costs incurred in connection with that Unit or Units properly chargeable by the terms hereof to a particular Unit (such as, but not limited to, the cost of making repairs that are the responsibility of a Unit Owner, and a Unit Owner's interest, late charges, enforcement charges, and arbitration charges). Any such assessment shall become due and payable on such date as the Board determines and sets forth in a written notice to the Unit Owners subject thereto. Additionally, during the first years of the Project's existence, and until such time as real estate taxes and assessments are split into separate tax bills for each Unit, the Association shall have the right to pay the real estate taxes and assessments attributable to the Property in the event the same have not been paid, when due, and assess each Unit Owner for his, her, or its share of such real estate taxes and assessments as a special individual Unit assessment. The share of those taxes and assessments attributable to a Unit shall be computed by multiplying the total taxes and assessments for all of the Property by the undivided interest in Common Areas attributable to that Unit. The calculation by the Association of the Units' shares of taxes and assessments shall be binding upon all Unit Owners.

12.04: EFFECTIVE DATE OF ASSESSMENT: Any assessment created pursuant hereto shall be effective, provided it is created as provided herein, if written notice of the amount thereof is sent by the Board to the Unit Owner subject thereto at least ten (10) days prior to the due date thereof, or, if it is to be paid in installments, the due date of the first installment thereof. Written notice mailed or delivered to a Unit Owner's Unit shall constitute notice to that Unit Owner, unless the Unit Owner has delivered written notice to the Board of a different address for such notices, in which event the mailing of the same to that last designated address shall constitute notice to that Unit Owner.

12.05: EFFECT OF NONPAYMENT OF ASSESSMENT; REMEDIES OF THE ASSOCIATION:

(a) If any installment of an assessment assessed by the Board is not paid within ten (10) days after the same is due, the entire unpaid balance of the assessment shall immediately become due and payable, without demand or notice, unless the Board, in its sole discretion, determines not to accelerate the installments.

(b) If any installment of an assessment is not paid within ten (10) days after the same is due, the Board, at its option, and without demand or notice, may (i) charge interest on the entire unpaid balance (including the accelerated portion thereof) at such rate as the Board, from time to time, establishes by rule; or, if the Board fails to establish a rate by rule, at the rate of eight percent (8%) per annum, (ii) charge a reasonable, uniform, late fee, as

established from time to time by the Board, by rule, and (iii) charge the cost of collection, including attorney fees and other out-of-pocket expenses.

(c) Annual Common Expenses and both types of special assessments, together with interest, late fees, and costs, including attorney fees, shall be a charge and lien in favor of the Association upon the Unit against which each such assessment is made.

(d) At any time after any assessment or an installment of an assessment levied pursuant hereto remains unpaid for thirty (30) or more days after the same has become due and payable, a certificate of lien for the unpaid balance of that assessment, including all future installments thereof, interest, late fees, and costs, including attorney fees, may be filed with the recorder of the county in which the Property is located, pursuant to authorization given by the Board. The certificate shall contain a description or other sufficient legal identification of the Unit against which the lien exists, the name or names of the record Owner or Owners thereof, and the amount of the unpaid portion of the assessments and charges, and shall be signed by the president or other chief officer of the Association.

(e) The lien provided for herein shall continue for a period of five (5) years unless it is renewed by the Association prior to the expiration of the five (5) year period, in which event it shall be extended for an additional five (5) years subject to further right of renewal by the Association, or unless it is sooner released or satisfied in the same manner provided by law in the State of Utah for the release and satisfaction of mortgages on real property, or discharged by the final judgment or order of a court in an action brought to discharge the lien.

(f) Any Unit Owner who believes that an assessment chargeable to his, her, or its Unit has been improperly charged against that Unit, may bring an action in the court of competent jurisdiction of the county in which the Property is located for the discharge of that lien. In any such action, if it is finally determined that all or a portion of the assessment has been improperly charged to that Unit, the court shall make such order as is just, which may provide for a discharge of record of all or a portion of that lien.

(g) Each such assessment, together with interest, late fees, and costs, including attorney fees, shall also be the joint and several personal obligation of the Unit Owners who owned the Unit at the time when the assessment fell due.

(h) The Association, as authorized by the Board, may file a lien or liens to secure payment of delinquent assessments, interest, late fees, and costs, including attorney fees, bring or join in an action at law against the Owner or Owners personally obligated to pay the same, and bring an action to foreclose a lien in conformance with Utah law, or do any one or more of these. In any foreclosure action, the Owner or Owners affected shall be required to pay a reasonable rental for that Unit during the pendency of such action to the extent permitted by law. The Association in any foreclosure action involving a Unit or

Units shall be entitled to become a purchaser at the foreclosure sale. In any such foreclosure action, interest and costs of such action (including attorneys' fees) shall be added to the amount of any such assessment, to the extent permitted by Utah law.

(i) No claim of the Association for assessments and charges shall be subject to setoffs, off sets, or counterclaims.

(j) No Owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use of the Common Areas, or any part thereof, or by abandonment of his, her or its Unit.

(k) Assessments shall run with the land, are necessary to continue the care, repair and maintenance of Units and their undivided interests in the Project, and to continue to provide utility and security service, and, accordingly, assessments accruing or becoming due during the pendency of bankruptcy proceedings shall constitute administrative expenses of the bankruptcy estate to the extent permitted by law.

12.06: SUBORDINATION OF THE LIEN TO FIRST MORTGAGES: The lien of the assessments and charges provided for herein shall be subject and subordinate to the lien of any duly executed First Mortgage on a Unit recorded prior to the date on which such lien of the Association is recorded and any holder of such First Mortgage which comes into possession of a Unit pursuant to the remedies provided in the First Mortgage, foreclosure of the First Mortgage, or deed or assignment in lieu of foreclosure, and any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid installments of assessments and charges against the Unit which (i) are so subordinate to such First Mortgage and (ii) became due and payable prior, in the case of foreclosure, to the date of the sale, and, in all other cases, to the date legal title vested in the successor Owner by virtue of such process. The foregoing will not relieve any successor Owner from the obligation for assessments accruing thereafter.

12.07: CERTIFICATE REGARDING ASSESSMENTS: The Board shall, upon demand, for a reasonable charge, furnish a certificate signed by the president, treasurer, secretary or other designated representative of the Association, setting forth whether the assessments on a specified Unit have been paid. This certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

12.08: ENCUMBRANCES: Any encumbrancer holding a lien on a Unit may pay any amounts secured by the lien created by this Article, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

12.09: EFFECT OF CONVEYANCE: In any voluntary conveyance, except to a First Mortgagee in lieu of foreclosure of the First Mortgage, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Common Assessments or special assessments against the Unit for his share of the Common Expenses up to the time of the grant or conveyance,

without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee. However, any such grantee shall be entitled to a statement from the Management Committee setting forth the amounts of the unpaid assessments against the grantor, and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth.

12.10: CERTIFICATE OF INDEBTEDNESS: The Management Committee shall, upon written request of any Unit Owner or any encumbrancer or prospective encumbrancer of a Unit, upon payment of a reasonable fee not to exceed Ten Dollars (\$10.00), issue to the person or persons requesting, a written statement setting forth the unpaid assessments with respect to the Unit covered by the request, which statement shall be conclusive upon the remaining Unit Owners and upon the Manager and Management Committee in favor of all persons who rely thereon in good faith. Any encumbrancer holding a lien on a Unit may pay any unpaid assessments payable with respect to such Unit and upon such payment that encumbrancer shall have a lien on that Unit of the same rank as the lien of his encumbrance.

12.11: TENANT RECOVERY: If a Unit Owner shall at any time let or sublet his Unit and default for a period of one month or more in the payment of any assessments, the Association may, at its option, so long as such default shall continue, demand and received from such tenant or subtenant or property manager the rent due or becoming due under such tenancy. The payment of such sum shall, to the extent of such payment, discharge such tenant or subtenant's or property manager's rental obligation to the Unit Owner and shall, to the extent of such payment, discharge said Unit Owner's obligation for unpaid assessment(s) and costs to the Association.

12.12: STATEMENT OF ACCOUNT: Upon payment of a reasonable fee and upon written request of any Owner or any lien holder, prospective lien holder, or prospective purchaser of a Unit, the Management Committee shall issue, within twenty (20) days following such request, a written statement setting forth: (i) the amount of the unpaid assessments, if any, with respect to such Unit; (ii) the amount of the current yearly Common Assessment and the date that such assessment becomes or became due, and (iii) any credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums. Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgage which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if (i) the statement is not furnished within such twenty (20) day period and within ten (10) days after an additional written request is made by such purchaser and (ii) the purchaser subsequently acquires the Unit.

ARTICLE XIII

TAXES

13.01: AD VALOREM TAXATION: Each Unit shall be assessed separately for all taxes, assessments, and other charges of the State of Utah, of any political subdivision, or of any special improvement district or of any other taxing or assessing authority. For the purpose of such assessment, the valuation of the Common Areas shall be apportioned among the Units in proportion to the fractional interests in Common Areas appurtenant to such Units, to the maximum extent permitted by law. The Management Committee shall furnish to the assessor all necessary information with respect to such apportionment. No forfeiture or sale of any Unit for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title to any other Unit.

ARTICLE XIV

DESTRUCTION OR DAMAGE

14.01: REPAIR; REBUILD; INSURANCE: In the event of destruction or damage to part or all of the Buildings or other improvements in the Project, the provisions of this Article shall apply:

- (a) If proceeds of the insurance maintained by the Association are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be promptly carried out.
- (b) If less than 75% of the Project's Buildings and other improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Association are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all of the Unit Owners shall be subject to a special assessment for any deficiency.
- (c) If 75% or more of the Project's Buildings and other improvements are destroyed or substantially damaged, and if proceeds of the insurance are not alone sufficient to accomplish restoration, and if the Unit Owners, within 100 days after the destruction or damage by a 75% vote of the voting rights of the Association, elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subparagraph (b) immediately above.
- (d) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance are insufficient to accomplish restoration, and if the Unit Owners do not, within 100 days after the destruction or damage and by a 75% vote of the voting rights of the Association, elect to repair or reconstruct the affected improvements, the Association shall promptly record with the Salt Lake County Recorder

a notice setting forth such facts. Upon the recording of such notice the provisions of subparagraphs (1) through (4) of §57-8-31 of the Act shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

(e) Any reconstruction or repair which is required to be carried out by this Article shall be accomplished at the request and direction of the Management Committee. Any determination which is required to be made by this Article regarding the extent of damage to or destruction of the Project shall be made as follows: The Management Committee shall select three appraisers; each appraiser shall independently estimate the percentage of Project Buildings and other improvements which have been destroyed or substantially damaged; the percentage which governs the application of the provisions of this Article shall be the median of the three estimates.

(f) The term "reconstruction," as used in this Article, shall mean restoring the damaged Building to substantially the same condition in which it existed prior to the fire or other disaster, with each Unit and the Common Areas having the same vertical and horizontal boundaries as before.

ARTICLE XV

INSURANCE

15.01: FIRE AND EXTENDED COVERAGE INSURANCE: The Board shall have the authority to, and shall obtain, insurance for all buildings, structures, fixtures and equipment, and common personal property and supplies now or at any time hereafter constituting a part of the Common Areas, including the Limited Common Areas, or common property of the Association, against loss or damage by fire, lightning, and such other perils as are ordinarily insured against by standard extended coverage endorsements, and all other perils which are customarily covered with respect to projects similar in construction, location, and use, including all perils normally covered by the standard "all risk" endorsement, where such is available, issued in the locale of the Property, or, if the policy does not include an "all risks" endorsement, a policy that includes the "broad form" covered causes of loss, in amounts at all times (i) that is sufficient to prevent the Unit Owners from becoming co-insurers under the terms of any applicable coinsurance clause or provision and (ii) that is not less than one hundred percent (100%) of the current insurable replacement cost of such items (exclusive of land, foundations, footings, excavations, and other items normally excluded from coverage). This insurance shall also:

(a) provide coverage for built-in or installed improvements, fixtures, and equipment that are part of a Unit, and shall provide for coverage of interior walls, windows and doors, and the frames, sashes, jambs and hardware therefor, even though these improvements may be parts of Units;

- (b) provide that no assessment may be made under the policy against a First Mortgage lender, or its insurer or guarantor, and, that any assessment under such policy made against others may not become a lien on a Unit and its appurtenant interests superior to a First Mortgage;
- (c) be written in the name of the Association for the use and benefit of the Unit Owners, or its authorized representative, including any insurance trustee with whom the Association has entered into an insurance trust agreement, or any successor to such trustee, for the use and benefit of the individual Unit Owners;
- (d) have a deductible amount no greater than the lesser of one thousand dollars or one percent of the policy face amount;
- (e) be paid for by the Association, as a Common Expense;
- (f) contain a waiver of subrogation of rights by the carrier as to the Association, to its officers and Trustees, and to all Unit Owners;
- (g) provide that the insurance shall not be prejudiced by any acts or omissions of individual Unit Owners who are not under the control of the Association; and
- (h) be primary, even if a Unit Owner has other insurance that covers the same loss.

15.02: LIABILITY INSURANCE: The Association shall obtain and maintain, at the Association's cost and as a Common Expense, a commercial policy of general liability insurance covering all of the Common Areas, public ways, and any other areas under the Association's supervision, and Units, if any, owned by the Association, even if leased to others, insuring the Association, the Trustees, and the Unit Owners and Occupants, with such limits as the Board may determine, but no less than the greater of (i) the amounts generally required by institutional First Mortgage holders, insurers, and guarantors for projects similar in construction, location and use, and (ii) one million dollars, for bodily injury, including deaths of persons, and property damage, arising out of a single occurrence. This insurance shall contain a "severability of interest" provision, or, if it does not, an endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association, the Board, or other Unit Owners, and shall include, without limitation, coverage for legal liability of the insureds for property damage, bodily injuries and deaths of persons resulting from the operation, maintenance or use of the Common Areas, and legal liability arising out of lawsuits related to employment contracts in which the Association is a party.

15.03: FIDELITY COVERAGE: The Board shall obtain and maintain, at the Association's cost and as a Common Expense, fidelity insurance providing coverage for the Association against dishonest acts on the part of directors, managers, trustees, employees, agents, and volunteers responsible for or handling funds belonging to or administered by the Association.

The fidelity insurance policy must name the Association as the named insured and shall be written in an amount sufficient to provide protection, which is in no event less than the greater of (i) an amount equal to the Association's reserve funds plus three months' assessments on all Units, and (ii) the maximum amount that will be in the custody of the Association or its managing agent at any time while the policy is in force. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. The policy shall provide that it shall not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association and any insurance trustee.

Any management agent who handles funds of the Association shall maintain a policy of fidelity insurance providing coverage no less than that required of the Association, which bond or insurance policy names the Association as an additional obligee.

15.04: HAZARD INSURANCE CARRIER: Each policy of hazard insurance obtained pursuant hereto shall be obtained from an insurance company authorized to write such insurance in the State of Utah which has 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 *Insurer Solvency Review*, or a "BBB" or better claims-paying ability rating in Standard and Poor's *International Confidential Rating Service*. Insurance issued by a carrier that does not meet the foregoing rating requirements will be acceptable if the carrier is covered by reinsurance with a company that meets either one of the A.M. Best general policyholder's ratings or one of the Standard and Poor's claims-paying ability ratings mentioned above.

15.05: OTHER ASSOCIATION INSURANCE: In addition, the Board may purchase and maintain, at the Association's cost and as a Common Expense, contractual liability insurance, trustees' and officers' liability insurance, and such other insurance as the Board may determine.

15.06: INSURANCE REPRESENTATIVE; POWER OF ATTORNEY: There may be named, under any policy obtained by the Association, as an insured on behalf of the Association, its authorized representative, including any trustee with whom the Association may enter into any insurance trust agreement, or any successor to such trustee, who shall have exclusive authority to negotiate losses under any such policy. Each Unit Owner, by acceptance of a deed to a Unit, irrevocably appoints the Association or such designated representative, or such successor, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or such designated representative, or such successor, shall receive, hold, or otherwise properly dispose of any proceeds of insurance, in trust, for Unit Owners, as their interests may appear. This power is for

the benefit of each and every Unit Owner, the Association, and the Project, and runs with the land, and is coupled with an interest.

15.07: UNIT OWNERS' INSURANCE: Any Unit Owner or Occupant may carry such insurance in addition to that provided by the Association pursuant hereto as that Unit Owner or Occupant may determine, subject to the provisions hereof, and provided that no Unit Owner or Occupant may at any time purchase individual policies of insurance against loss by fire or other casualty covered by the insurance carried pursuant hereto by the Association which diminishes the Association's hazard insurance. In the event any Unit Owner or Occupant violates this provision, any diminution in insurance proceeds resulting from the existence of such other insurance shall be chargeable to the Unit Owner who acquired or whose Occupant acquired such other insurance, who shall be liable to the Association to the extent of any diminution and/or loss of proceeds. Without limiting the foregoing, a Unit Owner or Occupant may obtain insurance against liability for events occurring within a Unit, losses with respect to personal property and furnishings, and losses to improvements owned by the Unit Owner or Occupant, provided that, if the Association obtains insurance for permanent improvements and built-in fixtures and equipment, then the insurance obtained by the Unit Owner with respect to improvements within the Unit shall be limited to the type and nature of coverage commonly referred to as "tenants" improvements and betterments. All such insurance separately carried shall contain a waiver of subrogation rights by the carrier as to the Association, its officers and Trustees, and all other Unit Owners and Occupants.

15.08: SUFFICIENT INSURANCE: In the event the improvements forming a part of the Common Areas or any portion thereof shall suffer damage or destruction from any cause or peril insured against and the proceeds of any policy or policies insuring against such loss or damage and payable by reason thereof shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration, or reconstruction shall be undertaken by the Association, and the insurance proceeds shall be used in payment therefor.

15.09: INSUFFICIENT INSURANCE: In the event the improvements forming a part of the Common Areas or any portion thereof shall suffer damage or destruction from any cause or peril which is not insured against, or, if insured against, the insurance proceeds shall not be sufficient to pay the cost of repair, restoration or reconstruction, then, unless the Unit Owners shall elect not to terminate the Project within the time period and as provided in Article XIV above, the Association shall make repairs, restoration, or reconstruction of the Common Areas so damaged or destroyed at the expense (to the extent not covered by insurance) of all Unit Owners as provided in Article XIV above.

15.10: WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE: The Management Committee shall acquire workmen's compensation and employer's liability insurance and all other similar insurance in respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

15.11: DIRECTORS AND OFFICERS LIABILITY: The Association shall obtain and continue in effect insurance for the protection of the Directors and Officers of the Association from personal liability in the management of the Association's affairs.

ARTICLE XVI

UTILITY SERVICES

16.01: UTILITY SERVICES: Each Unit Owner by acceptance of a deed to a Unit agrees to pay for utility services separately metered or separately charged by the utility company to that Unit, and to reimburse the Association for that Unit's share of any utility cost that the Board reasonably determines is attributable to use of that Unit. All other utility costs shall be Common Expenses and paid by the Association.

ARTICLE XVII

EMINENT DOMAIN

17.01: STANDING: Except as hereinafter provided, the Association, or its designated representative, or authorized successor, as trustee, shall represent the Unit Owners in any Condemnation or eminent domain proceedings or in negotiations, settlements, and agreements with the condemning authority for acquisition of all or any part of the Property, and shall have the sole and exclusive right to settle losses with the condemning authority and to receive the award or proceeds of settlement for the use and benefit of the Unit Owners as their interests may appear. Notwithstanding the foregoing, in the event that a Unit Owner may lawfully separately pursue and realize upon a claim for incidental and consequential losses or damage to that Unit Owner resulting from a taking under the power of eminent domain, such as for relocation and moving expenses, loss of favorable mortgage terms, and other such individual incidental or consequential losses, that Unit Owner may, at his, her, or its election, separately pursue such claim, provided that the pursuing of the same, or the realization of an award thereof, (i) does not jeopardize, in any way, an action by the Association to recoup the losses incurred by it or by any other Unit Owner or the direct loss with respect to the Unit itself, (ii) does not jeopardize, in any way, an action by the Association with regard to the usability of a Unit, and (iii) does not diminish any award for any such loss.

17.02: USE OF PROCEEDS: The award or proceeds of settlement in any actual or threatened condemnation or eminent domain proceedings, less the costs, if any, incurred in obtaining the same, shall be applied first to the cost of restoring or replacing all damaged or taken improvements on the remaining Property in accordance with the Map, or in accordance with any new plans and specifications therefor approved by Unit Owners exercising no less than seventy-five percent (75%) of the voting power of Unit Owners.

17.03: INSUFFICIENT PROCEEDS: If the award or proceeds are insufficient for the purpose described in paragraph 17.02 above, the excess cost shall be paid by the Association and, to the extent funds of the Association are insufficient therefor in the judgment of the Board, such excess cost shall be a Common Expense and assessed among the Units in the same manner as special assessments for capital improvements are assessed. Except as hereinafter provided, the balance of any such award or proceeds of settlement, if there is an excess, shall be allocated and disbursed to the Unit Owners, as their interests may appear, in proportion to the relative undivided interests of the Units in the Common Areas.

17.04: NON-RESTORABLE UNIT: Notwithstanding the foregoing, in the event that, as a result of any such taking, any Unit could not reasonably be restored to a condition comparable to that which existed prior to the taking, or could not be replaced, prior to the allocation and disbursement of any sum to any other Unit Owner, there shall be allocated and disbursed from such award or proceeds, to each Unit Owner whose Unit cannot be so restored or replaced as their interests may appear, such amount as is equal to the then fair market value of the Unit that cannot be so restored or replaced. Thereupon, such Unit or Units, and the Owners thereof, shall be immediately and automatically divested of any interest in the Project, the Property, and the Association, including, without limiting the generality of the foregoing, divestment of an undivided interest in the Common Areas, vote, membership in the Association, and liability for Common Expenses. All such undivided interests in the Common Areas shall be reallocated among all remaining Units in proportion to their relative par values as set forth on Exhibit "C" attached hereto, as the same may be hereafter amended pursuant to expansion of the Project, and the voting rights attributable to the remaining Units shall be adjusted to reflect such change in the undivided interest in the Common Areas attributable to the remaining Units.

17.05: POWER OF ATTORNEY: Each Unit Owner, by acceptance of a deed to a Unit, appoints the Association, or its designated representative, as his, her, or its attorney-in-fact to represent that Unit Owner, settle losses, receive and utilize the award or proceeds of settlement, and to authorize the Association to do all things necessary or desirable to exercise the rights and fulfill the responsibilities of the Association set forth in this Article with respect to condemnation or eminent domain proceedings. This power is for the benefit of each and every Unit Owner, the Association, and the real estate to which it is applicable, runs with land, is coupled with an interest, and is irrevocable.

ARTICLE XVIII

MAINTENANCE

18.01: OWNER'S RESPONSIBILITY: For purposes of maintenance, repair, alteration, and remodeling, an Owner shall maintain and be permitted to alter or remodel the interior non-supporting walls, the materials (such as, but not limited to, plaster, gypsum drywall, paneling, wallpaper, paint, wall and floor tile and flooring) making up the finished surfaces of the perimeter walls, ceilings, and floors within the Unit, including any non-exterior Unit doors and

non-exterior windows. The Unit Owner shall also maintain the surface of the interior supporting walls, and the Association shall maintain the structural integrity of interior supporting walls. The Owner shall not alter lines, pipes, wires, conduits, or systems (which for brevity are herein and hereafter referred to as utilities) which serve one or more other Units. Such utilities shall not be disturbed or relocated by an Owner without the written consent and approval of the Management Committee. Such right to repair, alter, and remodel is coupled with the obligation to replace any materials removed with similar types or kinds of materials. An Owner shall maintain and keep in repair the interior of his Unit, including the fixtures thereof. All fixtures and equipment installed within the Unit commencing at a point where the utilities enter the Unit shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act and shall perform no work that will or may impair the structural soundness or integrity of the Building in which it is located, impair any easement or hereditament, or violate any laws, ordinances, regulations and codes of the United States of America, the State of Utah, the County of Salt Lake, or any other agency or entity which may then have jurisdiction over said Unit. Any expense to the Association for investigation under this Article shall be borne by Owner if such investigation establishes a violation of this paragraph. Each Owner shall also keep the Limited Common Areas appurtenant to his Unit in a clean and sanitary condition, free and clear of snow, ice, dirt, debris, and any accumulation of water. However, general repair and maintenance of the Limited Common Areas shall be the responsibility of the Association as with all other Common Areas. Each Owner shall be obligated to reimburse the Association promptly upon notice by the Association to the Unit Owner of any expenditures incurred by the Association in repairing or replacing any Common Areas damaged by any act or failure to act of the Unit Owner, his tenants, guests, invitees or agents, except those expenditures covered by insurance where subrogation rights of the insurer against the Owner have been waived.

18.02: ASSOCIATION'S RESPONSIBILITY: The Association shall have the duty of maintaining and repairing all of the Common Areas and Limited Common Areas within the Project including the structural integrity of interior structural walls of Units, and the cost of said maintenance and repair shall be a Common Expense of all of the Owners. The Management Committee shall not need the prior approval of the Members of the Association to cause such maintenance or repairs to be accomplished, notwithstanding the cost thereof, subject, however, to Article XIV hereof.

The Association shall, through the Management Committee or its representatives, provide to the Owners the following services which shall be paid for out of the Common Expense Assessment, to-wit:

- (a) maintain the Common Areas and Limited Common Areas, including without limitation the parking areas, the landscaping, and sidewalks;
- (b) administer and manage the Project;
- (c) provide common utilities;

- (d) set aside reserves for future maintenance, repairs, and replacements of Common Areas and Limited Common Areas;
- (e) provide snow removal and, if not provided by West Jordan City, trash removal;
- (f) provide fire, life, and safety monitoring with respect to the Project;
- (g) obtain the insurance required in Article XV above;
- (h) acting as attorney-in-fact in the event of damage or destruction as provided for in paragraph 17.05 above, and
- (i) performing all other acts required by this Declaration, or the Articles of Incorporation, and the Bylaws of the Association.

The Association reserves the right to hire one or more persons or entities including a Manager, contractors, and employees to perform such services, provided, however, that any such hiring shall be subject to the provisions set forth herein.

ARTICLE XIX

ADMINISTRATIVE

19.01: ADMINISTRATIVE RULES AND REGULATIONS: The Management Committee shall have the power to adopt and establish by resolution such Project management and operational rules as it may deem necessary and proper for the maintenance, operation, management, and control of the Project. The Management Committee may, from time to time, alter, amend, and repeal such rules. Unit Owners shall at all times obey such rules and see that they are faithfully observed by their respective tenants, subtenants, and any other Occupant or user of their Unit.

ARTICLE XX

OBLIGATION TO COMPLY

20.01: COMPLIANCE: Each Unit Owner, tenant, subtenant and other Occupant or user of a Unit shall comply strictly with the provisions of the Act, this Declaration, the Bylaws of the Association from time to time in effect, the rules and regulations promulgated by the Management Committee, and all agreements and determinations lawfully made and/or entered into by the Association. Any failure to comply with the foregoing shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Association in its own name and/or on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner.

ARTICLE XXI

INDEMNIFICATION OF TRUSTEES AND OFFICERS

21.01: INDEMNIFICATION: Each member of the Board of Trustees and all officers and agents of the Association shall be indemnified and held harmless by the Association against all costs, expenses, and liabilities, whatsoever, including, without limitation, attorney's fees reasonably incurred by him in connection with any proceeding in which he may become involved by reason of his being or having been such trustee or officer, all to the maximum extent permitted by law; provided, however, the foregoing indemnification shall not apply if the loss, expense, or liability involved resulted from the willful misconduct of such individual.

XXII

AMENDMENT

22.01: POWER TO AMEND: Except as otherwise specifically provided herein, additions to, changes in, or amendment of this Declaration (or the other Condominium Constituent Documents) shall require the consent of Unit Owners exercising not less than seventy-five percent (75%) of the voting power of Unit Owners. Notwithstanding the foregoing:

- (a) the consent of all Unit Owners shall be required for any amendment effecting:
 - (1) a change in the boundaries of any Unit;
 - (2) a change in the undivided interest in the Common Areas appertaining to a Unit or the liability for Common Expenses appertaining thereto;
 - (3) a change in the number of votes in the Association appertaining to any Unit;
 - (4) a change in the fundamental purposes to which any Unit or the Common Areas are restricted; or
 - (5) termination of the Project except as provided in Article XIV above.

- (b) in any event, Declarant reserves the right and power, and each Unit Owner by acceptance of a deed to a Unit is deemed to and does give and grant to Declarant a power-of-attorney, which right and power is coupled with an interest and runs with the title to a Unit and is irrevocable (except by Declarant), for a period of four (4) years from the date of the filing of the Declaration, to amend the Condominium

Constituent Documents as provided in Article VI above and/or to amend them to the extent necessary to correct typographical errors or obvious factual errors or omissions the correction of which would not impair the interest of the Association or any Unit Owner, provided, further, that if there is a Unit Owner other than the Declarant, the Declaration shall not be amended to increase the scope or the period of control of the Declarant beyond that allowed by this Declaration.

22.02: METHOD TO AMEND: An amendment to this Declaration (or the Map or the Bylaws), adopted with the consent of Unit Owners hereinbefore required, shall be executed with the same formalities as to execution as this Declaration by two officers of the Association and shall contain their certification that such amendment was duly adopted in accordance with the foregoing provisions. Any amendment adopted by the Declarant or a duly empowered successor Declarant pursuant to authority granted it pursuant to the Declaration shall be duly executed by it with the same formalities as to execution as this Declaration and shall contain the certification of such signor or signors that such amendment is made pursuant to authority vested in Declarant or any duly empowered successor Declarant by the Declaration. Any amendment duly adopted and executed in accordance with the foregoing provisions shall be effective upon the filing of the same with the auditor and recorder of the county in which the Property is located.

ARTICLE XXIII

PERSON TO RECEIVE SERVICE OF PROCESS

23.01: SERVICE OF PROCESS: The initial person to receive service of process in the cases provided herein or in the Act is Larry Lindstrom, whose address is 1923 North 300 East, Lehi, Utah 84043. Said person may be changed by the filing by the Association with the State of Utah of an appropriate instrument.

ARTICLE XXIV

MARKETING BY DECLARANT

24.01: MARKETING: Until such time as the Declarant ceases to be a Unit Owner or the expiration of four (4) years after the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah, whichever first occurs, Declarant, or its successors or assigns shall have the right, in furtherance of any sales or promotional activities, to take any reasonable action on the Project that Declarant deems appropriate to accomplish or facilitate the sale of Units owned by Declarant, so long as such actions are not prohibited by the Act.

ARTICLE XXV

LIMITATION ON IMPROVEMENT BY ASSOCIATION

25.01: LIMITATION ON IMPROVEMENTS: Until the termination of Declarant's rights described in Article XXVI below, the Association shall not, without the written consent of Declarant, make any improvement to or alteration in any of the Common Areas, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as the same existed at the time this Declaration was recorded.

ARTICLE XXVI

MANAGEMENT RIGHTS OF DECLARANT

26.01: DECLARANT'S MANAGEMENT RIGHTS: Notwithstanding anything above to the contrary, the Declarant, or a managing agent or some other person or persons selected by Declarant, may appoint and remove some or all of the members of the Board and Management Committee, and Board of Trustees or some or all of the officers of the Association or may exercise the powers and responsibilities otherwise assigned by the Declaration and by the Act to the Association, its officers, or the Management Committee. However, the right of the Declarant contained in this Article XXVI shall terminate upon the first of the following to occur:

- (a) The expiration of four (4) years from the date of this Declaration;
- (b) After Units to which three-fourths of the undivided interests in the Common Areas appertain have been conveyed by Declarant; or
- (c) The date on which Declarant voluntarily relinquishes its Membership, as evidenced by a notice recorded in the office of the recorder for Salt Lake County, Utah.

ARTICLE XXVII

MISCELLANEOUS

27.01: SEVERABILITY: The invalidity of any one or more phrases, sentences, subparagraphs, paragraphs, sections, or articles hereof shall not affect the remaining portions of this instrument or any part thereof, and, in the event that any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence, or sentences, subparagraph or subparagraphs, paragraph or paragraphs, section or sections, or article or articles had not been inserted.

27.02: 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 recorded voluntary conveyance, transfer, or assignment. Any Mortgage covering Units in which title is vested in the Declarant, shall, at any given point in time and whether or not such Mortgage does so by its provisions, 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 thereunder.

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

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

27.05: EFFECTIVE DATE: This Declaration shall take effect upon recordation.

27.06: ASSOCIATION BYLAWS: A copy of the Association's initial Bylaws are attached hereto as Exhibit "E." In the event of any conflict between the provisions of those Bylaws and this Declaration, the provisions of this Declaration shall control.

27.07: COVENANTS RUNNING WITH THE LAND: The covenants, conditions, restrictions, easements, reservations, liens, and charges created hereunder or hereby shall run with and bind the land, and each part thereof, and shall be binding upon and inure to the benefit of all parties having any right, title, or interest in or to all or any part of the Property, including the Association, and their respective heirs, executors, administrators, successors, and assigns.

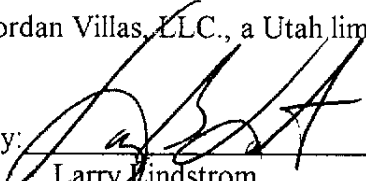
27.08: ACTIONS: In addition to any other remedies provided in this Declaration, Declarant, (with respect to those rights directly benefitting the Declarant), the Association, and each Unit Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, and charges set forth in this Declaration or in the Bylaws or now or hereafter imposed by or through the Association's rules and regulations. Failure of Declarant, the Association, or any Unit Owner to proceed with such enforcement shall in no event be deemed a waiver of the right to enforce at a later date the original violation or a subsequent violation, nor shall the doctrine of laches or any statute of limitations bar the enforcement of any such restriction, condition, covenant, reservation, easement, lien, or charge. Further, the Association and each Unit Owner shall have rights of action against each other for failure to comply with the provisions of the Condominium Constituent Documents, rules and regulations, and/or applicable law, and with respect to decisions made pursuant to authority granted thereunder. The Association shall have the right to assess reasonable charges against a Unit Owner who fails to comply with the same, including the right to assess charges for the costs of enforcement and arbitration. Neither the Association nor its Trustees, officers, or other representatives shall be liable to any Unit Owner or Occupant, or to

their invitees, for damage to any Unit or any part thereof, or to any personal property of such Unit Owner, Occupant or invitee, or for injury to such person, unless the damage or injury was proximately caused by the gross negligence or the intentional tortious act of the Association or such Trustee, officer or other representative. Notwithstanding the foregoing, in the event of any dispute between the Association and any Unit Owner or Occupant that cannot be settled by agreement between them, no Unit Owner or Unit Owners shall institute legal proceedings against the Association without first submitting the dispute to Mediation to a single independent mediator selected by the Board. In addition to all other remedies available by law, the Association may use summary abatement or similar means to enforce any provisions hereof or restrictions against the Unit or its use, provided that judicial proceedings shall be instituted before any items of construction may be altered or demolished by summary means.

27.09: GENDER AND GRAMMAR: The singular wherever used herein shall be construed to mean the plural and the masculine shall include the feminine when applicable. The necessary grammatical changes required to make the provisions hereof apply either to corporations, partnerships, men or women, shall in all cases be assumed as though in such case fully expressed.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed on its behalf this 10th day of October, 2001.

Jordan Villas, LLC., a Utah limited liability company

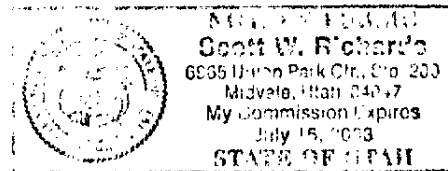
By: 
Larry Lindstrom
Its: Manager

STATE OF UTAH)
 : ss.
County of Salt Lake)

The foregoing instrument was acknowledged before me this 10th day of October, 2001, by Larry Lindstrom, the sole Manager of Jordan Villas, LLC., a Utah limited liability company.


Notary Public

369821

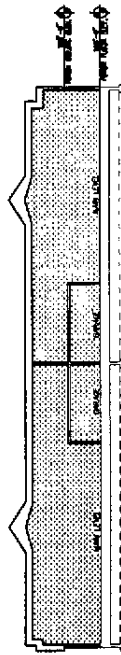
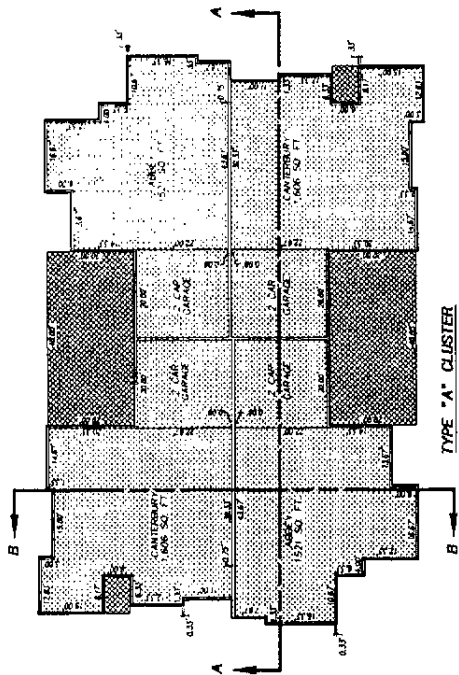


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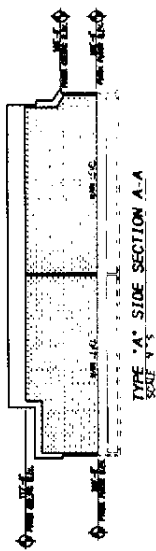
EXHIBIT "A"
TO
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND
RESERVATION OF EASEMENTS FOR JORDAN VILLAS,
AN EXPANDABLE CONDOMINIUM PROJECT
(PHASE I)

Beginning at the Southwest Corner of Section 3, Township 3 South, Range 1 West, Salt Lake Base and Meridian and running thence N.00°01'37"W. 792.000 feet along the west section line to the southwest corner of Carriage Lane at the Grove (a condominium project) as recorded in the office of the Salt Lake County Recorder as entry no. 5662628; thence S.89°53'45"E. 33.000 feet along the south line of said condominium project; thence S.00°01'37"E. 168.776 feet; thence N.89°58'47"E. 164.750 feet; thence S.38°13'39"E. 45.341 feet to a point on a 37.000 foot radius curve to the left; thence Southwesterly 30.383 feet along the arc of said curve through a central angle of 47°02'59", chord bears S.23°29'53"W. 29.537 feet; thence S.00°01'37"E. 60.321 feet to a point on 10.000 foot radius curve to the left; thence Southeasterly 15.703 feet along the arc of said curve through a central angle of 89°58'24", chord bears S.45°00'49"E. 14.139 feet; thence N.89°59'58"E. 112.188 feet; thence S.00°01'37"E. 129.577 feet; thence N.89°59'59"E. 451.273 feet; thence S.00°00'01"E. 26.510 feet; thence S.89°56'27"E. 149.718 feet; thence S.00°03'33"W. 132.925 feet; thence S.89°56'28"E. 163.000 feet to the west line of the HJS Willowcove L.L.C. parcel as recorded in book 7766 page 1135 in the office of the Salt Lake County Recorder; thence S.00°03'33"W. 202.000 feet along the west line of said HJS Willowcove L.L.C. parcel to the south line of said Section 3; thence N.89°56'28"W. 1099.659 feet along said section line to the point of beginning.

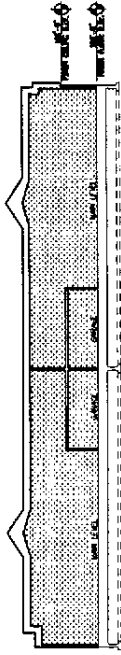
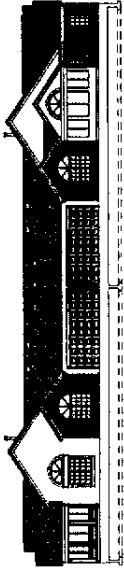
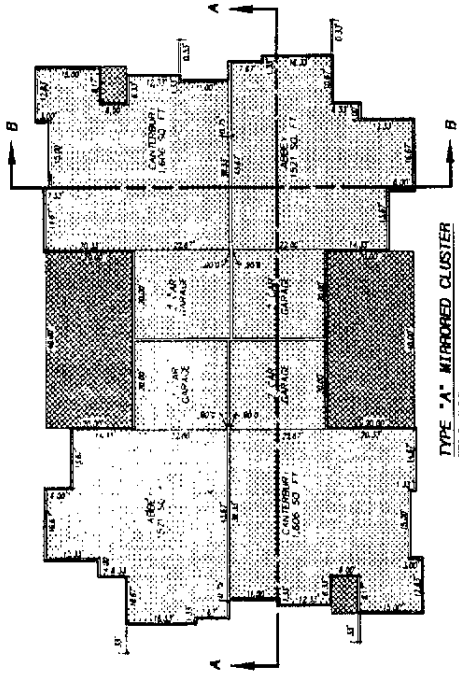
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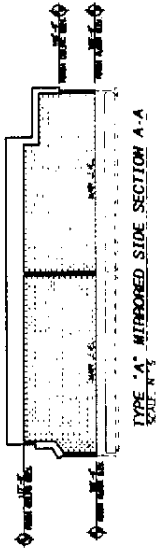
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SCALE: N.T.S.



NOTE: IN THIS SECTION, THE WALLS ARE SHOWN WITH A FINISH OF 1/2" GYPSUM BOARD TO BE SET BY THE CONTRACTOR.



TYPE "A" FRONT SECTION A-A, MIRRORED
SCALE: N.T.S.

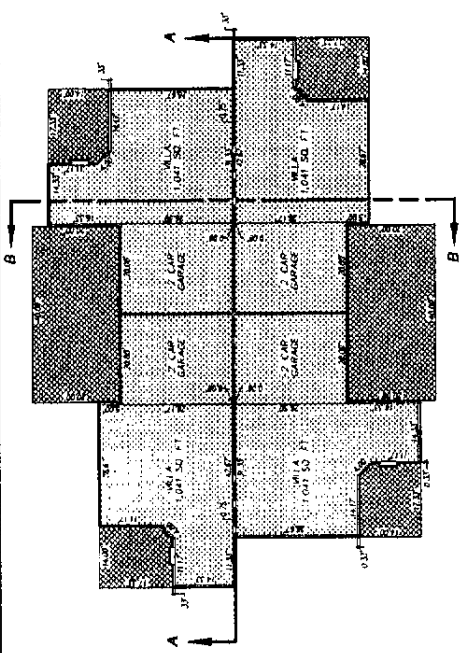


LEGEND
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 [Pattern] (LIMITED) CONCRETE (MISC.)

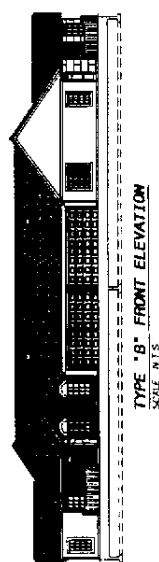
ARCHITECT
LARRY LINDBLOM
 1000 West 1000 East
 Salt Lake City, Utah 84119
 (801) 373-8888 (Fax) (801) 373-8877

CRS
CALDWELL RICHARDS SORENSEN
 ARCHITECTS INC.
 1000 West 1000 East
 Salt Lake City, Utah 84119
 (801) 373-8888 (Fax) (801) 373-8877

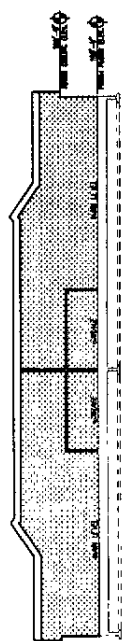
JORDAN VILLAS PHASE I
 A Condominium Development in West Jordan City, Utah
 Sheet 2 of 3
 DRAWN BY: [Name] CHECKED BY: [Name] DATE: [Date] SCALE: [Scale]



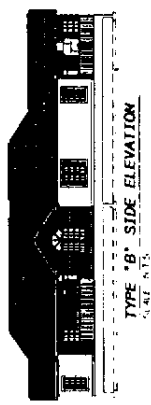
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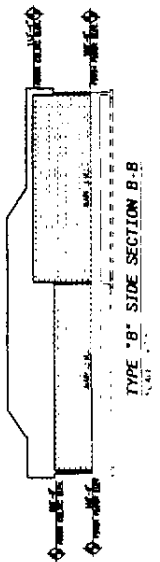
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TYPE "B" FRONT SECTION A-A
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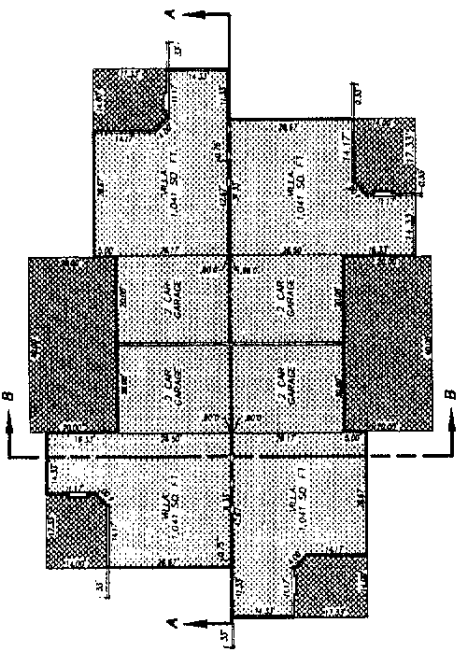


TYPE "B" SIDE ELEVATION
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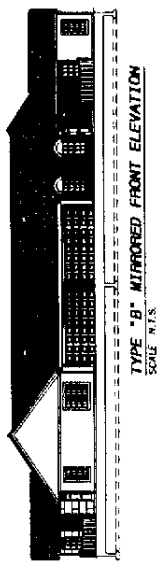


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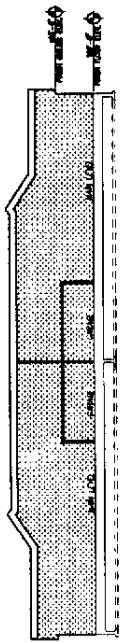
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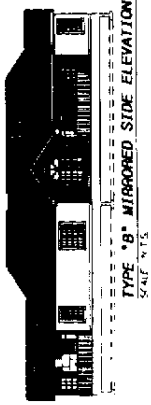
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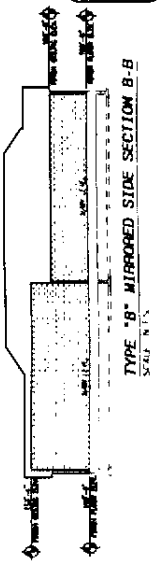
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TYPE "B" MIRRORING FRONT SECTION A-A
SCALE: N.T.S.



TYPE "B" MIRRORING SIDE ELEVATION
SCALE: N.T.S.



TYPE "B" MIRRORING SIDE SECTION B-B
SCALE: N.T.S.

ARCHITECTS: IN
LARRY LINDSTROM
1000 South 200 West
Salt Lake City, Utah 84115
(801) 533-8888 FAX: (801) 533-8877

CALDWELL
RICHARDS
SORENSEN
ARCHITECTS

JORDAN VILLAS PHASE I
A Condominium Development in West Jordan City, Utah
Sheet 3 of 3
DESIGNED BY: CALDWELL RICHARDS SORENSEN ARCHITECTS
LOCATED AT: 2000 S. 2000 W. WEST JORDAN, UTAH 84088

EXHIBIT "C"
TO
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND
RESERVATION OF EASEMENTS FOR JORDAN VILLAS,
AN EXPANDABLE CONDOMINIUM PROJECT
(PHASE I)

BUILDING NUMBER	UNIT LETTER	ADDRESS	MODEL	PAR VALUE	PERCENTAGE OF UNDIVIDED INTEREST
1	A	9312 SOUTH JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
1	B	9322 SOUTH JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
1	C	9318 SOUTH JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
1	D	9314 SOUTH JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
2	A	9342 SOUTH JORDAN VILLA DRIVE	VILLA	1	1.3441 %
2	B	9348 SOUTH JORDAN VILLA DRIVE	VILLA	1	1.3441 %
2	C	9346 SOUTH JORDAN VILLA DRIVE	VILLA	1	1.3441 %
2	D	9344 SOUTH JORDAN VILLA DRIVE	VILLA	1	1.3441 %
3	A	9354 SOUTH JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
3	B	9364 SOUTH JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
3	C	9362 SOUTH JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
3	D	9356 SOUTH JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
4	A	2187 WEST JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
4	B	2173 WEST JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
4	C	2177 WEST JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
4	D	2183 WEST JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
5	A	2159 WEST JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
5	B	2149 WEST JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
5	C	2151 WEST JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
5	D	2157 WEST JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
6	A	2139 WEST JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
6	B	2129 WEST JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
6	C	2131 WEST JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
6	D	2137 WEST JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
7	A	2117 WEST JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
7	B	2107 WEST JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
7	C	2109 WEST JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
7	D	2113 WEST JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
8	A	2097 WEST JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
8	B	2087 WEST JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %
8	C	2089 WEST JORDAN VILLA DRIVE	ABBHEY	1.2	1.6129 %
8	D	2093 WEST JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129 %

9	A	2077	WEST	JORDAN VILLA DRIVE	ABBAY	1.2	1.6129	%
9	B	2061	WEST	JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129	%
9	C	2063	WEST	JORDAN VILLA DRIVE	ABBAY	1.2	1.6129	%
9	D	2073	WEST	JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129	%
10	A	2043	WEST	JORDAN VILLA DRIVE	ABBAY	1.2	1.6129	%
10	B	2033	WEST	JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129	%
10	C	2037	WEST	JORDAN VILLA DRIVE	ABBAY	1.2	1.6129	%
10	D	2041	WEST	JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129	%
11	A	2019	WEST	JORDAN VILLA DRIVE	ABBAY	1.2	1.6129	%
11	B	2011	WEST	JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129	%
11	C	2013	WEST	JORDAN VILLA DRIVE	ABBAY	1.2	1.6129	%
11	D	2017	WEST	JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129	%
12	A	2146	WEST	JORDAN VILLA DRIVE	ABBAY	1.2	1.6129	%
12	B	2156	WEST	JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129	%
12	C	2154	WEST	JORDAN VILLA DRIVE	ABBAY	1.2	1.6129	%
12	D	2148	WEST	JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129	%
13	A	2124	WEST	JORDAN VILLA DRIVE	ABBAY	1.2	1.6129	%
13	B	2136	WEST	JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129	%
13	C	2132	WEST	JORDAN VILLA DRIVE	ABBAY	1.2	1.6129	%
13	D	2128	WEST	JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129	%
14	A	2102	WEST	JORDAN VILLA DRIVE	VILLA	1	1.3441	%
14	B	2112	WEST	JORDAN VILLA DRIVE	VILLA	1	1.3441	%
14	C	2108	WEST	JORDAN VILLA DRIVE	VILLA	1	1.3441	%
14	D	2104	WEST	JORDAN VILLA DRIVE	VILLA	1	1.3441	%
15	A	2078	WEST	JORDAN VILLA DRIVE	ABBAY	1.2	1.6129	%
15	B	2088	WEST	JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129	%
15	C	2086	WEST	JORDAN VILLA DRIVE	ABBAY	1.2	1.6129	%
15	D	2082	WEST	JORDAN VILLA DRIVE	CANTERBURY	1.2	1.6129	%
16	A	9358	SOUTH	ABBAY VIEW ROAD	VILLA	1	1.3441	%
16	B	9364	SOUTH	ABBAY VIEW ROAD	VILLA	1	1.3441	%
16	C	9362	SOUTH	ABBAY VIEW ROAD	VILLA	1	1.3441	%
16	D	9358	SOUTH	ABBAY VIEW ROAD	VILLA	1	1.3441	%
						TOTAL	100.0000	%

BK8511PG7900

EXHIBIT "D"
TO
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND
RESERVATION OF EASEMENTS FOR JORDAN VILLAS,
AN EXPANDABLE CONDOMINIUM PROJECT
(PHASE II)

Beginning at a point N.00°01'37"W. 782.000 feet along the section line and S.89°53'45"E. 33.000 feet from the Southwest Corner of Section 3, Township 3 South, Range 1 West, Salt Lake Base and Meridian; thence running S.89°53'45"E. 627.000 feet; thence S.00°01'37"E. 118.744 feet; thence S.89°54'10"E. 440.656 feet to the extended line of the HJS Willowcove L.L.C. parcel as recorded in book 7766 page 1135 in the office of the Salt Lake County Recorder; thence S.00°03'33"W. 460.439 feet along the west line of said HJS Willowcove L.L.C. parcel; thence N.89°56'28"W. 163.000 feet; thence N.00°03'33"E. 132.925 feet; thence N.89°56'27"W. 149.718 feet; thence N.00°00'01"W. 26.510 feet; thence N.89°59'59"W. 451.273 feet; thence N.00°01'37"W. 129.577 feet; thence N.89°59'58"W. 112.188 feet to a point on a 10.000 foot radius curve to the right; thence Northwesterly 15.703 feet along the arc of said curve through a central angle of 89°58'24", chord bears N.45°00'49"W. 14.139 feet; thence N.00°01'37"W. 60.321 feet to a point on a 37.000 foot radius curve to the right; thence 30.383 feet along the arc of said curve through a central angle of 47°02'59", chord bears N.23°29'53"E. 29.537 feet; thence N.38°13'39"W. 45.341 feet; thence S.89°58'47"W. 164.750 feet; thence N.00°01'37"W. 158.776 feet to the point of beginning.

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EXHIBIT "E"

TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATION OF EASEMENTS FOR JORDAN VILLAS, AN EXPANDABLE CONDOMINIUM PROJECT

BYLAWS

OF

**JORDAN VILLAS CONDOMINIUM OWNERS ASSOCIATION,
A Utah Non-Profit Corporation**

ARTICLE I

General

These Bylaws shall govern the operation of the JORDAN VILLAS CONDOMINIUM OWNERS ASSOCIATION, a Utah Non-Profit Corporation ("Association"), subject to its Articles of Incorporation. For purposes of these Bylaws, the term "Declaration" shall mean and refer to the DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATION OF EASEMENTS FOR JORDAN VILLAS CONDOMINIUMS being filed of public record in Salt Lake County, State of Utah. The term "Project" shall refer to the JORDAN VILLAS CONDOMINIUMS, including all Units, Real Property, and other property, appurtenances and rights associated therewith. In the event of a conflict between these Bylaws and the Declaration, the Declaration shall prevail. Further, the provisions set forth below are subject to the provisions of the Declaration applicable to the Association, which is incorporated herein by reference. Unless the context clearly states otherwise, capitalized terms in these Bylaws shall have the same meaning as in the Declaration.

ARTICLE II

Voting Rights, Majority of Quorum, Quorum, Proxies

Section 1. Voting Rights. The Association shall have one (1) class of voting Membership as follows:

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Members shall be those Owners of Units including Declarant. The Owners of Units shall be entitled to the votes specified in the Declaration.

Section 2. Majority of Quorum. Unless otherwise expressly provided in these Bylaws or the Declaration, any action which may be taken by the Association may be taken by a majority vote of a quorum of the Members of the Association at any meeting of Members.

Section 3. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of at least fifty-one percent (51%) of the total Membership of the Association shall constitute a quorum of the Membership. Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 4. Proxies. Votes may be cast only in person by a Member or by proxy given by a Member to another Member, except in the case of a purchaser of a Unit, in which case the purchaser may vote the proxy of the selling Member as permitted by the Declaration. Proxies must be in writing and filed with the Secretary of the Association at least twenty-four (24) hours before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease i) after completion of the meeting for which the proxy was filed and ii) upon conveyance by the Member of his Unit.

ARTICLE III

Administration

Section 1. Association Responsibilities. The Association shall have the responsibility of administering, maintaining and repairing the Project and otherwise exercising the rights and performing the duties of the Association set forth in the Declaration.

Section 2. Place of Meetings of Members. Meetings of the Members shall be held on the Project or at such other suitable place as close thereto as practicable in Salt Lake County, Utah, convenient to the Members as may be designated by the Board of Trustees.

Section 3. Annual Meetings of Members. The first annual meeting of Members shall be held within thirty (30) days after fifty-one percent (51%) of the sale of all Units in the Project have closed or within nine (9) months after the close of the sale of the first Unit of the Project, whichever occurs first. Thereafter, the annual meetings of the Association shall be held on the third Tuesday in March of each calendar year; provided, however, that if the date of the meeting should fall on a legal holiday, then such annual meetings of the Members shall be held on the next day thereafter which is not a legal holiday. The date of the annual meeting of Members may be changed by a majority vote of either the Members or by the Board of Trustees at a meeting where a quorum of Members or Trustees is present. At each annual meeting commencing with the annual meeting held on the third Tuesday in March of the calendar year following the date the rights of Declarant under Article XXVI of the Declaration are terminated, there shall be elected by ballot of the Members a Board of Trustees in accordance with the requirements of Section 5 of Article IV of these Bylaws. At such meeting, the trustees shall be elected to serve for a term of one (1) year unless the Members, by a majority vote at the meeting

where a quorum of Members is present, determine to provide for staggered terms of not to exceed three (3) years. Unless a trustee resigns before the expiration of his term of office, each trustee shall hold his office until his successor has been elected and the first meeting involving such successor is held. The term of office of any trustee elected to fill a vacancy created by the resignation of his predecessor shall be the balance of the unserved term of his predecessor. The Members may also transact such other business of the Association as may properly come before them. Each first Mortgagee of a Unit in the Project may designate a representative to attend all annual meetings of the Members.

Section 4. Special Meetings of Members. Special meetings of the Members may be called at any time by a majority of a quorum of the Board of Trustees or upon a petition signed by Members holding at least twenty percent (20%) of the voting power of the Members having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice. Each first Mortgagee of a Unit may designate a representative to attend all meetings of the Members.

Section 5. Notice of Meetings of Members. It shall be the duty of the Secretary of the Association to mail a notice of each annual or special meeting of Members, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Member of record and to each first Mortgagee of a Unit which has filed a written request for notice with the Secretary. Notice of each meeting shall be mailed, at least ten (10) but not more than sixty (60) days prior to such meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The notice shall be considered served upon deposit of said notice,

properly addressed and postage prepaid, in a regular depository of the United States mail. If no address has been furnished the Secretary, notice shall be deemed to have been given to a Member if posted in a conspicuous place on the front door of his Unit.

Section 6. Adjourned Meetings. If any meeting of Members cannot be held because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting and reconvene it at a time not less than five (5) days nor more than thirty (30) days following the time the original meeting was called, at which meeting business may be conducted if a quorum of Members is present. Such adjourned meetings may be held without further notice if the date, time, and place the meeting is to be reconvened is announced at the meeting at which such adjournment is taken.

Section 7. Order of Business. The order of business at all meetings of the Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of inspector of election; (g) election of directors where applicable; (h) unfinished business where applicable; and (i) new business. Meetings of Members shall be conducted by the President of the Association or, in his absence, by the Vice-President. If neither the President nor Secretary is present, the meeting shall be conducted by the Secretary of the Association.

Section 8. Action Without Meeting. Any action which, under the provisions of the Utah Nonprofit and Co-operative Association Act ("Act") may be taken at a meeting of the Members, may be taken without a meeting in the manner permitted by the Act, as the Act may be amended from time to time.

Section 9. Waiver of Notice. Whenever any notice is required to be given to any Member, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 10. Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthful evidence of the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE IV

Board of Trustees

Section 1. Number and Qualification. The property, business and affairs of the Association shall be governed and managed by a Board of Trustees composed of three (3) persons. Only Unit Owners, the trustee(s) of Units held in trust, conservators or guardians of incapacitated Owners, and officers, general partners, or agents of Unit Owners who are not natural persons shall be eligible to be a trustee of the Association. Trustees shall not receive any stated salary for their services as trustees provided, however, that (i) nothing herein contained shall be construed to preclude any trustee from serving the Association in some other capacity and receiving compensation therefor, and (ii) any trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 2. Powers and Duties. The Board of Trustees has the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done exclusively by the

Members. The Board of Trustees shall not enter into any service contract for a term in excess of one (1) year without the approval of a majority of Members.

Section 3. Special Powers and Duties. Without prejudice to the foregoing general powers and duties and such powers and duties as are set forth in the Declaration, the Board of Trustees, subject to and limited by the rights of Declarant under the Declaration, is vested with, and shall be responsible for, the following powers and duties:

(a) To select, appoint, and remove all officers, agents, and employees of the Association, to prescribe such powers and duties for such officers, agents, and employees, as may be consistent with law, with the Articles of Incorporation, the Declaration and these Bylaws, and to set the other terms of their office consistent with the provisions of Article V below as the Board shall reasonably determine.

(b) To conduct, manage and control the affairs and business of the Association and to make and enforce such rules and regulations therefor, all as may be consistent with law, with the Articles of Incorporation of the Association, the Declaration, and these Bylaws.

(c) To change the principal office for the transaction of the business of the Association from one location to another within the County of Salt Lake; to designate any place within said county for the holding of any annual or special meeting or meetings of Members consistent with the provisions of Article III hereof; and to adopt and use a corporate seal and to alter the form of such seal from time to time, as the Board, in its sole judgment, may deem best, provided that such seal shall at all times comply with the provisions of the Declaration.

(d) Subject to the Declaration, to borrow money and to incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the

Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities.

(e) To incur reasonable expenditures for any of the various Association purposes and to provide, or cause to be provided, adequate reserves for replacements as it shall deem to be necessary or advisable in the interest of the Association or welfare of its Members. At all times until proper expenditure or distribution thereof for the purposes for which they are received occurs, the funds collected by the Board of Trustees from the Members shall be held in trust for Members.

(f) To enforce the provisions of the Declaration, these Bylaws, or other agreements of the Association.

(g) To contract for and pay maintenance, gardening, utilities, materials and supplies, repair, and services relating to the Common Areas, and to employ personnel necessary for the operation of the Association and the Project, including legal and accounting services.

(h) To grant easements where necessary for utilities and sewer facilities over the Project Common Areas to serve the Units.

(i) To exercise all other rights and perform all other duties of the Association set forth in the Declaration.

Section 4. Management Agent. The Board of Trustees, acting as the Management Committee, may appoint for the Association a professional management agent at a compensation established by the Board, consistent with general law and the Act.

Section 5. Election and Term of Office. Until the rights of Declarant under Article XXVI of the Declaration are terminated the Board of Trustees of the Association shall be

selected by Declarant. Beginning with the annual meeting of Members held on the third Tuesday of March in the calendar year following the date the rights of Declarant under Article XXVI of the Declaration are terminated, trustees shall be elected for a one (1) year term, unless the Members, by a majority vote, determine to provide for staggered terms of not to exceed three (3) years. Election shall be conducted by secret written ballot, and each trustee shall be elected by a majority of Members as provided in these Bylaws. The votes exercised by the Owner or Owners of a Unit shall be the number of those determined by multiplying the Units' number of votes shown on Exhibit "C" to the Declaration times the number of seats to be filled. Said votes may be voted in favor of as many candidates as there are trustee seats to be filled, or may be accumulated and voted in any proportion for a lesser number of candidates. Each trustee shall serve until his successor has been duly elected and qualified. Any trustee who fails on three (3) successive occasions to attend Board of Trustees meetings (whether regular or special) shall automatically forfeit his seat. In the event a seat becomes vacant, whether by reason of forfeiture or due to another cause, such vacancy shall be filled by an appointment by Declarant, or, if Declarant's right to select trustees has been relinquished or terminated, such vacancy shall be filled in accordance with the provisions of section 7 of this Article IV below. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised by a majority of such Owners as may be determined among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever until the matter is

resolved to the reasonable satisfaction of the Association. In such case, the Association may, but shall not be required to apportion such Unit's vote among the Owners thereof.

Section 6. Books, Audit. The Board of Trustees shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles and, if requested by Members holding twenty percent (20%) of the voting rights of the Association, shall obtain an independent certified audit of such books and records but not more often than annually. A copy of any such audit shall be delivered to a Member within thirty (30) days after the completion of such audit upon written request from a Member. A balance sheet and an operating (income) statement for the Association shall be distributed to each Member (and to any institutional holder of a first Mortgage on a Unit in the Project upon request) within sixty (60) days after each of the following accounting dates ("Accounting Date"):

(a) The last day of the 9th full calendar month following the date of closing of the first sale of a Unit to a Member;

(b) Thereafter, the last day of each of the Association's fiscal years.

The balance sheet and operating statements shall cover the period ("Accounting Period") between the most recent Accounting Date prior to the issuance of the balance sheet and operating statement and the Accounting Date immediately prior to that Accounting Date. Each balance sheet shall show each item reflected on the balance sheet at the beginning of the Accounting Period and at the end of the Accounting Period. The operating statement for the first Accounting Period referred to in subparagraph (a) above shall include a schedule of assessments

received or receivable itemized by Unit number and by the name of the persons or entities assessed.

Section 7. Vacancies. Subject to the replacement rights of Declarant under Section 5 above, vacancies in the Board of Trustees caused by any reason other than the removal of a trustee by a vote of the Members of the Association shall be filled by vote of the majority of the remaining trustees, even though they may constitute less than a quorum or, in the event there are no remaining trustees, by the affirmative vote of the majority of the votes of the Members at any special meeting of the Members held in accordance with these Bylaws; and each person so elected shall be a trustee until a successor is elected at the next annual meeting of the Members of the Association, or at a special meeting of the Members called for that purpose. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any trustee, or in case the Members fail to elect the full number of authorized trustees at any meeting at which such election is to take place.

Section 8. Removal of Trustees. Subject to the rights of Declarant under the Declaration, at any regular or special meeting of the Members duly called at which a quorum is present, any one or more of the trustees may be removed with or without cause by a majority vote of the Members of the Association, and a successor may then and there be elected to fill the vacancy thus created. Any trustee whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. If more than one trustee is to be removed at any one time, each Member may accumulate his votes and vote for or against such removal of one or more of the trustees in the number of votes equal to his share of the voting power as set forth in the Declaration multiplied by the number of trustees sought to be removed; in such event, no

trustee shall be removed if the number of votes cast against his removal exceeds the number of votes cast for his removal. If any or all of the trustees are so removed, new trustees may be elected at the same meeting.

Section 9. Organization Meeting. The first regular ("organization") meeting of a newly elected Board of Trustees shall be held within ten (10) days after election of the Board, at such place as shall be fixed and announced by the trustees at the meeting at which such trustees were elected, for the purpose of organization, election of officers, and the transaction of other business. No notice shall be necessary to the newly elected trustees in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

Section 10. Other Regular Meetings. Other regular meetings of the Board of Trustees may be held at such time and place within the Project as shall be determined, from time to time, by a resolution adopted by a majority of a quorum of the trustees; provided, however, that such meeting shall be held no less frequently than quarterly. Notice of regular meetings of the Board of Trustees shall be given to each trustee, personally or by mail, telephone or telegraph, at least seventy-two (72) hours prior to the date named for such meeting, and notice of the meeting shall be posted at a prominent place or places within the Common Areas.

Section 11. Special Meetings. Special meetings of the Board of Trustees may be called by the President (or, if he is absent or refuses to act, by the Vice President) or by any two (2) trustees. At least seventy-two (72) hours notice shall be given to each trustee, personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and the purpose of the meeting, and shall be posted at a prominent place or places within the Common Areas. If served by mail, each such notice shall be sent, postage prepaid, to the address

reflected on the records of the Association, and shall be deemed given, if not actually received earlier, at 5:00 o'clock p.m. on the second day after it is deposited in a regular depository of the United States mail as provided herein. Whenever any trustee has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such trustee as required by law and as provided herein.

Section 12. Waiver of Notice/Form of Meeting. Before or at any meeting of the Board of Trustees, any trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a trustee at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the trustees are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. The transactions of any meeting of the entire Board, however called and noticed or wherever held, shall be valid. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting. Meetings of the Board of Trustees may be held in person or telephonically.

Section 13. Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Trustees, a majority of the trustees shall constitute a quorum for the transaction of business, and the acts of the majority of the trustees present at a meeting at which a quorum is present shall be the acts of the Board of Trustees.

Section 14. Action Without Meeting. The trustees shall have the right to take any action in the absence of a meeting in any manner permitted by the Act, as the Act may be amended from time to time.

Section 15. Fidelity Bonds. The Board of Trustees may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 16. Committees. The Board of Trustees, by resolution, may, from time to time, designate such committees as it shall desire and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its Members as well as a chairman, shall state the purposes of the committee, and shall provide for reports, termination, and other administrative matters as deemed appropriate by the Board.

Section 17. Meetings Open to Members. While no notice need be given to the Members of meetings by the Board of Trustees, all meetings of the Board shall be open to Members.

ARTICLE V

Officers

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, and a Secretary, all of whom shall be elected by the Board of Trustees, subject to the rights of Declarant under the Declaration. Officers other than the President need not be trustees.

Section 2. Election of Officers. Subject to the rights of Declarant under the Declaration, the officers of the Association shall be elected annually by the Board of Trustees, and each officer shall hold his office at the pleasure of the Board of Trustees until he shall resign or be removed or otherwise disqualified to serve or his successor shall be elected and qualified to serve.

Section 3. Removal of Officers. Subject to the rights of Declarant under the Declaration and upon an affirmative vote of a majority of the entire Board of Trustees, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Trustees, or at any special meeting of the Board of Trustees called for such purpose. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

Section 4. Compensation. Officers, agents, and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board, provided that no officer, employee or trustee of Declarant or any affiliate of Declarant may receive any compensation. Appointment of any officer, agent, or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent, or employee, and any contract for compensation must be in writing signed by at least two (2) trustees.

Section 5. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and to the Board of Trustees. He shall have all of the general powers and duties which are usually vested in the office of the President of a corporation, including, but not limited to, the power, subject to the powers of the trustee under Article IV, to appoint committees from among the Members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall, subject to the control of the Board of Trustees, have general supervision,

direction, and control of the business of the Association. The President shall be an ex officio Member of all standing committees, and he shall have such other powers and duties as may be prescribed by the Board of Trustees or these Bylaws of the Association.

Section 6. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent, disabled, refuses or unable to act. If neither the President nor the Vice President is able to act, the Board of Trustees shall appoint some other Member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Trustees or these Bylaws of the Association.

Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Trustees and the minutes of all meetings of the Association at the principal office of the Association or at such other place as the Board of Trustees may order. The Secretary shall keep the seal of the Association in safe custody and shall have charge of such books and papers as the Board of Trustees may direct; and the Secretary shall, in general, perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Members of the Association and of the Board of Trustees required by these Bylaws or by law to be given, however, no notice, if otherwise timely and proper will not be deemed invalid merely because it was not given personally by the Secretary. The Secretary shall maintain a book of record owners, listing the names and addresses of the Members as furnished the Association, and such books shall be changed only at such time as satisfactory evidence of a change in ownership of a Unit is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board of Trustees.

The Secretary shall also have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Secretary shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Trustees. The Secretary shall cosign all checks and promissory notes, on behalf of the Association. The Secretary shall disburse the funds of the Association as may be ordered by the Board of Trustees, in accordance with the Declaration, shall render to the President and trustees, upon request, an account of all of his transactions and of the financial conditions of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Trustees or by these Bylaws.

ARTICLE VI

Obligations of Members

Section 1. Enforcement of Assessments. All delinquent assessments may be enforced, collected or foreclosed upon in the manner provided in the Declaration and/or by applicable law.

Section 2. Maintenance and Repair.

(a) Every Member must perform promptly, at his sole cost and expense, all maintenance and repair work on his Unit, as required in the Declaration, and all plans for alterations and repair of improvements on the Units in excess of \$1,000 must receive the prior

written consent of the Board of Trustees acting as the Management Committee, which consent shall not be unreasonably withheld.

(b) As further provided in the Declaration, each Member shall reimburse the Association for any expenditures incurred in repairing or replacing any portion of the Common Areas owned by the Association which are damaged through the fault of such Member. Such expenditures shall include all court costs and reasonable attorneys' fees incurred in enforcing any provision of these Bylaws or the Declaration.

ARTICLE VII

Amendments to Bylaws

Subject to the Declaration, these Bylaws may be amended by the Association in a duly constituted meeting of the Members for such purpose. No amendment to these Bylaws shall take effect unless approved by at least a majority of a quorum of Members present, in person or by proxy, at a duly constituted regular or special meeting of the Members. The prior written approval of each institutional holder of a first Mortgage of record made in good faith and for value on a Unit in the Project must be secured before any material amendment to these Bylaws may take effect, which may adversely affect such Mortgagee's rights or security interests, and this sentence may not be amended without such prior written approval. The term "Institutional holder" as used herein shall mean a Mortgagee which is a bank or savings and loan association or established mortgage company, any other entity chartered under federal or state laws, any corporation, any insurance company, or any federal or state agency.

ARTICLE VIII

Mortgages

Section 1. Notice to Association. A Member who mortgages his Unit by "Mortgage," as that term is defined in the Declaration, shall notify the Association through the Manager, or the Secretary of the Board of Trustees in the event there is no Manager, giving the name and address of his Mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Units." Any such Member shall likewise notify the Association as to the release, reconveyance, or discharge of any such Mortgage.

Section 2. Notice of Unpaid Assessments. The Board of Trustees of the Association, shall at the request of a Mortgagee of a Unit, report any unpaid assessments due from the Owner of such Unit.

ARTICLE IX

Meaning of Terms

All terms appearing herein initially capitalized shall have the same meanings as are applied to such terms in the Declaration. References to the masculine shall be deemed to include the feminine and neuter.

ARTICLE X

Conflicting provisions

In case any of these Bylaws conflict with any provisions of the laws of the State of Utah or the Declaration, such conflicting provision of the Bylaws shall be null and void, but all other Bylaws shall remain in full force and effect to the extent permitted by law.

ARTICLE XI

Indemnification of Directors and Officers

Except to the extent that such liability or damage or injury is covered by insurance proceeds, the Board of Trustees may authorize the Association, to the extent permitted by law, to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, a present or former trustee, officer, committee Member, or employee of the Association in an action brought by a third party against such person, whether or not the Association is joined as a party defendant, to impose a liability or penalty on such person for an act alleged to have been committed by such person while a trustee, officer, committee Member, or employee so long as: the Board of Trustees determines in good faith that such trustee, officer, or employee was acting in good faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interests of the Association or its Members. Payments authorized hereunder include amounts paid and expenses incurred in settling any such action or threatened action. The provisions of this Section shall apply to the estate, executor, administrator, heirs, legatees, or devisees of a trustee, officer, committee Member, or employee, and the term "person" where used in the foregoing Section shall include the estate, executor, administrator, heirs, legatees, or devisees of such person.

ARTICLE XII

Miscellaneous

Section 1. Execution of Documents. The Board of Trustees, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such

authority may be general or confined to specific instances; and unless so authorized by the Board of Trustees, no officer, agent, committee Member, or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 2. Inspection of Bylaws. The Association shall keep in its office for the transaction of business the original or a copy of these Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Owners and all holders of a Mortgage on a Unit at all reasonable times during office hours.

Section 3. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Trustees and, having been so determined, is subject to change from time to time as the Board of Trustees shall determine.

Section 4. Membership Book. The Association shall keep and maintain in its office for the transaction of business a book containing the name and address of each Member. Proper termination or transfer of ownership of any Unit and associated certificate of Membership by an Owner shall be recorded in the book, together with the date on which such ownership was transferred.

ARTICLE XIII

Enforcement

In the event of a violation of the Declaration, these Bylaws, or the Rules and Regulations of the Project, the Board of Trustees may enforce the Declaration, these Bylaws, or such Rules and Regulations in any manner prescribed by law and shall have all rights and remedies available at law and in equity.

ARTICLE XIV

Membership in Association

Section 1. Membership. Membership in the Association, and transfers thereof, shall be limited and determined as provided in the Declaration and the Association's Articles of Incorporation.

Each Member shall be issued a certificate of Membership in the Association. The certificate of Membership in the Association shall include the following:

CERTIFICATE NUMBER

THE NAME OF THE ASSOCIATION

THE NAME OF THE MEMBER

RESTRICTIONS ON TRANSFER

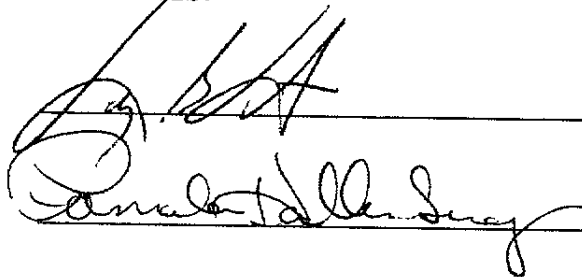
DATE OF ISSUANCE

THE UNIT(S) TO WHICH THE MEMBERSHIP IS APPURTENANT

There shall be as many Members as there are Owners of Units in the Project.

DATED this 9th day of October, 2001.

TRUSTEES:



Raymond B Jenkins
