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DECLARATION OF CONDOMINIUM
FOR
GRASSLANDS CONDOMINIUMS
AN EXPANDABLE CONDOMINIUM PROJECT
(INCLUDING ASSOCIATION BYLAWS)

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THIS DECLARATION OF CONDOMINIUM is made and executed this ___ day of _____, 2007, by Grasslands 60, LLC, a Utah limited liability company, with its principal place of business located in American Fork, State of Utah (hereinafter referred to as "**Declarant**")., pursuant to the provisions of the Utah Condominium Ownership Act (the "Act"), Title 57-8-1 et seq. of the Utah Code (1953), as may be amended from time to time.

RECITALS

A. Declarant is the record owner of that certain tract of property more particularly described in **Exhibit "A"** of this Declaration.

B. The Declarant desires, by filing this Declaration and the Record of Survey Map, to submit the Property and all improvements now or hereafter constructed thereon to the provisions of the Act as a Condominium Project to be known as Grasslands Condominiums.

C. The Declarant intends to sell to various purchasers the fee title to the individual Units contained in the Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant to such Units, subject to the following covenants, conditions, restrictions, easements and limitations herein set forth which are hereby declared to be for the benefit of the whole tract and all of the property described herein and the owners thereof, their successors and assigns.

D. These covenants, conditions, restrictions, easements and limitations shall run with the said real property and shall be binding on all parties having or acquiring any right, title or interest in the described real property or any part thereof and shall inure to the benefit of each owner thereof and are imposed upon said real property and every part thereof as a servitude in favor of each and every parcel thereof as the dominant tenement or tenements.

E. It is intended and required that the Association shall be an incorporated condominium association pursuant to Utah's Nonprofit Corporations Act.

NOW, THEREFORE, for the benefit of the Project and the Unit Owners thereof, the Declarant hereby executes this Declaration of Condominium for Grasslands Condominiums, for and on behalf of all of the Unit Owners.

ARTICLE I. DEFINITIONS

When used in this Declaration (including in that portion hereof headed "Recitals" and in the Bylaws attached hereto as Exhibit "D") the following terms shall have the meaning indicated.

Section 1.01 Act

Act shall mean and refer to the Utah Condominium Ownership Act (Section 57-8-1, *et seq.*, Utah Code Annotated, 1953), as amended from time to time.

Section 1.02 Additional Property

Additional Property means any property that may be annexed into the Project as provided in Article II below. Additional Property is described in Exhibit "C."

Section 1.03 Articles of Incorporation or Articles

Articles of Incorporation or Articles shall mean and refer to the Articles of Incorporation for Grasslands Condominium Owners Association, Inc., on file with the Utah State Department of Commerce, as amended.

Section 1.04 Association

Association shall mean and refer to the Grasslands Condominium Owners Association, Inc. The Association is intended to be a Utah non-profit corporation. Failure of the Association to maintain its corporate status will not result in dissolution of the association or a waiver from renewing corporate status. Every Unit Owner shall automatically be a member of the Association. Membership in the Association shall be appurtenant to the Unit in which the Owner has the necessary interest, and shall not be separated from the Unit to which it appertains. The Management Committee shall govern the property, business and affairs of the Association.

Section 1.05 Common Areas and Facilities

Common Areas and Facilities shall mean, refer to, and include:

- (a) The real property and interests in real property, which this Declaration submits to the terms of the Act.
- (b) All Common Areas and Facilities designated as such in the Survey Map.
- (c) All foundations, roofs, columns, girders, beams, supports, and perimeter walls constituting a portion of or included in the improvements which comprise a part of the Project, and any halls, corridors, stairs, stairways, entrances and exits which are designed for the use of more than one Unit.
- (d) All installations for and all equipment connected with the furnishing of Project utility services, such as electricity, gas, water and sewer.
- (e) In general all apparatus, installations, and facilities included within the Project and existing for common use.
- (f) The Project outdoor lighting, fences, landscape, sidewalks, parking spaces, and roads.
- (g) All portions of the Project not specifically included within the individual Units.
- (h) All other parts of the project normally in common use or necessary or convenient to its use, existence, maintenance, safety, or management.
- (i) All common areas as defined in the Act,

whether or not enumerated herein.

Section 1.06 Common Expenses

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

Section 1.07 Common Profits

Common Profits shall mean and refer to the balance of income, rents, profits and revenues from the Common Areas remaining after deduction of the Common Expenses.

Section 1.08 Declarant

Declarant shall mean and refer to Grasslands 60, LLC, a Utah limited liability company, and/or any successors to said corporation which, either by the operation of law, or through a voluntary conveyance, transfer, or assignment, comes to stand in the same relation to the Project (or a portion thereof) as did its predecessor.

Section 1.09 Declaration

Declaration shall mean and refer to this instrument and as it may be amended from time to time.

Section 1.10 Eligible Mortgagee

Eligible Mortgagee shall mean and refer to a Mortgagee which has made a written request for notice in accordance with this Declaration.

Section 1.11 Family

Family shall mean and refer to Family as defined by the Springville City zoning ordinance.

Section 1.12 Limited Common Areas and Facilities

Limited Common Areas and Facilities shall

mean and refer to those Common Areas and Facilities designated herein or on the appropriate Record of Survey Map as reserved for the use of a certain Unit or Units to the exclusion of the other Units, Limited Common Areas consist of the patio and balcony areas provided adjacent to the Units indicated on the appropriate Record of Survey Map as Limited Common Areas, as are the entrances and exits of each Unit although not indicated on the appropriate Record of Survey Map.

Section 1.13 Management Committee or Committee

Management Committee or Committee shall mean and refer to the Management Committee of The Lofts at Pheasant Hollow Condominium Association, Inc., as it exists at any given time.

Section 1.14 Manager

Manager shall mean and refer to the manager retained by the Management Committee to oversee the day-to-day operations of the Association and to enforce the covenants, conditions, and restrictions applicable to this community. A Manager may also be a full-time employee/resident of the Project.

Section 1.15 Mortgage

Mortgage shall mean any mortgage, deed of trust or other security instrument by which a Unit or any part thereof is encumbered.

Section 1.16 Mortgagee

Mortgagee shall mean a holder, insurer or guarantor of a first mortgage on a Unit or the beneficiary, insurer or guarantor of a first deed of trust on a Unit.

Section 1.17 Percentage Interest

Percentage Interest shall mean and refer to the undivided percentage interest of each Unit in the Common Areas as set forth in Exhibit "B" attached hereto.

Section 1.18 Person

Person shall mean and refer to a natural person,

corporation, partnership, trust, limited liability company, or other legal entity.

Section 1.19 Project Documents

Project Documents shall mean and refer to the Declaration of Condominium, Bylaws, Articles of Incorporation, the Map, and Rules and Regulations.

Section 1.20 Property or Project

Property or Project shall mean and refer to the land, described in Exhibit "A," the buildings, all improvements and the structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property, belonging to the Association, intended for use in connection therewith.

Section 1.21 Record of Survey Map, Plat, or Map

Record of Survey Map, Plat, or Map shall mean and refer to the Record of Survey Maps filed herewith.

Section 1.22 Resident

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

Section 1.23 Size

Size shall mean and refer to the square footage of each Unit.

Section 1.24 Unit

Unit means and refers to a separate physical part of the Property intended for independent use, consisting of rooms or spaces located in a building. Units are shown in the appropriate Record of Survey Map. Mechanical equipment, ducts, pipes, and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only the Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall all

decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows, and window frames, doors and door frames, and trim, consisting of, *inter alia* and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and any structural members or any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety, or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

Section 1.25 Unit Number

Unit Number shall mean and refer to the number, letter, or combination thereof which designates a Unit on the Map.

Section 1.26 Unit Owner or Owner

Unit Owner or Owner shall mean and refer to the owner of the fee in a Unit and the percentage of undivided interest in the Common Areas and Facilities which is appurtenant thereto. In the event a Unit is the subject of an executory Contract of sale, the contract purchaser shall, unless the seller and the purchaser have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for purposes of voting and Committee membership.

ARTICLE II. SUBMISSION & EXPANSION

Section 2.01 Property Submitted

There is hereby submitted to the provisions of the Act, as the Property initially associated with the The Lofts at Pheasant Hollow, the real property situated in Utah County, State of Utah, particularly described in Exhibit "A" attached hereto and incorporated herein by this reference; subject to the Joint Use and Operations Agreement, the easements, reservations and other provisions set forth in said Exhibit "A."

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across and through and under the above-described tract and any improvements now or hereafter constructed thereon as may be reasonably necessary for Declarant or any assignee of Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration): (i) to construct a Living Unit on each and every Unit; and (ii) to improve the Common Areas with such facilities, including, but not limited to, roads, recreational facilities, walkways and various landscaped areas, designed for the use and enjoyment of all the Members as Declarant may reasonably determine to be appropriate. If, pursuant to the foregoing reservation, the above-described tract or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the reservation hereby effected shall, unless sooner terminated in accordance with its terms, expire seven (7) years after the date on which this Declaration, or any amendment or supplement hereto, is filed for record in the office of the County Recorder of Utah County, Utah.

Section 2.02 Additions to Property

(a) Annexation of Additional Property. The Declarant, its successors and assigns, shall have the unilateral right for seven (7) years from the date of the recording of this Declaration, or any amendment or supplement hereto, without the necessity for consent from the members of the Association, to bring additional property within the scheme of this Declaration as provided in this Article.

(b) Method of Annexation. All or any portion of the Additional Property may be annexed to the Community by the recording of a supplemental Declaration and Plat Map for each phase in the Recorder's Office of Utah County,

Utah. The supplemental declaration shall extend the scheme of the Declaration to the Additional Property. The described property shall thereupon become part of the Property. Upon the recording of a supplemental declaration and plat for a subsequent phase, Owners of Additional Property shall be subject to the same obligations and entitled to the same privileges as apply to the Owners of the Property.

(c) General Plan of Development. Any Additional Property annexed under this Article shall conform to the general plan of development as shown on the Plat, but the plan shall not bind the Declarant, its successors or assigns, to make the proposed additions, or to adhere to the plan in any subsequent development of the land shown thereon.

(d) Limitation on Number of Units. There is no limitation on the number of Units which Declarant may create or annex to the Property or the number of phases by which Additional Property is annexed to the Property, except as may be established by applicable ordinances or requirements of Unitah County. Similarly, there is no limitation on the right of Declarant to annex common property, except as may be establish by Unitah County.

Section 2.03 Withdrawal of Property

(a) Prior to the Turnover Period, the Declarant may withdraw any property (excluding, however, any Common Areas conveyed to the Association by the Declarant) from the Property. Such withdrawn property shall no longer be subject to the covenants and restrictions of this Declaration except for any easements, rights, reservations, exemptions, power or privileges reserved to the Declarant pursuant to this Declaration which burdens the withdrawn property for the benefit of any property which is subject to the Declaration. Such withdrawal shall be made by recording a Supplementary Declaration among the Land Records of the County, withdrawing the effect of the covenants and restrictions of this

Declaration from the withdrawn property. Such withdrawn property may be utilized by the Declarant, or any successor, assign or transferee thereof, for any lawful purpose or use.

(b) So long as any Unit is encumbered by a deed of trust or mortgage which is guaranteed by the Federal Housing Administration and/or Veterans Administration, as the case may be, no withdrawal shall be made pursuant to this Section, or otherwise, except following a determination by the Federal Housing Administration and/or Veterans Administration, that the withdrawal is not contrary to a general plan for the development of the Community previously approved by the Federal Housing Administration and/or Veterans Administration, or, if no such general plan was approved by the Federal Housing Administration and/or Veterans Administration, except following the prior written approval of the Federal Housing Administration and/or Veterans Administration.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS

Section 3.01 Membership

Every Owner shall be a Member of the Association. Membership in the Association shall be mandatory, shall be appurtenant to the Unit and shall not be separated from the Unit to which it appertains.

Section 3.02 Voting Rights

The Association shall have the following described two classes of voting membership:

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

(b) **Class B.** The Class B Member shall be

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

(i) When the total number of votes held by all Class A Members equals the total number of votes held by the Class B Member; or

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

Section 3.03 Multiple Ownership Interests

In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

Section 3.04 Record of Ownership

Every Owner shall promptly cause to be duly filed of record the conveyance document (or in the case of contract buyer, a copy of the sales contract) to him of his Unit. Each Owner shall file a copy of such conveyance document (or contract) with the Secretary of the Association.

ARTICLE IV. ENFORCEMENT

Section 4.01 Compliance

Each Resident of a Unit shall comply with the provisions of the Project Documents and any

applicable statute. Failure to comply therewith shall be grounds for sanctions (i.e., fines) and/or an action or suit maintainable by the Association or an aggrieved Owner.

Section 4.02 Remedies

Violation of any provisions of the Project Documents, or of any decision of the Association made pursuant to such documents, shall give the Management Committee acting on behalf of the Association, in addition to any other rights set forth in the Project Documents, or under law, to do any or all of the following after giving notice and an opportunity to be heard:

(a) After fifteen (15) days written notice, to enter any Unit which or as to which such violation exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist contrary to the intent and meaning of such provisions, and the Management Committee shall not thereby be deemed guilty of any manner of trespass, provided that judicial proceedings shall be instituted before any items of construction may be altered or demolished;

(b) To enjoin, abate, or remedy such thing or condition by appropriate legal proceeding;

(c) To levy reasonable fines pursuant to a schedule of fines adopted by resolution of the Management Committee a copy of which has been delivered to each Owner, mailed to the mailing address of the Unit or mailed to the mailing address designated by the Owner in writing to the Association;

(d) If collectively metered and billed, to terminate the right to receive utility services paid for out of assessments or, except for the right to an assigned parking space, to terminate the right of access to and use of recreational and service facilities of the Association, until the correction of the violation has occurred; or

(e) The right of the Association to suspend the voting rights of the Owners, after notice and

a hearing, for any infraction of any of the published rules and regulations of the Association or of this Declaration until such time as the infraction is cured.

(f) Bring suit or action against the Owner on behalf of the Association and other Owners to enforce the Project Documents.

Section 4.03 Action by Owners

Subject to any limitation imposed under this Declaration, the Bylaw or Utah law, an aggrieved Owner may bring an action against such other Owner or the Association to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

Section 4.04 Injunctive Relief

Nothing in this section shall prevent an Owner, the Association, or other interested party from resorting to a court of competent jurisdiction in those instances where injunctive relief may be appropriate.

Section 4.05 Hearings

The Management Committee shall, by resolution, promulgate procedures for hearings. When a hearing is requested or required, the hearing shall be conducted in accordance with the Management Committee's resolution on hearings.

ARTICLE V. IMPROVEMENTS

Section 5.01 Description of Improvements

The improvements included in the Project are now located on the Property described in said Exhibit "A," and all such improvements are described on the appropriate Record of Survey Map.

Buildings are composed of the following materials: wood frame with load and non-load bearing walls studded with wood; basement floor of concrete; first floor of wooden joists; second floor of wooden joists; roof of trusses and rafter combination; roofs surfaced with asphalt shingles; interior walls surfaced with gypsum board; and

exterior surfaced with brick veneer and aluminum siding.

Section 5.02 Description and Legal Status of Units

The Map shows the Units and building designation, their locations, dimensions from which its area may be determined, those Limited Common areas which are reserved for its use, and the Common Areas to which it has immediate access. All Units shall be capable of being independently owned, encumbered, and conveyed.

Each conveyance or installment contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the number shown on the Map with appropriate reference to the Map and to this Declaration, as each shall appear on the records of the County Recorder of Utah County, State of Utah, and in substantially the following form:

“Unit ___ shown in the Record of Survey Map for the Grasslands Condominiums appearing in the records of the Utah County Recorder, as Entry No. ___, Map No. ___ and as identified and described in the Declaration of Condominium, as amended and supplemented, appearing as Entry No. ___, of the official records of Utah County Recorder together with an undivided interest in and to the Common Areas appertaining to said Unit as established in said Declaration, as amended, and Map. This conveyance is subject to the Provisions of the aforesaid Declaration of Condominium for Grasslands Condominiums, including any amendments thereto.”

Section 5.03 Contents of Exhibit “B”

Exhibit “B” to this Declaration furnishes the following information with respect to each Unit: (a) The Unit Designation, (b) The square footage of each Unit, and (c) The percentage interest of undivided ownership interest in the common areas which is appurtenant to the Unit. With respect to Percentage Interest, to avoid a perpetual series of digits and to obtain a total of one hundred percent (100%), the last digit has been adjusted, and

rounded up or down to a value that is most nearly correct.

This is an Expandable Condominium Project, and the undivided interest in the Common Areas will decrease as additional Units are added. Each Unit shall have an equal, undivided interest in all Common Areas. As additional Units are added, Declarant shall recalculate the undivided interest in the Common Area as described in Section 5.4. Such undivided interests in the Common Areas are hereby declared to be appurtenant to the respective Units. The percentage of ownership in the Common Areas shall be used for all purposes, including, but not limited to, voting and assessment for Common Expenses.

Section 5.04 Computation of Percentage Interests

The proportionate share of the Unit Owner’s interest in the Common Areas of the Project is based on the number of Units within the Project. Each Unit shall have an equal undivided interest in the Common Area. To calculate the undivided interest of a Unit, Declarant shall divide 1 by the number of units in the Project.

Section 5.05 Computation of Percentage Interest after Condemnation or Destruction

After partial condemnation or destruction of the Project, the proportionate share of the Unit Owner’s interest in the Common Areas shall be based on the number of Units remaining within the Project. Each remaining Unit shall have an equal undivided interest in the Common Areas. To calculate the undivided interest of a Unit, the Association shall divide 1 by the number of Units in the Project.

ARTICLE VI. COMMON AREAS; UNIT MAINTENANCE

Section 6.01 Common and Limited Common Areas

(a) The Common Areas contained in the Project are described and identified in Articles I

and II of this Declaration.

Neither the Percentage Interest nor the right of exclusive use of a Limited Common Area shall be separated from the Unit to which it appertains; and, even though not specifically mentioned in the instrument of transfer, the Percentage Interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

Each Unit Owner shall, at its own cost, keep the Limited Common Areas designed for exclusive use in connection with his Unit in a clean, sanitary and attractive condition at all times.

(b) The use of the Common Areas shall be limited to the Owners in residence and to their tenants in residence, and to their guests, invitees and licensees. The use of each of the Limited Common Areas shall be restricted to the Owner of the Unit to which it is appurtenant, to his tenants in residence, and to his guests, invitees and licensees.

The use of the Common Areas and Limited Common Areas shall be governed by the Declaration and the Rules and Regulations as initially established by Declarant and as adopted and amended from time to time by the Management Committee.

(c) Notwithstanding any other provision of this Declaration, any Limited Common Area to which a condominium Unit has sole access shall be for the exclusive use of the Owner of such condominium Unit. Such Unit Owner shall keep the Limited Common Area free and clean of snow, ice and any accumulation of water and shall make all repairs thereto.

Section 6.02 Unit Maintenance

Each Owner shall at his own cost and expense maintain, repair, paint, re-paint, tile, wax, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, windows, and doors forming the boundaries of his Unit and

all walls, ceilings, floors, windows and doors within such boundaries.

In addition to decorating and keeping the interior of their Units in good repair and in a clean and sanitary condition, they shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air conditioner and condenser, lighting fixtures, refrigerator, dishwasher, disposal equipment, range, or other appliances or fixtures that may be in, or connected with, his Unit. The Owner shall also maintain, repair, replace any pipe, duct, fire suppression line, or conduit exclusively servicing his or her Unit. Each Unit shall be maintained so as not to detract from the appearance of the Project and so as not to affect adversely the value or use of any other Unit. Exterior doors and windows shall be maintained by the Owner but must accord with styles, shapes and colors approved by the Committee.

ARTICLE VII. GENERAL AND SPECIFIC EASEMENTS

Section 7.01 Easement for Encroachment

If any part of the Common Areas encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance for the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance shall and does exist. Such encroachments shall not be considered to be encumbrances either to the Common Areas or to the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the building(s) on the tract, by error in the appropriate Record of Survey Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

Section 7.02 Access for Repair of Common Areas

Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of the other Units shall have the irrevocable right, to be exercised by the Management Committee, as its agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Areas or to another Unit or Units. The Committee shall also have such rights independent of the agency relationship.

Section 7.03 Emergency Repairs

Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit at the insistence of the Committee shall be the responsibility of the Association; provided, that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. The Committee shall collect amounts owing by Owners pursuant hereto by assessment.

Section 7.04 Right of Ingress, Egress

Each Owner, the tenant, guest or invitee, shall have the right to ingress and egress over, upon and across the Common Areas necessary for access to his Unit, and to the Limited Common Areas designated for use in connection with their Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

Section 7.05 Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines, and Other Common Facilities Located Inside of Units; Support

Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Facilities located in any of the other Units and serving his Unit.

Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Facilities serving such other Units and located in such Unit.

The Management Committee shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common areas contained therein or elsewhere in the buildings. Every portion of a Unit, which contributes to the structural support of the building, shall be burdened with an easement for the benefit of all other Units and the Common Areas.

Section 7.06 Easement to Management Committee and Manager

The Management Committee and Management Company shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration.

Section 7.07 Easement for Utility Services

There is hereby created a blanket easement upon, across, over and under the property described in "Exhibit A" for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephones, electricity, and other utility services.

ARTICLE VIII. USE RESTRICTIONS

Section 8.01 Use of Units - Residential Use

Each of the Units in the Project is limited to residential use only. Each Unit and Owner is subject to the uses and restrictions imposed by such restrictions (including any parking restrictions).

Section 8.02 No Obstruction of Common Areas

There shall be no obstructions of the Common Areas by the Owners, their tenants, guests or invitees without the prior written consent of the Committee. The Committee may by Rules and Regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Areas.

Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Committee, except as specifically provided herein. Nothing shall be altered on, constructed in or removed from the Common Areas except upon the prior written consent of the Committee.

Section 8.03 Cancellation of Insurance

Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof over what the Committee, but for such activity, would pay, without the prior written consent of the Committee.

Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Committee and the Owners harmless against all loss resulting from

any such damage or waste caused by him or his invitees.

No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

Section 8.04 Rules and Regulations

No Resident shall violate the Rules and Regulations for the use of the Units and of the Common Areas as adopted from time to time by the Management Committee. Said Rules and Regulations shall be adopted and enforced pursuant to the terms of Utah's Condominium Act, as amended.

Section 8.05 Structural Alterations

No Owner shall make any structural alterations to a Unit without the prior written consent of the Committee.

Section 8.06 Window Coverings

The Management Committee may by rule require that certain colors and types of window covering be used.

Under no circumstances shall any cardboard or tinfoil be used as window coverings in the Project.

Section 8.07 Signs

No signs whatsoever shall be erected or maintained in the Common Areas without the prior written consent of the Committee.

Section 8.08 Pets

Dogs, cats or other household pets shall be allowed inside the Units within the Project if: (1) Ownership of the pet does not violate any local, state or federal laws; (2) The owner or occupant accepts full liability for his or her pet; (3) The pet owner complies with the administrative rules and regulations as they may be adopted or modified by the Committee from time to time; and (4) No

animals or birds of any kind shall be raised, bred, or kept in any of the Common Areas or Limited Common Areas.

Anything to the contrary notwithstanding, no pet shall be allowed to create or maintain a nuisance. At the discretion of the Committee, after notice and a hearing, any pet that is considered to be a nuisance shall not be allowed to remain within the confines of the Project. For the purposes of this paragraph a nuisance is defined as any behavior which annoys or disturbs other owners or occupants, including but not limited to any abnormal, unreasonable or excessive barking, whining, or scratching; any behavior which creates an unacceptable odor, an unhygienic environment or a dangerous condition; or any behavior which establishes a propensity for harm.

If a pet owner violates any of these covenants, conditions or restrictions, including any administrative pet rules and regulations, the Committee shall have the express authority to issue citations or levy assessments, and collect these by judgment, lien or foreclosure. In extreme cases, the Committee may require that the Owner remove their pet from the premises.

Section 8.09 Storage and Parking of Vehicles

No truck larger than 1-ton, trailer, or recreational vehicle, including but not limited to campers, boats, motor homes, off-road vehicles, motorcycles and similar equipment not used on a regular basis (hereinafter collectively referred to as the "Recreational Vehicles") shall be permitted to be parked overnight or for any period of time longer than twenty-four (24) hours, upon any portion of the Common Area or Limited Common Area.

Visitors may only park their motor vehicles temporarily in accordance with the Rules and Regulations promulgated by the Board.

No Owners or occupants shall repair or restore any motor vehicle of any kind upon any Unit or Common Area, except for emergency repairs, and

then only to the extent necessary to enable movement thereof to a proper repair facility.

Motor Vehicles parked in unauthorized areas, or in violation of the parking rules and regulations established by the Board, may, at owner's expense, be towed away. The Board shall be required to follow all municipal ordinances and codes regarding towing enforcement prior to towing a vehicle.

All parking spaces shall be used for the purpose of parking operable and licensed motor vehicles and shall not be used as storage facilities.

Section 8.10 Leasehold Restrictions

In order to assure a community of congenial owners and thus protect the value of the Units, the leasing of a Unit by any Owner shall be subject to the following restrictions so long as the property shall be owned in accordance with the terms and conditions of this Declaration and the Act:

(a) Units may be rented only to a single Family.

(b) All leases and lessees shall be subject to the provisions of the Act and the Project Documents. Any owner who leases his/her Unit shall be responsible for assuring the Residents' compliance with the Act and the Project Documents.

(c) The leasing and renting of Units by Owners shall be in accordance with this Section. "Leasing or renting" of a Unit means the granting of a right to use or occupy a Unit for a specific term or an indefinite term (with rent stated on a periodic basis), in exchange for the payment of rent (money, property or other goods or services of value); but shall not mean and include joint ownership of a Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership.

(i) Rental-Lease Limit. Owners, and Units shall be subject to the following

restrictions:

1) No Owner may lease or rent less than their entire Unit and no Owner may lease or rent any Unit for a period of less than six (6) consecutive months.

2) No Unit may be rented or leased if the rental or lease results in more than forty percent (40%) of Units (the "Rental-Lease Limit") being rented or leased at any given time, except as provided in Subparagraph 7.10(b)(3), below.

(ii) Application and Approval.

Each Owner desiring to rent or lease a Unit shall apply to the Management Committee for approval. The Committee shall review the application and make a determination of whether the proposed lease will exceed the Lease Limit expressed above. The Committee shall:

1) Approve the application if it determines that the rental or lease will not exceed the Rental-Lease Limit; or

2) Deny the application if it determines that the rental or lease of the Unit will exceed the Rental-Lease Limit.

(iii) Hardship Exemption.

Notwithstanding the above, in order to avoid undue hardships or practical difficulties such as the Owner's job relocation, disability, military service, charitable service, or other similar circumstances, the Management Committee shall have discretion to approve an Owner's application to temporarily rent or lease the Owner's Unit.

The Committee may not approve an application to rent or lease less than the Owner's entire Unit or to rent or lease the Unit for a period of less than six (6) consecutive months. Dormitory, hotel, hostel or similar type rentals are strictly prohibited.

(iv) Multiple Unit Ownership

Limitation. An Owner who owns more than one Unit is not eligible to rent more than one Unit until the pending applications of:

1) All Owners who are not currently renting or leasing a Unit have been approved; and

2) All Owners who are currently renting or leasing fewer Units than the applicant have been approved.

(v) Review of Rental Applications.

Applications from an Owner for permission to rent or lease shall be reviewed and approved or denied by the Management Committee pursuant to the following:

1) The Management Committee shall review applications for permission to rent or lease in chronological order based upon the date of receipt of the application. Within ten (10) business days of receipt, the Committee shall approve or deny an application and shall notify the Owner of the result, and, if permission is not given, the reason for the denial within fifteen (15) business days of receipt of the application.

2) If an Owner's application is denied, the applicant may be placed on a waiting list according to the date the application was received so that the Owner whose application was earliest received will have the first opportunity to rent or lease.

(vi) Application Form: Approval Process: Waiting List. An application form, the application and approval process, a waiting list, and any other rules deemed necessary by the Committee to implement this section shall be established by rules adopted by resolution of the Management Committee.

(vii) Lease Agreements – Required Terms. All Owners shall use and provide the Management Committee with a copy of a written lease agreement. All lease agreements

shall be kept on file with the books and records of the Association so that the Association may determine the number of Units rented or leased. All lease agreements shall contain terms subjecting the resident to the terms, conditions, and restrictions of the Project Documents, as amended.

(viii) Violations of Rental Restrictions. If an Owner fails to submit the required application, fails to use and submit a copy of a written lease agreement with the required terms, and rents or leases any Units, and/or rents or leases any Unit after the Management Committee has denied the Owner's application, the Committee may assess fines against the Owner and the Owner's Unit in an amount to be determined by the Committee pursuant to a schedule of fines adopted by the Committee. In addition, regardless of whether any fines have been imposed, the Committee may proceed with any other available legal or equitable remedies, including but not limited to, an action to terminate the rental or lease agreement and removal of any tenant or lessee.

(ix) Failure to Take Legal Action. Failure by an Owner to take legal action against his Resident who is in violation of the Act or Project Documents within ten (10) days after delivery of written demand to so do from the Committee, shall entitle the Association to take any and all such action for and in behalf of said Owner and as his or her agent, including but not limited to the institution of legal proceedings on behalf of such Owner against his or her Resident for eviction, injunctive relief or damages. Neither the Association nor any agent retained by the Association to manage the Project shall be liable to the Owner or Resident for any legal action commenced under this Section that is made in good faith. Any expenses incurred by the Association, including reasonable attorneys' fees and costs of suit, shall be repaid to it by such Owner. The amount of the costs and expenses is a debt of the Owner at the time the assessment is made and is collectible as such. If any Owner fails or refuses to make payment that

amount constitutes a lien on the interest of the Owner in the property. Delivery of the notice of default shall be deemed effective the date it is hand delivered or three (3) days after it is deposited with U.S. Postal Service, regular mail, postage prepaid, addressed to the Unit Owner at his last known mailing address. If notice in writing of the Unit Owner's change of address has not been received by the Secretary of the Association the address of the Unit shall be deemed to be the Owner's mailing address.

(x) Recovery of Costs and Attorney Fees; Owner Liable. The Association shall be entitled to recover from the offending Owner its costs and attorney's fees incurred for enforcement of this Subsection, regardless of whether any lawsuit or other action is commenced. The Association may assess such costs and attorney's fees against the Owner and the Unit as an assessment pursuant to this Declaration. Additionally, the Owner shall be liable for all fines, assessments, or other penalties levied due to violations of their tenant. The Owner shall be personally liable for any violations caused by their tenant. Any assessments, fines or penalties levied under this Paragraph 10 shall be collectable from the Owner by civil action, lien or non-judicial foreclosure.

(xi) Requesting Unpaid Assessments from Tenant. In the event that a unit is leased or rented, and the absentee owner fails to pay their regular, special or any other assessment, the Committee may demand that the tenant pay his or her rental payment to the Association until such time as the delinquent assessment is cured.

(xii) Owner Obligation to Inform Tenant and Association. Rental and lease agreements shall comply with the following:

1) The Owner shall provide the tenant or lessee with a copy of the Project Documents then in effect and shall take a receipt for delivery of the Project Documents. In the event the Project Documents are amended,

revised, changed, or supplemented by the Association, the Owner shall provide the tenant or lessee with a copy of the amendments, revisions, changes, or supplements within ten (10) calendar days of adoption by the Association, its Board of Directors, or its membership.

2) Upon the commencement of the rental or lease period, the Owner shall provide the Association with a copy of the Approved Lease Agreement and a copy of the receipt specified above. If the Owner fails to provide the receipt, the Association shall provide a copy of the Project Documents to the tenant or lessee and take a receipt therefor, and shall assess a reasonable charge therefor to the Owner as an assessment consistent with this Declaration.

(xiii) Termination of Lease or Rental Agreement for Violations. In addition to any other remedies available to the Association, the Committee may require the Owner to terminate a lease or rental agreement if the Committee determines that any lessee or tenant has violated any provision of the Project Documents, or any amendments thereto.

Notwithstanding anything contained herein to the contrary, the Association shall have legal and equitable standing as a third party beneficiary to enforce the provisions of the Project Documents against a tenant, including without limitation, the right to file a civil action to terminate the lease agreement. In addition to any other remedy herein, the Association shall have right to levy fines against the Owner for any violations of this Section.

(xiv) Voidable Transactions. Any transaction which does not comply with this Section shall be voidable at the option of the Committee.

Section 8.11 Aerials, Antennas and Satellite Dishes

It is the intent that this policy not be inconsistent, incongruent or in conflict with applicable local,

state and federal legislation. Aerials, antennas and satellite dishes shall be prohibited within the Project, except (a) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (b) antennas or satellite dishes designed to receive video programming services via multipoint distribution services which are one meter or less in diameter or diagonal measurement (hereafter referred to as "Permitted Devices") shall be subject to the following:

(a) located in the attic, garage, or other interior spaces of the residential unit, so as not to be visible from outside the unit;

(b) located in the appurtenant Limited Common Area patio (i.e., the area between the plane formed by the front facade of the building containing the residential unit and the rear line of the limited common area as shown on the Record of Survey Map) and setback from all property lines at least eight (8) feet;

(c) attached to or mounted behind the limited common area appurtenant to the residential unit on the rear wall of the building containing the residential unit so as to extend no higher than the plane commencing the next story of the building or the eaves of the building at a point directly above the position where attached or mounted to the wall.

Notwithstanding the foregoing, should an Owner determine that a Permitted Device cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, then the Owner may install the device in the least conspicuous alternative location in the residential unit or appurtenant limited common area where an acceptable quality signal can be obtained.

The Management Committee may adopt rules establishing a preferred hierarchy of alternative locations and require screening of all Permitted Devices, so long as such rules do not unreasonably increase the cost of installation,

maintenance, or use of the Permitted Device. Anything to the contrary notwithstanding, no Permitted Device may be located in the common area without the express prior written consent of the Management Committee. Permitted Devices may only be installed in, on or within property which a party owns or is subject to his exclusive use.

Section 8.12 Timeshares

Timeshares and time-sharing of Units within the Project is prohibited, and under no circumstances shall any condominium be owned or used for time sharing, including but not limited to a "time period unit" as that term is defined in Utah Code Ann. § 57-8-3(26), as amended.

Section 8.13 Smoking

(a) Smoking within a Unit or on the Common Areas of the Project is a noxious and offensive activity creating a nuisance. Accordingly, smoking in a Unit or on the Common Areas of the Project is strictly prohibited.

(b) Owners shall be fined for smoking violations according to the fine schedule adopted by the Committee related to smoking violations.

(c) All Owners who rent or lease their Unit shall prohibit smoking in their rental or lease agreements and shall inform their tenants of the Association's no smoking rule.

ARTICLE IX. MANAGEMENT COMMITTEE: POWERS, COMPOSITION

Section 9.01 Status and General Authority of Management Committee

Notwithstanding anything herein contained to the contrary, the Condominium Project shall be managed, operated, and maintained by the Management Committee exclusively as agent of, and in the name of, the Association and any act

performed by the Management Committee pursuant to the Project Documents, as the same may be amended from time to time, shall be deemed to be performed by the Committee for and on behalf of the Association as its agent. The Management Committee shall have, and is hereby granted, the following authority and powers:

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

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

(c) The power to sue and be sued.

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

(e) The power and authority to convey or transfer any interest in real property authorized by the Owners having an interest therein.

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

(g) The authority to license persons not otherwise entitled to use any of the recreational areas and facilities to use the same from time to time as the Committee deems appropriate upon payment of fees prescribed by it to help defray the cost of maintenance thereof.

(h) The power and authority to borrow

money, provided that no indebtedness for borrowed funds shall exceed at any given time the sum of \$5,000 without the prior approval of the majority of the Owners.

(i) The authority to promulgate such reasonable Rules and Regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners and the authority to levy fines for infractions thereof. Including, but not limited to, promulgating rules.

(j) The powers and authority to perform any other acts, and to enter into any other transactions which may be reasonably necessary, for the Management Committee to perform its functions as agent of the Association.

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

(k) The Committee may carry out through a project manager any of its functions which are properly the subject of delegation. Any manager so engaged shall be an independent contractor and not an agent or employee of the Committee, shall be responsible for managing the Project for the benefit of the Committee and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself. Any agreement for professional management of the Project which may be entered into by the Management Committee or the Association shall call for a term not exceeding three (3) years and shall provide that for cause such management agreement may be terminated by the

Management Committee or by the Association upon not in excess of ninety (90) days written notice.

Section 9.02 Composition of Committee and Selection Thereof

The Management Committee shall be created and elected as provided in the Bylaws.

ARTICLE X. ASSESSMENTS

Section 10.01 Covenant for Assessment

(a) Each Owner, by acceptance of a deed hereafter conveying any such Unit to it, whether or not so expressed in the deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association the following types of assessments:

(i) Annual assessment (the "Annual Assessment") as provided in Section 10.02 below.

(ii) Special assessments ("Special Assessments") as provided in Section 10.05 below.

(iii) Emergency assessments ("Emergency Assessments") as provided in 10.06 below.

(iv) Individual assessments ("Individual Assessments") as provided in Section 10.07 below.

(b) Assessments shall be established and collected as provided in this article.

(c) No Owner may exempt itself from liability for Assessments by abandonment of any Unit owned by such Owner.

Section 10.02 Annual Budget and Assessment

(a) Annual Budget. The Management Committee shall prepare, or cause the preparation of, an annual budget for the Association, which shall provide, without limitation, for the maintenance of the landscaping and exteriors of Residences and for the administration, management and operation of the Association. If Management Committee fails to adopt an annual budget, the last adopted budget shall continue in effect.

(b) Determination of Annual Assessment.

(i) The Management Committee of the Association shall fix the amount of the Annual Assessment against each Unit for each assessment period at least thirty (30) days in advance of the beginning of the period. Written notice of the Annual Assessment shall be sent to all members of the Association at least thirty (30) days in advance of the beginning of any assessment period.

(ii) The omission by the Management Committee, before the expiration of any assessment period, to fix the amount of the Annual Assessment for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this article or a release of any member from the obligation to pay the Annual Assessment, or any installment thereof, for that or any subsequent assessment period. In the event of such omission, the Annual Assessment fixed for the preceding period shall continue until a new assessment is fixed.

Section 10.03 Apportionment of Assessments

Assessments shall be apportioned as follows:

(a) Annual, Special and Emergency Assessments. Annual, Special and Emergency Assessments shall be apportioned among all the Units on the basis of their respective appurtenant percentages of undivided ownership interest as set forth in Exhibit "B" hereto.

(b) Individual Assessments. Individual Assessments shall be apportioned exclusively against the Units benefited or to which the expenses are attributable as provided in Section 10.07.

(c) Payment of Assessments. Upon majority vote of the undivided interest in the common

areas, installments of Annual Assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on a monthly basis. Any member may prepay one or more installments of any Assessment levied by the Association, without premium or penalty.

Section 10.04 Personal Obligation and Costs of Collection

(a) Assessments imposed under this Declaration, together with interest at a rate to be established by resolution of the Management Committee, not to exceed the maximum permitted by law, and costs and reasonable attorneys' fees incurred or expended by the Association in the collection thereof, shall also be the personal obligation of the Owner holding title to any Unit at the time when the assessment became due.

(b) The personal obligation for any delinquent Assessment, together with interest, costs and reasonable attorneys' fees, however, shall not pass to the Owner's successor or successors in title unless expressly assumed by such successor or successors.

Section 10.05 Special Assessments

In addition to the Annual Assessments authorized in this Article, the Association may levy in any assessment year, a special assessment ("Special Assessment"), applicable for that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the exterior of the living units or the landscaping; provided that such assessment shall first be approved by fifty-one percent (51%) of the votes of members of the Association, voting in person or by proxy, at a meeting duly called for such purpose.

Section 10.06 Emergency Assessment

(a) If the Annual Assessments levied at any time are, or will become, inadequate to meet all expenses incurred under this Declaration for any reason, including nonpayment of any Owner's Assessments on a current basis, the Management Committee shall, as soon as practicable, determine the approximate amount of the inadequacy and adopt a resolution which establishes a supplemental budget and levies the additional assessment ("Emergency Assessment"). The resolution shall specify the reason for the Emergency Assessment.

(b) Any Emergency Assessment in the aggregate in any fiscal year that would exceed an amount equal to ten percent (10%) of the budgeted expenses of the Association for the fiscal year may be levied only if approved by fifty-one percent (51%) of the Owners voting in person or by proxy, in any manner authorized in the Bylaws.

(c) Emergency Assessments shall be apportioned as provided in Section 10.03 above.

Section 10.07 Individual Assessments

(a) Any expenses benefiting or attributable to fewer than all of the Units may be assessed exclusively against the Units affected or benefited ("Individual Assessment"). Individual Assessments shall include, but are not limited to:

(i) Assessments levied against any Unit to reimburse the Association for costs incurred in bringing the Unit or its Owner into compliance with the provisions of this Declaration or rules and regulations of the Association and for fines or other charges imposed pursuant to this Declaration for violation of the Project Documents.

(ii) Any reasonable services provided to an unimproved or vacant Unit by the Association due to an Owner's failure to

maintain the same in order to protect the health, safety and welfare of adjoining Unit owners and the Association in general.

Section 10.08 Nonpayment of Assessments

Any assessment or portion thereof not paid within thirty (30) days after the due date (which shall be established by resolution of the Management Committee):

(a) Shall be delinquent and shall bear interest from the due date at the rate, established by resolution of the Management Committee, not to exceed the maximum rate permitted by law, and

(b) Shall be subject to a monthly late charge in such an amount as determined to be reasonable by the Management Committee in their discretion and evidenced by Committee resolution.

Section 10.09 Lien for Assessments

All Assessments imposed shall be a charge and continuing lien upon each of the Units against which the assessment is made in accordance with the terms and provisions of this Article X and shall be construed as a real covenant running with the land.

Section 10.10 Subordination of Lien to Mortgages

(a) The lien of the Assessments provided for in this article shall be subordinate to the lien of any first mortgagees or deeds of trust now or hereafter placed upon the Unit subject to assessment, except as provided in subsection (b) of this section.

(b) The sale or transfer of any Unit pursuant to mortgage or deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien for assessments which became due prior to such sale or transfer. Such sale or transfer shall

not relieve the Unit from liability for any Assessments thereafter becoming due, nor from the lien of any future assessment.

Section 10.11 Enforcement of Lien

The Association may establish and enforce the lien for any Assessment, including Annual, Special, Individual or otherwise, pursuant to the provisions of this Declaration. The lien is imposed upon the Unit against which the Assessment is made. The lien may be established and enforced for damages, interest, costs of collection, late charges permitted by law, and attorneys' fees provided for in this Declaration or by law or awarded by a court for breach of any provisions of the Project Documents. The lien may be foreclosed in the same manner as either deeds of trust, mortgages, or in any other manner permitted by Utah law. The collection remedies stated herein are cumulative and the use of one does not preclude the use of other remedies.

Section 10.12 Suspension of Voting Rights

The Management Committee shall have the right to suspend any Owner's right to vote during any period of time that the Owner carries a past due assessment balance.

Section 10.13 Reserve Account

The Association shall establish a reasonable reserve account for the funding of long term maintenance and/or replacement items. The Management Committee shall use reasonable efforts to fund said reserve account but shall not be held personally liable for a failure to fully fund said account as long as gross negligence or intentional misconduct is not proven in a court of law.

Section 10.14 Absentee Owner Failure to Pay Assessments

In the event that an absentee Owner fails to pay any assessment obligation hereunder, and a tenant and/or tenants in his/her Unit, the Association may demand that the tenants pay to the association any rent owing to said Owner.

Said amount received shall be applied to the Owner's account and payments hereunder shall not constitute a breach of the lease agreement between the Owner and Tenant. Any rent payments received by the Association shall not constitute a breach of the lease or rent agreement.

Section 10.15 Declarant Exemption

Declarant shall be exempt from paying assessments on any Unit owned by it, unless the Unit owned by it is for personal or rental use.

ARTICLE XI. INSURANCE

Section 11.01 Unit Owner Obligation to Maintain Insurance

Unit Owners are required to carry and maintain adequate property and liability insurance on their Units. A Unit Owners' policy shall serve as primary insurance in the event any damage is caused to another Unit, Common Area, or Limited Common Area, so long as fault is attributable to the said Unit Owner. The Management Committee may request that Owners provide proof of adequate insurance.

Each Unit Owner shall obtain additional insurance at his own expense, as long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Committee. Each Unit Owner shall supply the Committee with a copy of his policy within 30 days after he acquires such insurance.

Section 11.02 Type and Scope of Insurance Coverage for Association

The Management Committee shall secure and at all times maintain the following insurance coverage:

(a) A master or blanket policy of property insurance, with extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction,

location and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost).

Each such policy shall contain the standard mortgagee clause which must be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of mortgagees as their interests may appear. The insured shall be the Association as a trustee for the Unit Owners, or their authorized representative. Such insurance must provide protection against at least the following loss by fire and other hazards covered by the standard extended coverage.

(b) A comprehensive policy of public liability insurance covering all of the Common Areas insuring the Association, the Committee, the Manager, and the Unit Owners against any liability incident to the ownership, use, or operation of the Common Areas and public ways of the Project or of any Unit which may arise among themselves, to the public, or to any invitees, or tenants of the Project, or of the Unit Owners. Limits of liability under such insurance shall be not less than One Million Dollars (\$1,000,000.00) covering all claims for personal property injury and for property damage arising out of a single occurrence, including protection against water damage liability, liability for nonowned and hired automobile and liability for property of others. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for similar projects in location, construction and use.

(c) The Association shall maintain fidelity coverage to protect against dishonest acts on the part of Committee Members, Manager

(including, but not limited to, employees of professional managers) employees, or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the obligee and shall be written in an amount sufficient to provide protection which in no event shall be less than one-half of the insured's estimated annual operating expenses and reserves unless a greater amount is required by majority of the Mortgagees or their designees.

In connection with such coverage any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. All fidelity bond coverage shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days prior written notice to the service on behalf of Mortgagees.

(d) The following additional provisions shall apply with respect to insurance:

(i) In addition to the insurance and bond coverage described above, the Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with all condominium projects similar to the Project in construction, nature and use.

(ii) Each hazard insurance policy shall be written by a company holding a financial rating of Class VI or better as designated in Best's Key Rating Guide. Each insurer must be specifically licensed to transact business within the State of Utah. Policies are unacceptable where (i) under the terms of the carrier's charter, Bylaws or policy, contributions or assessments may be made against the Borrower or the Mortgagee, or its designee; or (ii) by the terms of the carrier's charter, Bylaws or policy, loss, payments are contingent upon action by the carrier's board of directors, policy holders, or members; or (iii) the policy includes

any limiting clauses (other than insurance conditions) which could prevent the Mortgagee or the borrower from collecting insurance proceeds.

(iii) The Committee shall have the authority to adjust losses.

(iv) Insurance secured and maintained by the Committee shall not be brought into contribution with insurance held by the individual Unit Owners or their mortgagees.

(v) Each policy of insurance obtained by the Committee shall provide: a standard mortgagee clause commonly accepted by private institutional mortgage investors in the Area in which the Project is located; a waiver (if available) of the insurer's subrogation rights with respect to the Committee, the Manager, the Unit Owners, their respective servants, agents, and guests; that it cannot be canceled, suspended or invalidated due to the conduct of any member, officer or employee of the Committee or of the Manager without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Unit Owners; and that a mortgagee clause endorsement which must provide that the insurance carrier shall notify in writing any and all insureds, including the servicers on behalf of Mortgagees or designees thereof at least thirty (30) days in advance of the effective date of any substantial modification or cancellation of the coverage.

(vi) Insurance coverage required by this Article must not be prejudiced by (i) any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association, or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Project over which the Association has no control.

(vii) All policies of property insurance must provide that notwithstanding any provision affording the insurer the right to elect

to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any insurance trustee) or when in conflict with the provisions of any insurance trust agreement to which the insurance may be a party or any requirement of law.

Section 11.03 Damage to Project

In the event of damage of or destruction to all of the improvements in the Condominium Project, the following Procedures shall apply:

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

(b) If less than 75% of the Project's improvements are destroyed or substantially damaged, and if the proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all the Unit Owners shall be assessed for any deficiency on the basis of their respective Percentage Interest.

(c) If 75% or more of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within 100 days after the destruction or damage by a vote of at least 75% elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subparagraph (b) above.

(d) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within 100 days after the destruction or damage and by a vote of at least 75%, elect to repair or reconstruct the affected improvements,

the Management Committee shall promptly record with the Utah County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated (1953), shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

Any reconstruction or repair which is required to be carried out by this Article regarding the extent of damage to or destruction of Project improvements shall be made by three appraisers selected by the Management Committee. The decision of any two such appraisers shall be conclusive.

ARTICLE XII. MORTGAGEE PROTECTION

Section 12.01 Notices of Action

Eligible Mortgagees, upon written request to the Association, which request shall contain the name and address of the Mortgagee and the Unit number, shall be given timely notice of the following:

(a) Any proposed amendment to the Project Documents effecting a change in:

(i) The boundaries of any unit or the exclusive easement rights appertaining thereto,

(ii) The interests in the Common Area or Limited Common Area appertaining to any Unit or the liability for common expenses appertaining thereto,

- (iii) The number of votes in the Association appertaining to any Unit, or
- (iv) The purposes to which any Unit or the Common Areas are restricted.
- (v) Any proposed termination of the condominium;
- (vi) Any condemnation loss or any casualty loss which affects a material portion of the Project or which affects any Unit on which there is a mortgage held, insured or guaranteed by an Eligible Mortgagee;
- (vii) Any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the mortgage of the Mortgagee where such delinquency has continued for a period of 60 days;
- (viii) Any lapse, cancellation or material modification of any insurance policy required to be maintained by the Association under this Declaration.

Section 12.02 Restoration or Repair of Project

Any restoration or repair of the Project after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original design and construction of the Project, unless fifty-one percent (51%) of Eligible Mortgagees approve a change.

Section 12.03 Termination of Association

Any election to terminate the condominium regime after substantial destruction or a substantial taking in condemnation of the condominium property must require the approval of at least fifty-one percent (51%) of Eligible Mortgagees.

Section 12.04 Eligible Mortgagees

Any Mortgagee failing to provide the Association with a written request for notice

shall not be an Eligible Mortgagee and shall lose its entitlement to notice, and any other rights extended to Eligible Mortgagees in the Project Documents until such time as it provides the Association with a proper written request for notice.

ARTICLE XIII. DECLARANT RIGHTS AND CONTROL

Section 13.01 Administrative Control of Association

Declarant shall assume full administrative control of the Association through an appointed interim Board of Directors, which shall serve until the Turnover Meeting.

The Turnover Meeting shall be held at the Declarant's option and sole discretion but shall not be held later than three (3) years from the date ninety-five percent (95%) of the total number of Units to be developed upon the Property, or any Additional Property pursuant to Article III, are occupied.

Declarant may elect to relinquish control of the Association at an earlier time by written notice to Owners and the Turnover Meeting shall be held within ninety (90) days of such notice.

Section 13.02 Other Rights

In addition to any other rights under the Project Documents, as long as Declarant owns at least one (1) Unit within the Property or any Additional Property, Declarant:

(a) Sales Office and Model. Shall have the right to maintain a sales office and model on one or more of the Units which Declarant owns. Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week.

(b) "For Sale Signs." May maintain a reasonable number of "For Sale" signs, the size of which may be determined by Declarant, at reasonable locations on the Property, including

without limitation, the Common Property.

(c) Approval of Amendments. For so long as the Declarant owns at least one Unit within the Property or any Additional Property, Declarant shall have the right to approve all amendments to the Project Documents proposed by the members.

Section 13.03 Easements Reserved to Declarant

(a) The reservation to Declarant, its successors and assigns, of non-exclusive easements and rights of way over those strips or parcels of land designated or to be designated on the Plat as "Drainage and Utility Easement," "Sewer Easement," "Drainage and Sewage Easement," and "Open Space," or otherwise designated as an easement area over any road or Common Area on the Property, and over those strips of land running along the front, rear, side and other Unit lines of each Unit shown on the Plat.

(b) An easement for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Property and the Units therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Unit, or in the area or on the area in which the same is located, together with the right and

(c) Easement granting the privilege of entering upon the Common Areas for such purposes and making openings and excavations thereon, which openings and excavations shall be restored in a reasonable period of time, and for such alterations of the contour of the land as may be necessary or desirable to effect such purposes.

(d) The reservation to Declarant and its

successors and assigns, of a non-exclusive easement and right-of-way in, through, over and across the Common Area for the purpose of the storage of building supplies and materials, and for all other purposes reasonably related to the completion of construction and development of the project and the provision of utility services, and related services and facilities.

(e) The Declarant further reserves unto itself, and its successors and assigns, the right to grant easements, rights-of-way and licenses to any person, individual, corporate body or municipality, to install and maintain pipelines, underground or above-ground lines, with the appurtenances necessary thereto for public utilities, or quasi-public utilities or to grant such other licenses or permits as the Declarant may deem necessary for the improvement of the Community in, over, through, upon and across any and all of the roads, streets, avenues, alleys, and open space and in, over, through, upon and across each and every Unit in any easement area set forth in this Declaration or as shown on the Plat.

(f) The Declarant further reserves unto itself and its successors and assigns, the right to dedicate all of said roads, streets, alleys, rights of way or easements, including easements in the areas designated as "open space" and storm water management reservation, to public use all as shown on the Plat. No road, street, avenue, alley, right of way or easement shall be laid out or constructed through or across any Unit or Units in the Community except as set forth in this Declaration, or as laid down and shown on the Plat, without the prior written approval of the Architectural Control Committee.

(g) Declarant further reserves unto itself and its successors and assigns, the right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Unit and grade a portion of such Unit adjacent to such street, provided such grading does not materially interfere with the use or occupancy of any Structure built on such Unit,

but Declarant shall not be under any obligation or duty to do such grading or to maintain any slope.

(h) Declarant further reserves unto itself, for itself and any Builder and their successors and assigns, the right, notwithstanding any other provision of the Declaration, to use any and all portions of the Property other than those Units conveyed to Owners, including any Common Area which may have previously been conveyed to the Association, for all purposes necessary or appropriate to the full and final completion of construction of the Community.

The Declarant will take reasonable steps, and will ensure that any builder takes reasonable steps, to avoid unduly interfering with the beneficial use of the Units by Owners.

ARTICLE XIV. AMENDMENTS

Section 14.01 Termination of Declaration

Owners representing at least sixty-seven (67%) of the undivided interest in the common areas and approval of at least sixty-seven percent (67%) of Eligible Mortgagees shall be required to terminate the Declaration.

The consent of Owners representing at least sixty-seven percent (67%) of the undivided interest ownership in the Common Areas shall be required to amend this declaration. The approval of fifty-one percent (51%) of Eligible Mortgagees shall be required to materially amend any provision of the Project Documents, or to add any material provision thereto. A provision shall be considered material if it establishes, provides for, governs or regulates any of the following:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of liens;
- (c) Reserves for maintenance, repair, and

replacement of Common Areas;

- (d) Insurance or Fidelity Bonds;
- (e) Rights to use the Common Areas;
- (f) Responsibility for maintenance and repair of the Units, Limited Common Area, or Common Area;
- (g) Expansion or contraction of the Project;
- (h) Boundaries of Units;
- (i) The interests in the Common Areas and Limited Common Areas;
- (j) Convertibility of Units into Common Areas or Common Areas into Units;
- (k) Leasing of Units;
- (l) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit;
- (m) Establishment of self-management by the Association where professional management has been required by any governmental agency or lending institution;
- (n) Any provision for the express benefit of Eligible Mortgagees.

Section 14.02 Declarant Approval

Notwithstanding anything in this Declaration, so long as the Class B membership exists, the written consent of the Declarant is required to amend this Declaration or the Map.

Section 14.03 Amendment Effective Date

No amendment to this Declaration shall be effective until it has been duly recorded in the County Recorder's Office.

ARTICLE XV. MISCELLANEOUS

Section 15.01 Votes Without a Meeting

Notwithstanding anything to the contrary, in those cases in which the Project Documents requires the vote of a stated percentage of the Owners for the authorization or approval of a transaction, such requirement may be fully satisfied by obtaining the necessary percentage of votes in any manner authorized by the Bylaws.

Section 15.02 Service of Process

The registered agent of the Association, as described on the Utah State Department of Commerce's records is the person authorized to receive service of process in cases authorized by the Act.

In the event that the corporate status of the Association expires, then the President of the Management Committee shall be the successor substitute process agent. In the event that the corporate status expires, the Management Committee shall specify such successor or substitute agent and his or her address by written instrument to be kept at the Association's principal place of business.

Section 15.03 Duty of Owner to Pay Taxes on Unit Owned

It is understood that under the Act each Unit (and its Percentage Interest in the Common Areas) in the Project is subject to separate assessment and taxation of each taxing authority and the special district(s) for all types of taxes and assessments authorized by law, and that as a result thereof, no taxes will be assessed or levied against the Project as such, except for certain personal properties thereof. Accordingly, each Unit Owner will pay and discharge any and all taxes and assessments which may be assessed against him on his Unit.

Section 15.04 Covenants to Run With Lands; Compliance

This Declaration and all the provisions hereof

shall constitute covenants which run with the land and constitute equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the Association, all parties who hereafter acquire any interest in or occupy a Unit or any part of in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, assigns, guests and invitees. Each Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of the Act, the terms of the Project Documents, agreements, instruments, and determinations adopted pursuant thereto, (hereinafter referred to collectively as the "Declaration"), and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Committee on behalf of the Association, or, in a proper case, by an aggrieved Unit Owner. By acquiring any interest in a Unit each Unit Owner or occupant consents and agrees to be bound by and subject to each and every provision of the Declaration. Should the Association be required to take action hereunder or by applicable law, whether such remedy is pursued by filing a lawsuit or otherwise, the Association may recover all costs and expenses, including a reasonable attorney's fee, which may arise or accrue.

Section 15.05 Information Regarding Transferee of Unit

Any Unit Owner who sells, leases, or otherwise disposes of his Unit shall submit to the Committee pertinent information concerning the transferee or new occupant within one week of any transfer of title or possession on a form furnished by the Committee.

Section 15.06 Indemnification of Management Committee

Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all costs, expenses, and fees, reasonably incurred by them in connection with any proceeding to which he may become involved by reason of his or her negligent act or omission in relation to their being a member of

said Committee.

Section 15.07 Invalidity

The invalidity of any provisions of this Declaration, or any portion thereof, shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

Section 15.08 Waiver

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

Section 15.09 Gender

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

Section 15.10 Topical Headings

The headings appearing at the beginning of the paragraphs of this Declaration are only for

convenience of reference and are not intended to describe, interpret, define, limit, extend, or otherwise affect the content, meaning or intent of this Declaration or any paragraph or provision hereof.

Section 15.11 Conflicts

This Declaration is set forth to comply with the requirements of the Act. In the event of any conflict between this Declaration and the provisions of the Act, the provisions of the latter shall control.

Section 15.12 Effect of Recorded Instruments

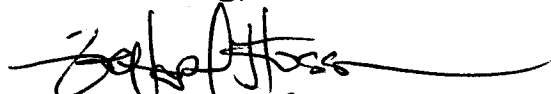
At any point in time, the Declaration and the Record of Survey Map concerning each phase which is then a part of the Project shall constitute the constituent parts of a single Declaration and Record of Survey Map affecting the Project. Accordingly, in the event the provisions of the separate instruments conflict irreconcilably, the terms of that instrument which is last recorded shall control.

Section 15.13 Effective Date

This Declaration shall take effect upon recording in the office of the Utah County Recorder.

IN WITNESS WHEREOF, the Declarant, has caused this Declaration to be executed by its duly authorized officers on the 25 day of June, 2007.

DECLARANT Grasslands 60, LLC



By: ZACHARY J. FOSSUM

Its: MANAGING MEMBER GRASSLANDS 60, LLC

STATE OF UTAH)

State of Utah
County of Utah)ss

On this 25 day of June, 2007, before me, the undersigned, a Notary Public, in and for said State, personally appeared Zachary J. Fossum, Managing member, Grasslands 60, LLC, known to me, and/or identified to me on the basis of satisfactory evidence, to be the person (s) whose name is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same.

WITNESS MY HAND AND OFFICIAL SEAL.

Notary Public [Signature]
Residing at: Utah Co, UT.
Commission Expires: 4/19/2008

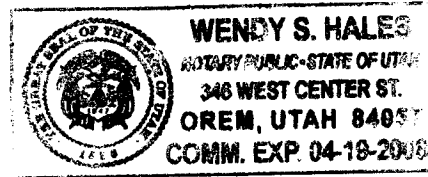


EXHIBIT A

(LEGAL PROPERTY DESCRIPTION)

BEGINNING AT A POINT LOCATED NORTH 89°27'49" EAST ALONG THE SECTION LINE 1,698.31 FEET AND SOUTH 1,242.49 FEET FROM THE NORTH QUARTER CORNER OF SECTION 32, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 89°13'44" EAST 713.07 FEET; THENCE SOUTH 00°19'30" EAST 330.28 FEET; THENCE SOUTH 89°36'08" WEST 779.14 FEET; THENCE NORTH 11°08'40" EAST 332.25 FEET TO THE POINT OF BEGINNING.

Containing 5.62 acres.

EXHIBIT B

(UNDIVIDED PERCENTAGE INTEREST)

<u>Units</u>	<u>Percentage Interest in the Common Areas</u>
1-60	0.02

EXHIBIT C

(ADDITIONAL PROPERTY)

BEGINNING AT A POINT LOCATED NORTH 89°27'49" EAST ALONG THE SECTION LINE 1,698.31 FEET AND SOUTH 1,242.49 FEET FROM THE NORTH QUARTER CORNER OF SECTION 32, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 89°13'44" EAST 713.07 FEET; THENCE SOUTH 00°19'30" EAST 330.28 FEET; THENCE SOUTH 89°36'08" WEST 779.14 FEET; THENCE NORTH 11°08'40" EAST 332.25 FEET TO THE POINT OF BEGINNING.

Containing 5.62 acres.

EXHIBIT D

BYLAWS OF GRASSLANDS CONDOMINIUM OWNERS ASSOCIATION, INC.

ARTICLE I. PLAN OF UNIT OWNERSHIP

Section 1.01 Condominium Submission

The Property is located in Utah County, Utah, has been submitted to the provisions of the Act by a Declaration recorded in the Office of the County Recorder of Utah County, Utah, simultaneously herewith, and shall hereafter be referred to as the "Condominium."

Section 1.02 Bylaws Applicability

The Provisions of these Bylaws are applicable to the Project as the same may be expanded as provided in the Declaration and the use, occupancy, sale, lease or other transfer thereof. All Owners of any fee or leasehold interest, all occupants or users of the Condominium, and the agents and servants of any of them are subject to the provisions of the Project Documents.

Section 1.03 Personal Application

All present and future Owners, tenants, future tenants, their guests, licensees, servants, agents, employees and any other person or persons who shall be permitted to use the facilities of the Condominium, shall be subject to the Project Documents. Acquisition, rental or occupancy of any of the Condominium Units in the Condominium shall constitute an acknowledgment that such Owner, tenant or occupant has accepted and ratified these Bylaws, the provisions of the Project Documents and will comply with them.

Section 1.04 Office

The office of the Condominium and of the Management Committee shall be located at the Condominium or at such other place as may be designated from time to time by the Management Committee (hereinafter sometimes called the "Committee").

ARTICLE II. ASSOCIATION

Section 2.01 Composition

All of the Unit Owners acting as a group in accordance with the Act, the Declaration and these Bylaws, shall constitute the Association. Except as to those matters which the Act specifically requires to be performed by the vote of the Unit Owners, the administration of the Condominium shall be performed by the Committee.

Section 2.02 Voting

Each Unit Owner shall have one vote. Since a Unit Owner may be more than one person, if only one of such persons is present at a meeting of the Association that person shall be entitled to cast the vote appertaining to that Unit. But if more than one of such persons is present, the vote appertaining to that Unit shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting.

Since a person need not be a natural person, the word "person" shall be deemed for the purposes of this Section to include, without limitation, any natural person having authority to execute deeds on behalf of any person, excluding natural persons, which is, either alone or in conjunction with another person or persons, a Unit Owner.

Except where a greater number is required by the Act, the Declaration, or these Bylaws, a majority of the votes of Unit Owners present in person or represented by proxy in good standing and entitled to vote is required to adopt decisions at any meeting of the Association.

Section 2.03 Place of Meeting

Meetings of the Association shall be held at the principal office of the Condominium or at such other suitable place as may be designated by the Committee and stated in the notice of the meeting.

Section 2.04 Annual Meeting

Annual meetings for any other purpose than the election of the Management Committee may be held at any time on call of the President of the Committee, by a majority of the Committee or by Unit Owners representing twenty percent (20%) of the Unit Owners. Notice of such meeting shall be given in accordance with the provisions of Section 6 of this Article II.

Thereafter, the annual meetings of the Association shall be held on the third Tuesday in May of each succeeding year, unless such date shall occur on a Sunday or holiday, in which event the meeting shall be held on the next succeeding Tuesday which is not a holiday. The Committee in its discretion may designate another date for the annual meeting. At such annual meetings the Committee shall be elected by ballot of the Owners in accordance with the requirements of these Bylaws. The Association may transact such other business as may properly come before them at such meetings.

Section 2.05 Special Meetings

It shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Committee or, after all of the Committee has been elected by Unit Owners, upon a petition signed and presented to the Secretary by Owners having not less than twenty percent (20%) of the votes of all Owners. 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.

Section 2.06 Notice of Meetings

It shall be the duty of the Secretary to mail, by United States mail, postage prepaid, a notice of (a) each annual meeting of the Owners, at least twenty (20) days in advance of such meeting and (b) each special meeting of the Owners at least ten (10) days in advance of such meeting, stating the purpose thereof as well as the time and place

where it is to be held, to each Owner of record, at the address of their respective Units and at such other address as each Owner may have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 2.07 Voting Requirements

An Owner shall be deemed to be in "good standing" and "entitled to vote" at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all due installments of assessments made or levied against him and his Unit by the Committee as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Unit, at least three (3) days prior to the date fixed for such annual or special meeting.

Section 2.08 Proxies

The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Unit Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy, and must be filed with the Secretary not less than three (3) days before the meeting.

Section 2.09 Absentee Ballots

(a) A Member who is incapacitated, or who will be absent, on the date set for balloting may cast an absentee ballot at the place or time of balloting, or by mail, in the manner required by the Election Committee, but in no event shall the vote be cast more than fourteen (14) days prior

to the voting date.

(b) Ballot boxes containing absentee votes shall be opened and the ballots tabulated at the same time and place and under the same conditions as the regular ballots.

Section 2.10 Mail-in Ballots

(a) Any action that may be taken by the Unit Owners, except election of Management Committee members, may be taken by written consent in accordance with the procedure established in the Utah Revised Nonprofit Corporation Act Section 16-6a-709, as amended.

(b) A combination of mail-in ballots and "in person" ballots may be used.

Section 2.11 Written Consent in Lieu of Vote

Any action that may be taken by the Unit Owners, except election of Management Committee members, may be taken by written consent in accordance with the procedure established in the Utah Revised Nonprofit Corporation Act Section 16-6a-707, as amended.

Section 2.12 Quorum

Except as may otherwise be provided herein or by statute, more than fifty percent (50%) of the Owners shall constitute a quorum for the adoption of decisions. If, however, such quorum shall not be present or represented at any meeting; the Owners entitled to vote thereat, present in person, represented by proxy or absentee ballot, shall have power to adjourn the meeting and reschedule for a time no earlier than 48 hours, and no later than thirty (30) days after the time set for the original meeting. No notice of such rescheduled meeting shall be required except an announcement thereof at the original meeting. A quorum for the transaction of business at the rescheduled meeting shall be thirty percent (30%) of the Owners in person or represented by proxy or absentee ballot.

Section 2.13 Order of Business

The order of business at all meetings of the Association shall be as follows: (a) roll call; (b) proof of notice of meeting; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) report of special committees, if any; (f) election of inspectors of election, if applicable; (g) election of Committee Members, if applicable; (h) unfinished business; and (i) new business. In its sole discretion, the Management Committee may change the order of business.

Section 2.14 Title to Unit

Title to Units may be taken in the name of a natural person or in the names of two or more natural persons, or in the name of a corporation, partnership, association or other entity capable of holding title to real property, or any combination thereof.

Section 2.15 Conduct of Meeting

The President shall, or in his absence the Vice-President shall, preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat.

ARTICLE III. MANAGEMENT COMMITTEE

Section 3.01 Powers and Duties

The affairs and business of the Association shall be managed by the Committee which shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Declaration and may do all such acts and things as are not by the Act or by these Bylaws directed to be exercised and done by the Association.

The Committee shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the enjoyment of the Condominium provided such Rules and Regulations shall not be in conflict with the Act, the Declaration or these

Bylaws. The Committee shall delegate to one of its members the authority to act on behalf of the Committee on all matters relating to the duties of the Managing Agent, if any, which might arise between meetings of the Committee. Subject to any limitations or provisions contained in the Declaration, the Committee shall be responsible for the following:

(a) Preparation of an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses;

(b) Making assessments against Owners to defray the cost and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, and establishing the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Committee, the annual assessment against each Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month.

(c) Providing for the operation, care, upkeep, replacement, maintenance and surveillance of all of the Common Areas and services of the Condominium.

(d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas, and providing services for the Property, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common property of the Owners.

(e) Collecting the assessments against the Owners, depositing the proceeds thereof in a bank depository which it shall approve, and

using the proceeds to carry out the administration of the Property.

(f) Making and amending Rules and Regulations respecting the use of the Property.

(g) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs to, and restoration of, the Property, in accordance with the Declaration and other provisions of these Bylaws, after damage or destruction by fire or other casualty.

(i) Enforcing by legal means the provisions of the Project Documents for the use of the Property adopted by it, and bringing any proceedings which may be instituted on behalf of the Owners.

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof.

(k) Paying the cost of all services rendered to the condominium and not billed to Owners of individual Units.

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying any maintenance and repair expenses of the Common Areas and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Committee for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices, and the

same, upon resolution of the Association, shall be audited by an outside auditor employed by the Committee who shall not be a resident of the Condominium, or an Owner therein. The cost of such audit shall be a Common Expense. A copy of the annual audit report shall be supplied to any first mortgagee of any Unit in the Condominium who requests the same in writing from the Secretary.

(m) To do such other things and acts not inconsistent with the Act, the Declaration or the Bylaws or by a resolution of the Association.

Section 3.02 Manager

The Committee may employ for the Condominium a Manager at a compensation established by the Committee, to perform such duties and services as the Committee shall authorize, including, but not limited to, the duties listed in Section I of this Article III.

The Committee may delegate to the Manager all of the powers granted to the Committee by these Bylaws; provided that any actions by the Manager with respect to the powers set forth in paragraphs (b), (f), (g) and (I), of Section I of this Article III shall require the written consent of the Committee.

Section 3.03 Number of Committee Members

The Committee shall be composed of three (3) to five (5) persons, all of whom shall be Unit Owners.

Section 3.04 Selection and Term of Office of the Committee

Unless appointed under the provisions of Section 10 of this Article III, Committee members shall be elected as follows:

(a) Until the Turnover Meeting described in Article XIII of the Declaration, the Declarant alone shall be entitled to select the three Management Committee members.

(b) At and after the Turnover Meeting, Management Committee Members shall be elected by a majority vote of the Members present in person or by proxy at the annual meeting. Cumulative voting shall not be permitted.

(c) All Management Committee Members shall hold office until the members shall have elected their respective successors.

(d) Management Committee Members' terms shall be staggered. At the Turnover Meeting, or the first Member's meeting thereafter, five (5) committee members shall be elected. One (1) member shall be elected for a one (1) year term; two (2) members shall be elected for a two (2) year term; and two (2) shall be elected for a three (3) year term. The initial term of each member (1, 2, or 3 years) shall be decided by vote of the newly elected committee members at their first meeting. Upon the natural expiration of a committee member's term, a successor shall be elected for a two (2) year term. There shall be no limit on the number of terms an Owner may serve as a committee member.

Section 3.05 Organization Meeting

The first meeting of the members of the Committee following the annual meeting of the Association shall be held within ten (10) days after the annual meeting at such place as shall be fixed by the Committee at the meeting at which such Committee-persons were elected, and no notice shall be necessary to the newly elected Committee Members in order legally to constitute such meeting provided that majority of the whole Committee shall be present thereat.

Section 3.06 Regular Meetings

Regular meetings of the Committee may be held at such time and place as shall be determined, from time to time, by a majority of the Committee, but at least six (6) such meetings shall be held during each fiscal year after the first annual meeting of the Association. Notice of regular meetings of the Committee shall be given to each member, personally, by mail or by telephone, at least three (3) business days prior to the day named for such meeting.

Section 3.07 Special Meetings

The President on three (3) business days' notice to each member may call special meetings of the Committee. Such notice shall be given personally, by mail or by telephone, and such notice shall state the time, place and purpose of the meeting. The President or Secretary shall call special meetings of the Committee in like manner and on like notice on the written request of at least two (2) Committee Members.

Section 3.08 Waiver of Notice

Before or at any meeting of the Committee, any Committee Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Committee Member at any meeting of the Committee shall be a waiver of notice by him of the time and place thereof. If all the Committee Members are present at any meeting of the Committee, no notice shall be required and any business may be transacted at such meeting.

Section 3.09 Committee's Quorum

At all meetings of the Committee, a majority of the Committee shall constitute a quorum for the transaction of business, and the acts of the majority of the Committee present at a meeting at which a quorum is present shall be the acts of the Committee. If, at any meeting of the Committee, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business, which might have been transacted at the

meeting as originally called, may be transacted without further notice.

Section 3.10 Vacancies

In the event a Committee seat which was filled by Declarant becomes vacant, Declarant shall have the right to select a replacement member to sit on the Committee for the balance of the term associated with the vacated seat.

Vacancies in the Committee caused by any reason other than removal of a Committee Member by a vote of the Association shall be filled by vote of the majority of the remaining Committee Members at a special meeting of the Committee held for that purpose promptly after the occurrence of any such vacancy, even though the Committee Members present at such meeting may constitute less than a quorum of the Committee; and each person so elected shall be a Committee Member for the remainder of the term of the Committee Member so replaced and until a successor is elected at the next annual meeting of the Association.

Section 3.11 Removal of Committee Member

(a) A Committee Member may be removed with or without cause, and his successor elected, at any duly called regular or special meeting of the Association at which a quorum is present, by an affirmative vote of the majority of the votes represented and voting. Any Committee Member whose removal has been proposed by the Owners shall be given at least thirty (30) days written notice of the calling of the meeting and the purpose thereof and shall be given a reasonable opportunity to be heard at the meeting.

(b) Any Committee Member who fails on three successive occasions to attend Committee meetings (whether regular or special) or who has failed to attend at least 25% of all Committee meetings (whether regular or special) held during any twelve month period shall automatically forfeit his membership on the Committee.

(c) Any Committee Member who allows his installments of assessments made or levied against him and his Unit by the Committee to exceed four hundred dollars (\$400.00), including default interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his unit, and fails to cure the default within ten (10) days after written notice shall automatically forfeit his membership on the Committee.

Section 3.12 Compensation

Committee members shall not be compensated for their work. However, they may seek reimbursement for actual costs incurred associated with their service.

Section 3.13 Conduct of Meetings

The President shall preside over all meetings of the committee and the Secretary shall keep a Minute Book of the Committee recording therein all resolutions adopted by the Committee and a

record of all transactions and proceedings occurring at such meetings.

Section 3.14 Report of Committee

The Committee shall present at each annual meeting, and when called for by vote of the Association at any special meeting of the Association, full and clear statement of the business and condition of the Condominium.

Section 3.15 Fidelity Bonds

The Committee shall require that all officers, agents (including professional Manager and its employees) and employees of the Association handling or responsible for funds furnish adequate fidelity bonds. The premiums on such bonds shall constitute a Common Expense. The Committee shall provide a fidelity insurance coverage as required by the Declaration.

Section 3.16 Dispensing with Vote

Any action by the Committee required or permitted to be taken at any meeting may be taken without a meeting if all the members of the Committee shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Committee.

Section 3.17 Liability of the Committee

The members of the Committee shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Committee Members from and against all contractual liability to others arising out of contracts made by the Committee on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws.

ARTICLE IV. OFFICERS

Section 4.01 Designation

The principal officers of the Condominium shall be a President, two (2) Vice Presidents, Secretary,

and a Treasurer, all of whom shall be elected by the Committee.

The Committee may appoint assistant secretaries and such other officers as in its judgment may be necessary. With the exception of the President, no officer need be a member of the Committee. The same person may hold two or more offices, except that the President shall not hold any other office.

Section 4.02 Election of Officers

The officers of the Condominium shall be elected annually by the Management Committee at the organization meeting of each Committee and shall hold office at the pleasure of the Committee. The Committee at a regular meeting or special meeting called for such purpose shall fill any vacancy in an office.

Nevertheless, the Committee Members may serve as the officers of the Association, with such positions therein determined amongst themselves.

Section 4.03 Removal of Officers

The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Committee may be removed at any time by the affirmative vote of a majority of the whole committee, and his successor may be elected at any regular

meeting of the Committee, or at any special meeting of the Committee called for such purpose.

Section 4.04 President

The President shall be the chief executive officer; he shall preside at meetings of the Association and the Committee and shall be an ex officio member of all committees; he shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Committee are carried into effect.

Section 4.05 Vice President

There shall be a Vice President. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the

powers of the President, and shall perform such other duties as the Committee or the President shall prescribe. If neither the President nor the Vice President is able to act, the Committee shall appoint a member of the Committee to do so on an interim basis.

Section 4.06 Secretary

The Secretary shall attend all sessions of the Committee and all meetings of the Association and record all votes and the minutes of all proceedings in a book to be kept by him for that purpose and shall perform like duties for committees when required. He or she shall give, or cause to be given, notice of all meetings of the Association, the Committee and committees and shall perform such other duties as may be prescribed by the Committee.

The Secretary shall compile and keep current at the principal office of the Condominium, a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meetings of the Association and all sessions of the Committee including resolutions.

Section 4.07 Treasurer

The Treasurer shall have the custody of all funds and securities that are not under the control of the Managing Agent, and, with the assistance of the Managing Agent, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all moneys and other valuable effects in such depositories as may be designated by the Committee. He or she shall disburse funds as ordered by the Committee taking proper vouchers for such disbursements, and shall render to the President and Committee Members, at the regular meetings of the Committee, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the

Condominium.

Section 4.08 Agreement, Contracts, Deeds, Checks, etc.

All agreements, contracts, deeds, leases, checks and other instruments of the Condominium for expenditures or obligations of over \$500.00 shall be executed by any two officers of the Committee or by such other person or persons as may be designated by the Committee. All such instruments for expenditures or obligations of less than \$500.00 may be executed by any one officer of the Committee or by such other person as may be designated by the Committee.

ARTICLE V. FISCAL YEAR

Section 5.01 Fiscal Year

The fiscal year of the Association shall consist of the twelve month period commencing on January 1 of each year and terminating on December 31 of the same year. The fiscal year herein established shall be subject to change by the Committee should it be deemed advisable or in the best interests of the Association.

ARTICLE VI. AMENDMENT TO BYLAWS

Section 6.01 Amendments

Except as otherwise provided in this Section, these Bylaws may be modified or amended either (i) by an affirmative vote of at least fifty-one percent (51%) of the Percent Interests in the Project at any regular or special meeting at which a quorum is present, provided that Notice of the proposed amendment shall have been given to each Owner simultaneously with the notice of such meeting, or (ii) pursuant to a written instrument duly executed by at least fifty-one percent (51%) of the Unit Owners.

Notwithstanding anything in these Bylaws, so long as the Class B membership exists, the written consent of the Declarant is required to amend these Bylaws.

Section 6.02 Recording

A modification or amendment of these Bylaws shall become effective only if such modification or amendment is recorded in the office of the County Recorder of Utah County, Utah.

Section 6.03 Conflicts

No modification or amendment of these Bylaws may be adopted which shall be inconsistent with the provisions of the Act or with the provisions of the Declaration. A modification or amendment once adopted and recorded as provided for herein shall then constitute part of the official Bylaws of the Condominium and all Owners shall be bound to abide by such modification or amendment.

ARTICLE VII. NOTICE

Section 7.01 Manner of Notice

All notices, demands, bills, statements or other communications provided for or required under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by U.S. Mail, first class postage prepaid, (i) if to an Owner, at the address of his Unit and at such other address as the Owner may have designated by notice in writing to the Secretary, or (ii) if to the Committee or the Manager, at the principal office of the Manager or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

Section 7.02 Waiver of Notice

Whenever any notice is required to be given under the provisions of the statutes, the Declaration or of these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provisions of the Act.

