

AMENDED
DECLARATION OF CONDOMINIUM
FOR

SILVER PINES CONDOMINIUMS
PHASE I, CONTAINING 72 UNITS
(An Expandable Condominium Containing up to 360 Units)

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AMENDED
DECLARATION OF CONDOMINIUM
FOR
SILVER PINES CONDOMINIUMS
PHASE I, CONTAINING 72 UNITS
(An Expandable Condominium Containing up to 360 Units)

THIS DECLARATION OF CONDOMINIUM (as supplemented or amended from time to time, this "Declaration") is made as of June _____, 2008, by Silver Pines Condominiums, LLC, through Harold Irving, Managing Member (together with its successors and assigns, "Declarant").

RECITALS

A. Declarant owns the land generally located at approximately 800 South 1840 West, which land is located in Vernal City, County of Uintah, State of Utah, and is more particularly described on Exhibit A attached hereto and made a part hereof.

B. Declarant desires to create a condominium project on such land pursuant to the Utah Condominium Ownership Act, Utah Code Annotated §§ 57-8-1 et. seq., as the same may be supplemented or amended from time to time. The condominium project shall be known as Silver Pines Condominiums.

C. Declarant deems it necessary and desirable to subject a portion of such property, and all improvements now or hereafter constructed on such property, to the covenants, conditions, restrictions, reservations, easements, assessments charges, and liens set forth in this Declaration.

DECLARATION

In consideration of the foregoing, Declarant hereby declares as follows:

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ARTICLE I
DEFINITIONS

1.01 Basic Definitions.

As used in this Declaration, the following terms have the meanings given to them in this Section 1.01.

- (a) "Act" means the Utah Condominium Ownership Act, Utah Code Annotated §§57-8-1 et. seq., as the same may be amended from time to time.
- (b) "Area," when reference is made to a Unit or Units, means the total number of square feet of the ground thereof, rounded to the nearest whole number, and computed and determined as follows on the basis of dimensions shown on the Map. The measurements used in determining Area shall run from the property line of the Unit concerned. So long as it substantially complies with the provisions of this Section 1.01(c) and is not arbitrary, Declarant's determination of the Area of a Unit, as set forth in this Declaration or in any amendment hereto shall be conclusive.
- (c) "Articles" means the articles of incorporation of the Association, as the same may be amended from time to time.
- (d) "Assessment" means a General Assessment, a Special Assessment, or a Default Assessment levied and assessed pursuant to Article VII below.
- (e) "Assessment Lien" has the meaning given to that term in Section 7.08 below.
- (f) "Association" means the association of Unit Owners known as Silver Pines Condominiums Home Owners Association, Inc., a Utah nonprofit corporation, and its successors and assigns.
- (g) "Association Documents" means this Declaration, the Articles, the Bylaws, and the Rules and Regulations as the same may be amended from time to time.
- (h) "Buildings" means multi-family residential Structures to be built upon one

or more Units and such other structures as may be constructed on the Common Elements, including, without limitation, a clubhouse.

(i) "Bylaws" means the bylaws of the Association attached hereto and forming a part hereof as Exhibit C, the same may be amended from time to time.

(j) "Common Elements" means the General Common Elements and the Limited Common Elements.

(k) "Common Expenses" means:

(i) any and all costs, expenses and liabilities incurred by or on behalf of the Association, including, without limitation, cost, expenses and liabilities for (A) managing, operating, insuring, improving, repairing, replacing, and maintaining the Common Elements; (B) providing facilities, services, and other benefits to Owners; (C) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby including, but not limited to, the Rules and Regulations; (D) levying, collecting, and enforcing the Assessments, charges, and liens imposed pursuant hereto; (E) regulating and managing the Condominium Project; and (F) operating the Association;

(ii) costs, expenses, and liability agreed upon the Association or declared to be Common Expenses by this Declaration, the Act, or, the Association;

(iii) all sums lawfully assessed against the Unit Owners; and

(iv) reserves for any such costs, expenses and liability.

(l) "Condominium Project" means the real estate condominium project created on the Land by this Declaration, consisting of the Units and the Common Elements, known as Silver Pines Condominiums.

(m) "Condominium Unit" means a Unit together with:

(i) the Interest in General Common Elements appurtenant to that Unit;

(ii) the right to the exclusive or nonexclusive use of the General Common Elements and Limited Common Elements appurtenant to that Unit, if any; and

(iii) the membership in the Association appurtenant to that Unit;

(n) "Additional Land" shall mean such portions of the Land that are designated as Additional Land on the Map and specifically described on Exhibit B hereto, upon which Buildings or other facilities may be constructed and which may in whole or in part be included and constructed into Units, General Common Elements, and/or Limited Common Elements as provided in Article XIX hereof. Each separate parcel of Additional Land and any portion of such Additional Land that has not been so included shall not be part of the condominium project and shall not be subject to the Act and this Declaration.

(o) "Declarant" means Silver Pines Condominiums, LLC, a limited liability company, and its successors and assigns.

(p) "Declarant Control Period" has the meaning given to that term in Section 6.06 below.

(q) "Declaration" means this Declaration of as Silver Pines Condominiums, as the same may be amended from time to time.

(r) "Default Assessment" has the meaning given to below.

(s) "Trustee" means a duly elected or appointed member of the Management below.

(t) "First Mortgage" means any Mortgage which is not subordinate to any other lien, or encumbrance, except liens for taxes or other liens which are given priority by statute.

(u) "General Assessment" has the meaning given to that term in Section 6.04 below.

(w) "General Common Elements" means all of the areas of the Condominium Project, other than the Units and the Limited Common Elements. Without limiting the generality of the preceding sentence, the General Common Elements include, without limitation:

(i) the Land, except any portion of the Land included in a Unit or is designated as Limited Common Elements;

(ii) all improvements, including, without limitation, the foundations, columns, girders, beam supports, perimeter and supporting walls, utility systems, mechanical systems, sprinkler systems, exhaust, heating and ventilation systems, storage areas, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, chimneys, drainage facilities, outdoor water features, gazebos, yards, gardens, roads, parking areas, patios, balconies, decks, porches, courtyards, stoops, exits and entrances, tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and installations existing for common use, and all other parts of the Land and Buildings necessary or convenient to the existence, maintenance, and safety of the Condominium Project, or normally in use by two or more Units, except for those Improvements that are designated by the Act, by this Declaration or by the Map as Units or Limited Common Elements; and

(iii) any parcels of real property and improvements thereon (A) that are owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to this Declaration or a lease, license, easement, or other agreement, and (B) that are used or possessed by the Association for the benefit of all Owners.

(x) "Guest" means any family member, employee, agent, independent contractor, lessee, customer, or invitee of an Owner.

(y) "Improvement" means the Buildings, together with any other building, structure, or other improvement (including, without limitation, all fixtures and improvements contained therein) located on the Land.

(z) "Interest in General Common Elements" means the undivided interest in the General Common Elements appurtenant to each Unit, determined in accordance with the terms and conditions of Section 3.03 below.

(aa) "Land" means the real property which Article II of this Declaration submits to the terms of the Act.

(bb) "Limited Common Elements" means the Limited Common Elements designated by this Declaration or the Map for the exclusive use of one or more Units but fewer than all of the Units.

(cc) "Management Committee" means the Association's board of trustees which shall also be and have all of rights, duties, and authority of the management committee described by the Act, except as otherwise expressly provided herein.

(dd) "Majority" regardless of whether capitalized, means the Owners of more than fifty percent (50%) of the aggregate Interest in General Common Elements.

(ee) "Map" means the Record of Survey Map or Maps filed with the Uintah County Recorder, executed and acknowledged by Declaration, and prepared by a duly registered Utah Land Surveyor, as such Record of Survey Map may be amended or supplemented in accordance with law and the provisions hereof from time to time.

(ff) "Mortgage" means any mortgage, deed of trust, or other document pledging any Condominium Unit or interest therein as security for payment of a debt or obligation;

(gg) "Mortgagee" means any Person named as a mortgagee or beneficiary in any Mortgage and any successor to the interest of any such Person under a Mortgage.

(hh) "Officer" means a duly elected or appointed officer the Association.

(ii) "Owner" means the Person who is the record holder of legal title to the fee simple interest in any Condominium Unit as reflected in the Uintah County Records. If there is more than one record holder of legal title to a Condominium Unit, each record holder shall be an Owner. The term "Owner" includes Declarant to the extent that Declarant is the record holder of legal title to the fee simple interest in a condominium Unit. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term "Owner" shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such Person has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

(jj) "Person" means any natural person, corporation, partnership, limited liability company, association, trustee, government entity, or any other entity capable of owning real property under the laws of the State of Utah.

(kk) "Purchaser" means a Person, other than Declarant or a Successor Declarant, who acquires legal title to the fee simple interest in any Condominium Unit or portion thereof.

(ll) "Record," "Recording" "Recorded," and "Recorder" each have the meaning stated in Utah Code Annotated §57-3-1 through §57-3-2, as the same may be amended from time to time.

(mm) "Rules and Regulations" means any instrument adopted from time to time by the Association for the regulation and management of the Condominium, as the same may be amended from time to time.

(nn) "Uintah County Records" means the Official Records for Uintah County, Utah.

(oo) "Share of Common Expenses" means the share of Common Expenses allocated to each Unit in accordance with the terms and conditions of Section 6.02 below.

(pp) "Special Assessment" has the meaning given to that term in Section 6.05 below.

(qq) "Special Declarant Rights" means all rights that Declarant reserves for itself in this Declaration.

(rr) "Successor Declarant" means any Person who succeeds to any Special Declarant Right.

(ss) "Unit" means a physical portion of the Condominium Project that:

(i) consists of the airspace above and the subsurface below the land and all Area and improvements above and below the surface of the land and within the vertical boundaries defined by the Unit lines shown on the Map,

extended upward to the heavens and downward to the center of the earth;

- (ii) is designated for separate ownership and independent Use; and
- (iii) is designated as a Unit on the Map.

All public, quasi-public or private utility improvements located within the designated easement areas shown on the Map that are not intended for the exclusive use of the Unit are not part of the Unit.

(tt) "Unit Number" means the number, letter, or combination thereof which designates a Unit on the Map.

1.02 Gender and Number.

Wherever the context of this Declaration so requires:

- (a) words used in the masculine gender shall include the feminine and neuter genders;
- (b) words used in the neuter gender shall include the masculine and feminine genders;
- (c) words used in the singular shall include the plural; and
- (d) words used in the plural shall include the singular.

ARTICLE II SUBMISSION

2.01 Submission.

There is hereby submitted to the provisions of the Act, as the Land Associated with Silver Pines Condominiums, the following described parcel of real property situated in Uintah County,

State of Utah:

See Exhibit A attached hereto and incorporated herein by this reference.

TOGETHER WITH: (i) all Buildings, if any, improvements and structures situated on or comprising a part of the above-described parcel of real property; (ii) all easements, rights-of-way and other appurtenances and rights incident to, appurtenant to, or accompanying said parcel; and (iii) all articles of personal property intended for use in connection with said parcel.

ALL OF THE FOREGOING IS SUBJECT TO: all liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the described Land or any portion thereof, including, without limitation, any mortgage or deed of trust; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies shown on or revealed by the Map or otherwise existing; an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the above-described Land at such times as construction of all improvements is complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across, through, and under the above-described Land and any improvements now or hereafter Constructed thereon as may be reasonably necessary, for Declarant or for any assignee or successor of Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration): (i) To construct and complete the Buildings and all of the other improvements described in this Declaration or in the Map recorded concurrently herewith, and to do and to do all things reasonably necessary or proper in connection therewith; and (ii) To improve portions of the Land with such other or additional improvements, facilities, or landscaping designed for the use and enjoyment of all the Owners as Declarant or as such assignee or successor may reasonably determine to be appropriate. If, pursuant to the foregoing reservations, the above-described Land 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 reservations hereby effected shall, unless sooner terminated in accordance with their terms, expire seven (7) years after the date on which this

Declaration is filed for record in the Uintah County Records.

2.02 Covenants Running with the Land.

All covenants, conditions, restrictions, reservations, easements, charges, liens and other provisions of this Declaration are covenants running with the land, or equitable servitude, as the case may be. The obligations, burdens and benefits created by this Declaration shall bind and inure to the benefit of Declarant, the Owners, the Association, all other parties having any right, title or interest in the Land or any portion thereof and their respective successors, assigns, holders, devisees, executors, administrators and personal representatives.

2.03 Statement of Intention.

The condominium project to be created on the Land is hereby created pursuant to and shall be governed by the provisions of the Act.

ARTICLE III
BUILDINGS, UNITS, AND COMMON ELEMENTS

3.01 The Buildings.

(a) The Improvements included in the Condominium Project are now or will be located on the Land. The significant Improvements contained in the Condominium Project include seventy-two (72) Units contained in six twelve-plex Buildings, various amenities to be located in the Common Elements, asphalt roadways and the Common Elements. The location and configuration of the Units and the Common Elements referred to in the foregoing sentences are depicted on the Map. In addition, the General Common Elements shall include, but not be limited to, the attic spaces above top-floor Units, the floor joist cavities and spaces of all Units, the crawl space below ground-floor Units and the stud cavities and spaces between Units. The Condominium Project also contains other improvements of a less significant nature, such as outdoor lighting, fencing, area landscaping, and concrete sidewalks and walkways.

(b) The principal materials used or to be used in the construction of the Buildings are as follows: all load bearing and non-load bearing walls are wood frame or concrete; the basement levels, if any, are comprised of reinforced concrete; the above-grade floors are of wooden joists covered with plywood; the roof is of wood covered with

asphalt or asphalt shingles; interior walls are surfaced with sheetrock or gypsum board; and exterior walls are surfaced with hardie board, cultured stone, brick and/or stucco.

3.02 The Units.

(a) Declarant hereby creates seventy-two (72) Units within the Condominium Project. The Map shows the Unit Number of each Unit, its location, and the General Common Elements and Limited Common Elements to which it has access. Each Unit shall be capable of being separately owned, encumbered and conveyed. Each Owner of a Unit shall be entitled to the exclusive ownership and possession of such Owner's Unit, subject to the terms and conditions of this Declaration. Each Unit consists of the airspace and finishes inside the structural elements that define the Unit. Everything else is defined as General Common Elements unless specifically identified as Limited Common Elements in this Declaration or on the Map.

(b) No Owner may subdivide its Unit, or relocate the boundaries between a Unit and an adjacent Unit, except as expressly provided by this Declaration and the Act.

(c) Except as expressly provided to the contrary in this Declaration, the Interest in Common Elements and the right to use Limited Common Elements appurtenant to the Unit may not be partitioned or separated from the Unit or any part thereof; provided that this subparagraph shall not prejudice or otherwise affect the rights set forth in Article XII and Article XIII of this Declaration in the event of casualty or condemnation.

(d) Notwithstanding anything to the contrary contained in paragraphs 3.02(b) and 3.02(c) above or elsewhere in this Declaration:

(i) nothing shall prevent or limit Declarant's exercise or enjoyment of any Special Declarant Right; and

(ii) an Owner may grant its rights to use any General Common Element or any Limited Common Element appurtenant to the Owner's Unit to the Owner's Guests.

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3.03 Interests in General Common Elements.

(a) The Interests in General Common Elements shall be allocated among the Units as set forth in this Section 3.03. Each Unit in the Condominium Project shall have an equal undivided Interest in the General Common Elements. Therefore, until such time as the Condominium Project is expanded, each Unit shall have a one seventy-second (1/72) undivided interest in the General Common Elements.

(b) Except for adjustments required pursuant to the creation of additional Units pursuant to Articles XIX of this Declaration, the Interest in General Common Elements shall have a permanent character and, except as provided in Article XIX, shall not be altered without the express consent of all Owners expressed in an amendment to this Declaration adopted as provided in Section 19.03 hereof. If any Units are added to or withdrawn from the Condominium Project, the Interest in General Common Elements for all Units within the Condominium Project after such addition or withdrawal shall decrease or increase accordingly.

(c) Except as expressly provided to the contrary elsewhere in this Declaration, an Interest in General Common Elements may not be partitioned from the Unit to which it is appurtenant, and any purported conveyance, encumbrance or transfer of an Interest in General Common Elements made without the Unit to which the Interest in General Common Elements is appurtenant shall be void. The immediately foregoing sentence shall not prejudice or otherwise affect the rights set forth in Articles XIII and XIV of this Declaration in the event of casualty or condemnation. There shall not be any restriction upon an Owner's right of ingress to and egress to and from such Owner's Unit.

3.04 Limited Common Elements.

Except as expressly provided to the contrary in this Declaration, the allocation of the Limited Common Elements to the Units as provided in this Declaration or as shown on the Map may not be altered without the consent of all Owners whose Units would be affected by such reallocation. Legal ownership of the Limited Common Elements shall be as indicated for the General Common Elements as stated in Section 3.03(a), (b) and (c) above.

3.05 Separate Taxation of Condominium Units.

Pursuant to the Act, each Condominium Unit constitutes a separate parcel of real estate and will be separately assessed and taxed.

3.06 Description of Condominium Unit.

Any deed, lease, mortgage, deed of trust, or other instrument conveying; encumbering, or otherwise affecting a Condominium Unit shall describe the interest or estate substantially as follows:

[Unit _____], contained within Silver Pines Condominiums, Phase 1, as the same is identified in the Record of Survey Map recorded in Uintah County, Utah, on _____, 2008 as Entry No. _____ (as said Record of Survey Map shall have heretofore been amended or supplemented) and in the Declaration of Condominium for Silver Pines Condominiums, Phase 1, recorded in Uintah County, Utah on _____, 2008 as Entry No. _____ in Book No. _____ at Page _____ (as said Declaration may have heretofore been amended or supplemented).

TOGETHER WITH the undivided ownership interest in said Condominium Project's Common Elements that are appurtenant to said Unit as more particularly described in said Declaration.

Whether or not the description employed in any such instrument is in the above-specified form, however, all provisions of this Declaration, shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Condominium Unit. Neither the Interest in General Common Elements, nor the right of exclusive use of a Limited Common Elements, shall be separated from the Unit to which it appertains; and, even though not specifically mentioned in the instrument of transfer, such Interest in the General Common Elements and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

ARTICLE IV
THE ASSOCIATION

4.01 Formation of the Association.

On or before the date on which Declarant conveys the first Unit to a Purchaser, Declarant shall form the Association.

4.02 Purposes and Powers.

(a) The Association's purposes are:

(i) to manage, operate, insure, construct, improve, repair, replace, alter and maintain the Common Elements;

(ii) to provide certain facilities, services and other benefits to the Owners;

(iii) to administer and enforce the covenants, conditions, restrictions, reservations, and easements created hereby;

(iv) to levy, collect and enforce the Assessment imposed pursuant hereto;

(v) to enter into agreements with other Persons, including, without limitation, easements, licenses, leases, and other agreements with one or more Persons for facilities and services that serve the Association;

(vi) to take any action that it deems necessary or appropriate to protect the interests and general welfare of Owners;

(vii) to regulate and manage the Condominium Project; and

(viii) to execute and record, on behalf of all Owners, any amendment to this Declaration or the Map which has been approved by the vote or consent necessary to authorize such amendment.

(b) Unless expressly prohibited by law or any of the Association Documents, the Association may:

(i) take any and all actions that it deems necessary or advisable to fulfill its purposes;

(ii) exercise any powers conferred on it by the Act or any Association Document; and

(iii) exercise all powers that may be exercised in Utah by nonprofit corporations.

(c) Without in any way limiting the generality of paragraph 4.02(b) above, the Association may, but is not obligated to:

(i) to the extent not provided by a public, quasi-public or private utility provider, provide certain facilities and services to the Owners, such as (A) recreational facilities and services, (B) water, sewer, natural gas, electric, cable, television and other utility services, (C) parking facilities, and (D) trash collection facilities and services for residential purposes only;

(ii) acquire, sell, lease and grant easements over, under, across and through Common Elements which are reasonably necessary to the ongoing development and operation of the Condominium Project;

(iii) borrow monies and grant security interests in the Common Elements and in the assets of the Association as collateral therefor;

(iv) make capital improvement, repairs, and replacements to Common Elements; and

(v) hire and terminate managers and other employees, agents, and independent contractors.

4.03 Association Document.

(a) This Declaration and the Map create the Condominium Project and set forth certain covenants, conditions, restrictions, reservations, easements, assessments, charges, and liens applicable to the Land. The Articles create the Association. The Bylaws provide for the regulation and management of the Association, and the Rules and Regulations provide for the regulation and management of the Condominium Project.

(b) If there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the Articles, the Bylaws, or the Rules and Regulations, the terms and conditions of this Declaration shall control. If there is any conflict or inconsistency between the terms and conditions of the Articles and the terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Articles shall control, If there is any conflict or inconsistency between the terms and conditions of the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

4.04 Books and Records.

The Management Committee, or Manager, if any, shall keep detailed, accurate records in chronological order, of receipts and expenditures affecting the Common Elements, specifying and itemizing the Common Expenses and any other expenses incurred. Upon request, the Association shall allow Owners and Mortgagees and their respective agents to inspect current copies of the Association Documents and the books, records, budgets and financial statements of the Association during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials.

4.05 Limitation on Rights.

The Association shall not, except with the prior vote or written consent of a majority of the voting power of the Association, commence any legal action against Declarant, its officers, directors or employees.

4.06 Repurchase Option for Construction Defect Claims.

In the event any Owner, either directly or through the Association, shall commence action against Declarant and/or any contractor in connection with any alleged construction defects in such Owner's Unit, Declarant (or any assignee of Declarant) shall have the option, but not the obligation, to purchase such Unit on the following terms and conditions:

(a) The purchase price shall be an amount equal to the sum of the following, less any sums paid to such Owner under any homeowner's warranty, in connection with the alleged defect:

(i) The purchase price paid by the original Owner of the Unit when originally purchased from Declarant;

(ii) The value of any improvements made to the Unit by anyone other than Declarant;

(iii) The Owner's reasonable moving costs; and

(iv) Any closing costs incurred by the Owner in connection with the purchase of another primary residence within ninety (90) days after closing of the repurchase provided for herein.

(b) Close of escrow shall occur not later than forty-five (45) days after written notice from Declarant to the Owner of Declarant's intent to exercise the option herein.

(c) Title shall be conveyed to Declarant free and clear of all monetary liens and encumbrances other than non-delinquent real estate taxes.

(d) All closing costs in connection with the repurchase shall be paid by the Declarant.

(e) Exercise of the repurchase option as provided for herein above shall constitute full and final satisfaction of all claims relating to the subject Unit. The Owner (or Association, as applicable) shall promptly execute and deliver any notice of dismissal or other document necessary or appropriate to evidence such satisfaction.

(f) Declarant's option to repurchase granted pursuant to this Paragraph 4.06 with respect to any particular Unit shall automatically terminate upon the expiration of the last applicable statute of limitations applicable to any construction or warranty claim governing such Unit including all applicable tolling periods.

4.07 Arbitration.

Any and all disputes, controversies, or claims arising out of or relating to alleged defects or deficiencies in the Land, any Unit, and/or the construction of any Unit or other improvements within the Land, shall be submitted to binding arbitration. Such arbitration shall be conducted by one arbitrator if both parties agree upon the arbitrator in writing within ten (10) days; and otherwise by three arbitrators, one appointed by the party initiating the arbitration one appointed by the opposing party, and one appointed by the two previously chosen arbitrators. The arbitrators shall abide by the rules of the American Arbitration Association. All proceedings

shall be conducted in conformance with the Utah Arbitration Act. Alternatively, at Declarant's discretion, the arbitration may be governed by the procedures of the Utah Arbitration Act, §§ 78-31a-101 et. seq. Judgment upon the award rendered by the majority of the arbitrators may be entered in any court having jurisdiction over the dispute. The arbitrators shall be empowered to award attorneys' fees and costs of arbitration as they deem just and reasonable under the circumstances.

4.08 Voting.

(a) At any meeting of the Association, each Unit's interest in General Common Elements appurtenant to a Unit may be voted in connection with issues presented to the Owners for vote.

(b) Each Unit within the Condominium Project shall have one vote.

(c) If any Units are added to or withdrawn from the total number of votes allocated to all Memberships and the allocation thereof after such addition, withdrawal increase or decrease shall be adjusted so that such votes at all times remain equal to the total number of Units included within the Condominium Project.

(d) The Owner of each Unit shall be entitled to the number of votes allocated to it in accordance with paragraphs 5.01(a), (b) and (c) above, regardless of the number of Owners of the Unit. If the Owners of a Unit cannot agree among themselves as to how to cast their Votes on a particular matter they shall lose their right to vote On such matter. If any Owner casts a vote representing a particular Unit, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners with whom such Owner shares the Unit, unless objection thereto is made by an Owner of that Unit to the Person presiding over the meeting at the time the vote is cast. If more than the number of allocated votes are cast for any particular Unit, none of such votes shall be counted and all of such votes shall be deemed null and void other than to determine whether a quorum exists.

(e) In any case in which the Act or this Declaration requires the vote of a stated percentage of the Owners or approval of an act or transaction, such requirement shall be fully satisfied by obtaining, with or without a meeting consents in writing to such transaction from Owners who collectively hold at least the stated percentage of required votes. Such written consents shall be subject to the following conditions;

(i) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner.

(ii) Any change in ownership of a Condominium Unit which occurs after consent has been obtained by the Owner having an interest therein shall not be considered or taken into account for any purpose.

(iii) Unless consent of all Owners having an interest in the same Condominium Unit is secured, the consent of none of such Owners shall be effective.

ARTICLE V MANAGEMENT COMMITTEE

5.01 Number and Election of Trustees.

The Management Committee shall consist of three (3) Trustees. The initial Trustees shall hold office until the election or appointment of their successors at the first annual meeting. Thereafter, subject to the terms and conditions of Sections 6.03 and 6.04 below, each Trustee will hold office for a term of one (1) year and the Owners shall elect the Trustees at the annual meetings.

5.02 Powers of the Management Committee.

(a) Except as provided in this Declaration, the Articles and the Bylaws, the Management Committee may act on behalf of the Association in all instances.

(b) The Management Committee may not act on behalf of the Association to:

(i) amend this Declaration;

(ii) terminate the Association, this Declaration or the Condominium;

(iii) elect Trustees to the Management Committee; or

(iv) determine the qualifications, powers and duties, or terms of office, of Trustees.

5.03 Declarant Control Period.

(a) Subject to the terms and conditions of paragraphs 6.03(b) and (c) below, but notwithstanding anything else to the contrary contained in this Declaration or in any other Association Document, Declarant shall have the exclusive right to appoint and remove all Trustees and Officers during the Declarant Control Period. The phrase "Declarant Control Period" means the period commencing on the date on which this Declaration is Recorded, and ending on the first to occur of the following:

(i) six (6) years from the date that the Declaration is recorded; or

(ii) the date upon which Units representing seventy-five percent (75%) of the total Interests in the General Common Elements have been conveyed to Purchasers, or after all Additional Land has been added to the Condominium Project and all convertible land has been included, whichever last occurs.

(b) Declarant may voluntarily surrender its right to appoint and remove Officers and Trustees prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Association or the Management Committee, as described in a recorded instrument executed by Declarant be approved by the Declarant before they become effective.

(c) During the thirty (30) day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect a Management Committee of three (3) Trustees as set forth in Section 6.01 above, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant. Such Trustees shall take office upon election.

(d) No management contract, lease of recreational areas or facilities, or any other contract or lease designed to benefit the Declarant which was executed by or on behalf of the Association or the Unit Owners as a group shall be binding after the expiration of the Declarant Control Period unless renewed or ratified by the consent of a Majority of the votes in the Association.

5.04 Removal of Trustees.

(a) Trustees appointed by Declarant may be removed, with or without cause solely by Declarant.

(b) Each Trustee, other than a Trustee appointed by Declarant, may be removed, with or without cause, by a sixty-seven percent (67%) or greater vote of all Owners of the Units.

5.05 Replacement of Trustees.

(a) Vacancies on the Management created by the removal, resignation or death of a Trustee appointed by Declarant shall be filled by a Trustee appointed by Declarant.

(b) A vacancy on the Management Committee created by the removal, resignation or death of a Trustee appointed or elected by the Owners shall be filled by a Trustee or elected by the Owners.

(c) Any Trustee elected or appointed pursuant to this Section 6.05 shall hold office for the remainder of the unexpected term of the Trustee that Trustee replaced.

5.06 Management Committee Liability.

No Trustee shall be liable to the Owners for any mistake in judgment, for negligence, or on other grounds, except for such Trustee's own individual and willful misconduct or bad faith. The Owners and Association shall indemnify and hold harmless each Trustee from and against all liability to third parties arising out of any contract made by the Management Committee on behalf of the Association or Owners, unless such contract was made in bad faith or contrary to the provisions of the Act or this Declaration. The liability of an Owner arising out of the foregoing indemnification shall be limited to the total liability concerned multiplied by such Owner's Interest in General Common Elements.

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ARTICLE VI
ASSESSMENTS, COMMON EXPENSES, BUDGETS, AND LIENS

6.01 Obligations for Assessments:

(a) Each Owner, by accepting a deed to a Unit (regardless of whether it shall be expressly stated in such deed), shall be deemed to have covenanted and agreed to pay to the Association all:

- (i) General Assessments;
- (ii) Special Assessments;
- (iii) Default Assessments; and
- (iv) other charges,

that the Association is required to levy or impose on such Owner or such Owners's Unit pursuant to this Declaration or any other Association Document.

(b) Notwithstanding the definition of the term "Owner:"

(i) a Person who acquires a Unit in a foreclosure sale shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Unit or on the Owner of that Unit on or after the date of the foreclosure sale; and

(ii) a Person who acquires a Unit by deed-in-lieu of foreclosure shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Unit or On the Owner of that Unit on or after the date on which the Owner of the Unit executes the deed-in-lieu of foreclosure.

(c) No Owner shall be exempt from liability for any such Assessment or other charges by waiving the use or enjoyment of any Common Element or by abandoning a

Unit against which such Assessments or other charges are made.

(d) Each Owner shall be personally liable for all assessments and other charges levied on such Owner or such Owner's Unit during the period of such Owner's ownership of the Unit. If there is more than one Owner of a Unit, each Owner shall be jointly and severally liable with the other Owners of the Unit for all Assessments and other charges levied on the Unit or any Owner of a Unit. In a voluntary conveyance, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor without prejudice to the grantee's rights to recover from the grantor the amount of the Assessment paid by the grantee.

(e) Each Assessment or other charge, together with interest and penalties thereon and all costs and expenses incurred by the Association to collect such Assessment or, other amount, including all fees and disbursements of attorneys, accountants, appraisers, receivers and other professionals engaged by the Association in connection therewith, may be recovered by a suit for a money judgment by the Association without foreclosing or waiving any Assessment Lien securing the same.

6.02 Shares of Common Expenses.

Except as otherwise set forth in this Declaration, the Association's Common Expenses shall be allocated among the Units in accordance with the Interest in General Common Elements appurtenant to such Units ("share of Common Expenses").

6.03 Budgets.

(a) Prior to the first levy of a General Assessment, and thereafter on or before October 1 of each calendar year, the Management Committee shall adopt a proposed annual budget for the Association for the following calendar year that sets forth:

(i) the Management Committee's estimates of common expenses for the next calendar year, taking into account any default or surplus realized for the current calendar year and any amounts as may be necessary to fund the reserve provided for in Section 6.11 of this Declaration;

(ii) the amount of funds for such Common Expenses that the Committee proposes to raise through General Assessments; and

(iii) the amount of funds for such Common Expenses that the Management Committee proposes to raise through Special Assessments.

(b) Within thirty (30) days after adopting a proposed annual budget, the Management Committee shall deliver a summary of the proposed annual budget to the Owners and set a date for a meeting of the Owners to consider ratification of the proposed annual budget. The date of such meeting shall not be less than fourteen (14), days nor more than sixty (60) days after the delivery of a the summary of the proposed annual budget to the Owner. Unless at that meeting a Majority of the votes, whether or not a quorum is present, rejects the proposed annual budget, the proposed annual budget shall be deemed ratified. If the proposed annual budget is be deemed renewed for the next calendar year and shall remain in full force and effect until such time as the Owners ratify a subsequent annual budget proposed by the Management Committee.

(c) If the Management Committee deems it necessary or advisable to amend an annual budget that has been ratified by the Owner under paragraph 6.03(b) above, the Management Committee may adopt a proposed amendment to the annual budget; deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment The date of such meeting shall not be less than fourteen (14) days nor more than sixty (60) days after the delivery of the summary of the proposed amendment. Unless at that meeting a Majority of the votes, whether or not a quorum is present, rejects the proposed amendment, the proposed amendment shall be deemed ratified.

6.04 General Assessments.

(a) After the Management Committee has adopted an annual budget pursuant to, paragraph 6.03(b) above, the Association shall levy an assessment for Common Expenses (a "General Assessment") on each Unit. The amount of the General Assessment against a Unit shall equal the product obtained by multiplying:

(i) the amount set forth in the annual budget adopted by the Management Committee as the amount of Common Expenses to be raised by the General Assessments, by

(ii) that Unit's Interest in General Common Elements.

(b) The Owners shall pay the General Assessments levied against their respective Units in such periodic installments as may be required by the Association.

(c) If the Management Committee adopts an amendment to the General Assessment portion of an annual budget pursuant to paragraph 6.03(c) above, the amount of the General Assessment levied against each Unit shall be adjusted accordingly, as shall the amount of each Owner's periodic installments.

(d) If the Management Committee fails to adopt an annual budget for any calendar year prior to January 1 of that calendar year, the Owners shall continue to pay periodic installments of the General Assessment to the Association at the rate payable during the prior calendar year until such time as the Management Committee adopts a new annual budget for the then current calendar year. Once the Management Committee adopts a new annual budget, the Association shall levy against each Unit the General Assessment for the then current calendar year and each Owner's periodic installments shall be adjusted as necessary to pay the new General Assessment in equal periodic installments over the remainder of such calendar year, giving the Owners credit in such manner as the Management Committee deems necessary or appropriate, for any installments that the Owners have previously paid to the Association during such calendar year.

(e) The failure of the Association to levy a General Assessment for any calendar year shall not be deemed a waiver, modification or release of an Owner's liability for the Share of Common Expenses allocated to such Owner's Unit.

6.05 Special Assessments.

(a) the Assessments that the Association may levy pursuant to this Section 6.05 are referred to in this Declaration as "Special Assessments."

(b) Notwithstanding anything to the contrary contained in Section 6.04 above, if the Association determined that an Assessment is required to immediately fund any Common Expense attributable to the Common Elements, the Association may levy an Assessment for such Common Expense against the Units in proportion to the Interests of General Common Elements.

(c) Each Special Assessment levied against any Unit shall be shown on an annual budget or an amendment to an annual budget, adopted by the Management

Committee pursuant to Section 6.03 above and shall be paid as and when required by the Association.

6.06 Default Assessments.

(a) Notwithstanding anything to the contrary contained herein, if any Common Expense is caused by:

(i) the negligence or misconduct of an Owner or an Owner's Guest; or

(ii) a violation of any covenant or condition of an Association Document by an Owner or an Owner's Guest, the Association may levy an Assessment for such Owners Common Expense against such Owners Unit. Any such Assessment levied by the Association and each fine, penalty, fee or other charge imposed upon an Owner for the Owner's violation of any covenant or condition of any Association Document are each referred to herein as a "Default Assessment."

(b) Default Assessments need not be shown on an annual budget, or on an amendment to an annual budget Section 6.03 above.

(c) With respect to any Default Assessment, or portion thereof, levied other than as a late charge, the Owner of the Unit against which the Association seeks to levy the Default Assessment shall be provided notice and an opportunity to be heard. Owners of Units against which Default Assessment³ have been levied shall pay such Default Assessments as and when required by the Association.

6.07 Assignment of Assessments.

The Association shall have the unrestricted right to assign its right to receive Assessments and other future income, either as security for obligations of the Association or otherwise, On the condition that any such assignment is approved by a majority of the votes allocated to Units represented at a meeting at which a quorum is present.

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6.08 Assessment Lien.

(a) The Association shall have a lien on each Unit for any Assessment levied against that Unit and for any fines, late charges, penalties, interest and attorneys fees, disbursements and costs of collection imposed against the Owner of such Unit under any Association Document (the "Assessment Lien"). The Assessment Lien shall secure all of the foregoing obligations of an Owner from the time such obligations become due. If an Assessment is payable in installments, the Assessment Lien shall secure each installment from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations.

(b) An Assessment Lien shall constitute a lien upon the Owner's Unit, and, upon the Recording of a notice of Lien by the Management Committee or manager, if any, it is a lien prior to all other liens and encumbrances on a Unit, recorded and unrecorded except:

(i) encumbrances On the interest of an Owner recorded prior to the date such notice is recorded which by law would be alien prior to subsequently recorded encumbrances; and

(ii) liens for real estate taxes and special assessment liens on the Unit in favor of any governmental assessing unit or special improvement district; and

(c) Assessment Lien is prior to a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent to the extent permitted by the Act.

(d) An Assessment Lien is extinguished unless proceedings to enforce the Assessment Lien are instituted within six (6) years after the full amount of the Assessment secured thereby becomes due. Suit to recover a money judgement for unpaid Assessments is maintainable without foreclosing or waiving the lien securing it.

(e) This Section 6.08 doe not prohibit actions or suits to recover sums secured by an Assessment Lien or the Association from taking a deed in lieu of foreclosure.

(f) In any action by the Association to collect Assessments or to foreclose on an Assessment Lien for unpaid Assessments, the court may appoint a receiver of the Owner to collect all sums alleged to be owed by the Owner prior to or during the

pendency of the action, including, but not limited to, all costs and expenses of such proceedings, reasonable attorneys fees, and a reasonable rental for the Unit. A court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Assessments.

(g) An Assessment Lien may be foreclosed in like manner as a deed of trust or mortgage on real estate or in any other manner permitted by law. Periodic Assessments shall be payable during the period of foreclosure of an Assessment Lien.

6.09 Waiver of Homestead Exemptions.

To the fullest extent permitted by law, by acceptance of the deed or other instrument of conveyance of a Unit, an Owner irrevocably waives the homestead exemption provided by the Utah Exemptions Act, Utah Code Ann. §78-23-1 through §78-23-15 as amended from time to time, as the same may apply to the Assessment Lien.

6.10 Estoppel Certificates: Notices to Mortgages.

(a) The Association shall furnish to an Owner or such Owner's designee or to a Mortgagee or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid return receipt requested, to the Association registered agent, and payment of a reasonable fee not to exceed the amount provided for in the Act a statement setting forth the amount of unpaid Assessments currently levied against such Owners Unit The statement shall be furnished within ten (10) calendar days after receipt of the request and is binding on the Association, the Management Committee and every Owner in favor of all Persons who rely upon such statement in good ,faith, If no statement is furnished to the Owner, the Mortgagee or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert the priority of its Assessment Lien upon the Unit for unpaid Assessments which were due as of the date of the request.

(b) If a First Mortgagee delivers to the Association a written request for notice of unpaid Assessments levied against a Unit subject to a First Mortgage held by that First Mortgagee, the Association shall report to the First Mortgagee any unpaid Assessments levied against such Unit that remain unpaid for more than sixty (60) days after the same shall have become due. The First Mortgagee may pay any such unpaid Assessment, together with any and all costs and expenses incurred with respect to the Assessment Lien securing such unpaid Assessment, and upon such payment, such First Mortgagee shall have a lien on the Unit for the amounts paid with the same priority as a lien of the First

Mortgage held by such First Mortgagee.

6.11 Reserve Fund.

(a) The Association shall have the right to maintain a reserve fund for Common Expenses. The reserve fund shall include such amounts as the Management Committee deem proper for general working capital for a general operating reserve, and for a reserve fund for replacements and major maintenance or capital replacement, and will be funded as follows. At the closing of the sale of a Unit by Declarant to a purchaser, the Purchaser shall pay to the Association an amount equal to the Association's estimate of three (3) months of Common Expenses for the fiscal year in which the sale of the Unit occurs. Thereafter, the Association may increase the reserve fund or replace funds withdrawn from the reserve fund with funds collected through Assessments.

(b) Payments by Purchasers to the Association at closings under paragraph 6.11(a) above shall not be credited against, or relieve Purchasers from, their obligation to pay other Assessments levied against Units by the Association.

(c) Upon the sale of a Unit from one Owner to another, the Association shall not be obligated to return to the transferor any funds held in reserve, but the transferor shall be entitled to an appropriate credit from its transferee.

ARTICLE VII

UTILITY AND OTHER SERVICES

7.01 Electricity, Gas Water, Secondary Water, Sewer, Natural Gas, Electric, Trash Removal, Telephone, Cable Television and Other Services.

(a) Each Owner shall be responsible for obtaining all electricity gas, water, secondary water, sewer, trash removal, telephone, cable television and other utility services for such Owner's Unit or Units and the Limited Common Elements appurtenant to such Units and shall pay all costs, expenses, fees, rates and other Charges incurred in connection therewith, including, without limitation, any connection fees, directly to the provider of such services. All other water, sewer, natural gas, electric and trash removal services shall be a part of the Common Expenses charged to the Owners in accordance with their respective Shares of Common Expenses.

(b) The Association shall determine what, if any; utility services are necessary for the General Common Elements and shall be responsible for obtaining those services. The Common Expenses incurred by the Association for those services shall be allocated among the Units in accordance with their proportionate Shares of Common Expenses.

7.02 Other Utilities.

If the Association incurs Common Expenses for any utility service not described above, or if the manner of providing or metering any utility service described above changes from the manner in which such service is provided or metered as of the date of this Declaration, the Association may allocate the Common Expenses incurred for such new utility service or changed utility service in any reasonable and equitable manner consistent with the Act.

ARTICLE VIII
MAINTENANCE OF COMMON ELEMENTS AND UNITS

8.01 Maintenance of Common Elements.

Except as otherwise provided in this Declaration, the Association, or its duly designated agent, shall maintain the Common Elements and the other Association property in good order and condition and shall otherwise manage and operate the Common Elements as it deems necessary or appropriate. The Management Committee shall have the irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of the Common Elements or for making emergency repairs necessary to prevent damage to the Common Elements or to another Unit or Units. Without the limiting the foregoing, the Association may:

- (a) construct, modify, add to, repair, replace, or renovate any improvements that are located, or to be located, on or constitute a part of any Common Element, on the Common Elements;
- (b) plant and replace trees, shrubs, and other vegetation on any Common Element;
- (c) place, maintain, and replace signs upon any Common Element;

(d) Adopt and enforce Rules and Regulations regulating the use of Common Elements; and

(e) take any other actions as the Association deems necessary or advisable to protect, maintain, operate, manage, or regulate the use of the Common Elements.

Maintenance of the Limited Common Elements created pursuant to Section 8.02 below shall be the responsibility and at the expense of each Unit Owner making designating the Limited Common Element.

8.02 Maintenance of Units.

(a) Each Owner, at such Owner's sole cost and expense, shall maintain in good order and repair its Unit, all Buildings and other improvements, utility facilities, lines, ducts, and other such apparatus (including all fixtures located thereon) serving solely such Unit. Each Owner shall keep the Limited Common Elements serving solely its Unit, if any, in good order and repair, and in a clean and orderly condition. The Association shall have no obligation regarding maintenance or care which is required to be accomplished by any Owner.

(b) If an Owner fails to maintain the exterior of that Owner's Unit such that it is in an unsightly or run-down condition, in the reasonable determination of the Management Committee, the Management Committee shall have the right, but not the obligation, to repair and maintain that Unit's exterior and assess the Unit and Unit Owner the cost of such repair and maintenance, including an administrative fee of not more than five percent (5%) of the actual cost of the necessary repair and maintenance. The assessment stated here shall be made as a Default Assessment pursuant to the provisions of Article XI of this Declaration.

8.03 Mechanic's Lien and Indemnification.

No labor performed or materials furnished and incorporated into or upon a Unit with the consent or at the request of an Owner or an agent, contractor or subcontractor of an Owner shall be the basis either for filing a lien against the Unit of any other Owner not expressly requesting or consenting to the same, or against the Common Elements. Notwithstanding the foregoing, labor performed or materials furnished for the Common Elements, if authorized by the Owners, the manager or the Management Committee in accordance with this Declaration, the Bylaws, the Rules and Regulations, or the Act, shall be deemed to be performed or furnished with the express

consent of each Owner and shall be the basis for filing a lien pursuant to applicable law. Payment for any such lien shall be made as provided by the Act. Each Owner shall indemnify and hold harmless each of the other Owners and any Mortgagee from and against all liability arising from any claim or lien against the Unit of any other Owner or against the Common Elements for construction performed or for labor, materials, services or supplies incorporated in the Owner's Unit at the Owner's request.

ARTICLE IX
COVENANTS, CONDITIONS, AND RESTRICTIONS

9.01 Applicability of Covenants, Conditions and Restrictions.

Except as otherwise provided in this Declaration, the covenants, conditions, and restrictions set forth in this Article X shall apply to all Units and Common Elements.

9.02 Association Documents.

Each Owner shall strictly comply with, and shall require its Guests to comply with, all provisions of the Association Documents that apply to such Owner or such Owner's Unit.

9.03 Notice of Conveyance.

(a) Promptly after a conveyance of a fee simple interest in a Unit or portion thereof, the grantee shall furnish a copy of the conveyance deed to the Association.

(b) Promptly after an encumbrance of a fee simple interest in a Unit or portion thereof, the Owner shall furnish the Association with a copy of the Mortgage creating the encumbrance.

9.04 Use of Units.

(a) An Owner of a Unit may use such Unit and the Buildings thereon only as a permanent or vacation single-family residence (as "family" is defined from time to time in the zoning ordinances of Vernal City, Utah) for itself and its Guests. No Owner of a Unit shall conduct any business profession, occupation, or trade from its Unit; provided that this Declaration does not prohibit an Owner from leasing or renting such Owner's

Unit to others so long as the use of such Unit complies with the provisions of this Declaration, the Act, and other applicable laws and ordinances. No Unit shall be used for conducting the business of the rent of other Units. Any lease of a Unit shall be in Writing and shall be subject to this Declaration and the Bylaws.

(b) Notwithstanding the restrictions set forth in paragraph 10.04(a) above:

(i) an Owner may use its Unit as its private office, on the condition that the Owner does not invite others to its Unit to conduct business and such use complies with all applicable Federal, State, and local laws, ordinances, regulations, and rules; and

(ii) the Association and, during the Declarant Control Period, Declarant may use One Unit owned or leased by it as a management office, or a combined management office and residence for a resident manager, if any, for the Condominium Project.

9.05 Use of Common Elements.

All Owners and their Guests may use the General Common Elements and the Limited Common Elements designed to serve their Units for the purposes for which such Common Elements are intended. Notwithstanding the preceding sentence, neither an Owner nor a Guest may use any Common Element in any manner that unreasonably interferes with, hinders or encroaches upon the rights of other Owners in and to the Common Elements. Without limiting the generality of the foregoing, no Owner shall cause, or permit its Guests to cause, waste to any Common Element.

9.06 Alterations.

(a) Except as otherwise expressly provided in this Declaration, an Owner of a Unit may not make any improvement or alteration to a Common Element or any improvement or alteration to its Unit that affects any Common Element or any other Unit, without the prior written consent of the Association. No Unit Owner shall do any work or make any alterations or changes which would jeopardize the safety of the Condominium Project, reduce its value or impair any easement or hereditament, without in every case the unanimous written consent of all Unit Owners being first obtained.

(b) Without limiting the generality of paragraph 9.06(a) above, an Owner of a

Unit may not, without the prior written consent of the Association, install or erect any improvement, mechanical system, or fixture that either:

- (i) protrudes beyond the boundaries of the Owners Unit; or
- (ii) is located wholly outside the Owner's Unit (even if located within a Limited Common Element that is assigned to solely the Owner's Unit).

9.07 Nuisances, Hazardous Activities, and Unsightliness.

- (a) No Person shall conduct any activity on the Land which creates a nuisance.
- (b) No Person shall conduct any activity on the Land which is or might be hazardous to any Person or Property.
- (c) No unsightliness shall be permitted on the Land. No clothes, clothesline, sheets, blankets, laundry of any kind or similar articles shall be hung out or exposed on any part of the Units or Common Elements, with the exception of well-maintained patio furniture on porches. All Common Elements shall be kept clear of rubbish, debris and other unsightly materials. Barbecue devices shall be located solely on porches, and shall be well-maintained and used in strict accordance with all applicable fire code and other regulations.
- (d) Normal construction activities shall not be considered to violate the terms and conditions of this paragraph 9.07.

9.08 Signs.

- (a) No signs whatsoever shall be erected or maintained on the Land identifying the Condominium Project or necessary to its operation and that are approved in writing by the Management Committee, or such signs are required by applicable law.
- (b) Notwithstanding the foregoing paragraph 9.08(a) above, an Owner may erect one (1) "For Sale" or "For Lease" sign on the Owner's Unit advertising the said Owner's Unit for sale or lease during the time such Unit is actually being offered for sale or lease; provided that the dimensions of such sign shall not exceed 18" x 24".

9.09 Compliance with Laws.

Nothing shall be done or kept at the Land in violation of any law, ordinance, rule, regulation or other requirement of any governmental or quasi-government.

9.10 Compliance with Insurance.

Except as may be approved in writing by the Association, nothing shall be done or kept at the Land that may result in the cancellation of any insurance maintained by the Association or may result in an increase in the rates of any such insurance.

9.11 Subdivision, Rezoning and Timesharing.

(a) No Unit may be subdivided, unless the subdivision has been approved by 100 percent of the votes allocated to all Units at a duly convened meeting of the Association and has received an applicable governmental and quasi-government approvals.

(b) No application for rezoning any portion of the Land, and no applications for variance or use permits, shall be filed with any governmental or quasi-governmental authority, unless the proposed rezoning has been approved by 100 percent of the votes allocated to all Units at a duly convened meeting of the Association and the uses that would be permitted under the rezoning comply with this Declaration and the other Association Document.

(c) No Owner shall offer or sell any interest in any Unit under a "timesharing" or "interval ownership" plan or similar plan.

(d) The conditions and restrictions set forth in paragraphs 9.11(a) and (b) above shall not apply to Declarant's development of the Land, Declarant's exercise of any Special Declarant Right, or Declarant's exercise of the Option to Expand as set forth in Article XIX of this Declaration.

9.12 Vehicles and Parking.

(a) No repairs of any vehicle shall be undertaken within the Condominium

Project. No vehicle shall be left on blocks or jacks.

(b) No Owner shall park, store or keep anywhere in the Condominium Project any large commercial type vehicle (including, but not limited to, any dump truck, cement mixer truck, fuel truck, delivery truck or panel van). The foregoing excludes trucks up to one (1) ton when used for everyday-type transportation. No Owner shall park, store or keep anywhere in the Condominium Project any inoperable vehicle, or any unlicensed or unregistered vehicle. Vehicles shall be parked in carports to the extent space is available therein. Trucks (excluding those identified above), passenger vehicles and motorcycles shall be also be allowed to be parked in driveways, on the streets or in designated parking areas. To the extent that Unit Owners and their guests park in driveways or on the streets, such parking shall be limited to the driveway or space in front of the Unit in which they reside or to which they are visiting. Visitors shall also be allowed to park in designated parking areas identified for that purpose. Parking spaces shall be used exclusively for the parking of trucks (except those identified above), passenger vehicles and motorcycles. The Association shall have the right to tow vehicles parked in violation of this Declaration and/or the rules and regulations promulgated by the Management Committee. Carports shall be used for the parking of vehicles. No carport shall be used as a residence and no portion of a carport shall be converted or altered to accommodate any form of living space or other non-vehicular use.

9.13 Exterior Storage.

No owner shall store any materials or items on or in any Common Element. The storage or accumulation of junk, trash, manure, or other offensive or commercial materials is prohibited.

9.14 Animals.

No animal, bird, fowl, poultry, or livestock of any kind shall be bred or kept in any Unit except that no more than two (2) dogs, cats, or other household pets may be permitted by the Association as long as they are maintained in accordance with this Declaration and any additional rules and regulations imposed by the Association and are not a nuisance or kept, bred, or maintained for any commercial purposes. No dog shall be allowed roam unattended on the Condominium Project. All dogs going outdoors must be on a leash under the direct supervision and control of the Owner or confined to a dog run or kennel on the Owner's Unit. The manner and location of all dog runs or kennels must be approved by the Management Committee. The foregoing notwithstanding, no animals or fowl may be kept in or upon any Units if they result in an annoyance or are obnoxious to other residents. No animals shall be allowed with the Common Elements or Association Property except pursuant to rules promulgated by the Board. In any event, any Owner shall be absolutely liable to each and all other Owners, their families,

guest and invitees and the Association for any and all damage to property caused by any pets of such Owner or by members of his family, guests or invitees.

9.15 Exterior Appearance.

No Owner shall cause or permit anything to be placed on the outside walls of any Building constructed on its Unit, and no sign, awning, canopy, window air conditioning unit, shutter, or other fixture shall be affixed to any part thereof.

9.16 Windows and Doors.

The Management Committee shall approve, in writing, all window and door treatments and coverings, including, but not limited to, solar screens, draperies, curtains or blinds (horizontal or vertical). The Management Committee shall only approve window and door treatments and coverings which will provide a uniform and consistent appearance from the exterior of the units. Aluminum foil and similar material shall not be permitted on any exterior windows or doors. Window tinting shall require the prior written approval of the Management Committee, and shall be properly installed and maintained so as not to become damaged, scratched, discolored or otherwise unsightly. No screen doors which are visible from any street shall be permitted on any Building or constructed on a Unit.

9.17 Antennae Satellite Dishes.

No antennae or satellite dish shall be installed or maintained on the front (street side) of any Building anywhere in the Condominium Project. In no event shall any satellite dish be permitted anywhere in the Condominium Project, the diameter of which is greater than one (1) meter (39 inches).

9.18 Recreational Vehicles.

The Management Committee may, but need not, establish recreational vehicle parking areas from time to time within the Condominium Project. The Management Committee shall further have the right to charge a fee for use of said spaces, and to otherwise regulate their use as the Management Committee may see fit in its reasonable discretion. No recreational vehicle, including (without limitation) any boat, trailer, motor home, camper, tent trailer, water craft, snowmobile or similar vehicle shall be stored or kept anywhere on the Condominium Project except (i) in a designated RV parking space, subject to the provisions, or (ii) wholly within the carport of the Owner thereof.

9.19 Declarant's Exemption.

Nothing contained in this Declaration or, in any other Association Document shall be construed to prevent:

(a) Declarant's exercise and enjoyment of any Special Declarant Right or any other rights of Declarant under this Declaration or any other Association Document; or

(b) the conduct by Declarant or its employees or agents of any activity, including, without limitation, the erection or maintenance of temporary structures, improvements or, signs necessary or convenient to the development, construction, marketing or sale of properly within or adjacent to the Condominium Project.

ARTICLE X
EASEMENTS AND RESERVATIONS

10.01 Declarant's Easements Over Common Elements.

(a) In accordance with the Act itself, Declarant hereby reserves for itself, its successors and assigns a general, transferable easement over, across, through and under the Common Elements to:

(i) discharge Declarant's obligations under this Declaration;

(ii) exercise any of Declarant's rights under this Declaration; and

(iii) make improvements on the Land or any other real estate owned by Declarant, for the purpose of doing all things reasonably necessary and proper in connection with the foregoing.

(b) Declarant hereby reserves for itself, its successors and assigns, the right to:

(i) establish from time to time utility and other easements, permits or licenses over, across, through and under the Common Elements for the benefit of the Condominium Project or any property owned by Declarant; and

(ii) create other reservations, exceptions and exclusions for the interest of the Declarant or other Persons, on the conditions that (A) the parties benefitted by the easement, license, permit, reservation, exception or exclusion must use reasonable efforts to locate any such easement, license, permit reservation, exception or exclusion to minimize interference with the use of the Land by the Owners to the extent practicable; and (B) if the parties benefitted by the easement, license, permit, reservation, exception or exclusion construct or install any improvement on the Land pursuant to the same, the benefitted parties shall promptly repair any damage caused to the Land thereby at their sole cost and expense.

10.02 Utility Easement.

(a) Subject to the terms and conditions of this, Declaration and another Association Documents, Declarant hereby creates a general easement over, across, through and under each Unit in the areas designate to, egress from, and installation, replacement, repair and maintenance of, all utility and service lines and systems, including, without limitation, water, sewer, gas, telephone, electricity and cable communication that service the Land or any portion thereof. The Association may, but is not obligated to, authorize the release of portions of the general easement created pursuant to this Section 10.02 upon the request of any Owner showing good cause therefor.

(b) Any utility or service company using this general easement shall use its best efforts to install, repair, replace and maintain its lines and systems without disturbing the uses of Owners, the Association, Declarant and other utility and service companies.

(c) If any utility or service company furnishing utilities or services to the Land or any portion thereof as permitted under paragraph 10.02(a) above requests a specific easement by separate recordable document, the Association shall have the right and authority, but not the obligation to grant such easement over, across, through and under any portion of the Land.

10.03 Association's Easement.

(a) The Association shall have a general easement over, across, through, and under each Unit and each Common Element to:

(i) exercise any right held by the Association under this Declaration, or any other Association Document; and

(ii) perform any obligation imposed upon the Association by this Declaration or any other Association Document.

(b) Notwithstanding the foregoing, the located or a Unit without reasonable prior notice to the Owner thereof, except in cases of emergency.

10.04 Easements for Encroachments.

In the event that any portion of the General Common Elements, a Limited Common Element Unit and/or a Building (whether constructed by Declarant or reconstructed so as to substantially duplicate a Unit or Building originally constructed by Declarant encroaches or comes to encroach on the General Common Elements, a Limited Common Element, another Unit and/or another Building, as a result of construction, reconstruction, repair, shifting, settlement, or movement of any portion of the foregoing, an easement is created hereby and shall exist so long as such encroachment exists, but such easement shall not relieve an Owner of liability in the case of willful misconduct.

10.05 Emergency Access Easement.

Declarant hereby grants a general easement to all police, sheriff, fire protection, ambulance and all other similar emergency agencies or Persons to enter upon the Land in that proper performance of their duties.

ARTICLE XI INSURANCE

11.01 General Liability Insurance.

The Association shall obtain and maintain one or more policies of commercial general liability insurance insuring the Owners, the Association, the Management Committee, engaged by the Association, if any, and their respective agents against general liability any claims arising in connection with the Ownership, existence, use or management of the Common Elements, in an aggregate amount that is not less than \$1,000,000, or such greater amount as the Management Committee deems appropriate. Such insurance shall cover claims of one or more insured parties

against other insured parties.

11.02 Property Insurance.

The Association shall obtain and maintain a master or blanket policy of property issuance coverage for no less than the full insurable replacement cost of all Common Elements, subject to reasonable deductibles and exclusive of land excavation, foundations and similar items normally excluded from property insurance policies. The policy shall contain each of the following features, to the extent that such features are, in the reasonable discretion of the Management Committee, available at reasonable cost:

- (a) an agreed amount endorsement or its equivalent;
- (b) an increased-cost-of-construction endorsement or a contingent-liability-from-operation of building-laws endorsement or their equivalent;
- (c) an extended-coverage endorsement;
- (d) vandalism and malicious mischief coverage; and
- (e) a determinable-cash-adjustment clause or a similar clause to permit cash settlement covering full value of the Common Elements in case of partial destruction and a decision not to rebuild.

11.03 Additional Provisions to be Contained in Insurance Policies.

Any insurance policies obtained and maintained by the Association pursuant to Sections 11.01 and 11.02 above shall name as insured the Association and the Owners (including Declarant, so long as Declarant is the Owner of any Unit) and provide that:

- (a) the insurer waives its right of subrogation under the policy against any Owner or member of the Owner's household;
- (b) no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

(c) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

11.04 Trustee.

Any loss covered by the property insurance policy described in Section 11.02 above must be adjusted with the Association, and the insurance proceeds for that loss, shall be payable to the Association or any insurance trustee designated for that purpose, and not to any Owners or Mortgagees. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and Mortgagees as their interests may appear. Subject to the provisions of Section 12.02 below the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Owners and Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Condominium Project has been repaired or restored or the Condominium Project is terminated.

11.05 Individual Property Insurance Limited.

Each Owner shall have the right to separately insure its Unit and all improvements located thereon and its personal property against loss by fire or other casualty. All such insurance that is individually carried must contain a waiver of subrogation rights by the insurer as to other Owners, the Association, Declarant, and Mortgagees.

11.06 Management Committee's Authority to Revise Insurance Coverage.

(a) Subject to any restrictions imposed by the Act, the Management Committee shall have the power and right to deviate from the insurance requirements contained in this Article XI in any manner that the Management Committee, in its discretion, considers to be in the best interests of the Association. If the Management Committee elects to materially reduce the coverage from the coverage required in this Article XI, the Management Committee shall make all reasonable efforts to notify the Owners of the reduction in coverage and the reasons therefor at least thirty (30) days before the effective date of the reduction.

(b) The Association and its Trustees and Officers shall have no liability to any Owner or Mortgagee if, after a good faith effort, (i) the Association is unable to obtain any insurance required hereunder because the insurance is no longer available or (ii) if available the insurance can be obtained only at a cost that the Management

Committee, in its sole discretion determines is unreasonable under the circumstances.

(c) The Management Committee is authorized to negotiate and agree on the value and extent of any loss under any policy carried by the Association, including, but not limited to action or otherwise and execute releases in favor of any insurer.

(d) Each Owner by acceptance of a deed to a Unit irrevocably appoints the Association as that Owner's attorney in fact for purposes of procuring, negotiating, accepting, compromising, releasing, settling, distributing, and taking other related actions in connection with any insurance policy maintained by the Association and any losses or claims related thereto and agrees to be bound by the actions so taken as if the Owner had personally taken the action.

11.07 Periodic Insurance Review.

The Management Committee periodically (and not less than once every three (3) years) shall review the Association's insurance policies and make such adjustments to the policies' terms and conditions as the Management Committee considers to be in the best interests of the Association. The review shall include an appraisal by a qualified appraiser of the current replacement costs of all covered property under the Association's policy unless the Management Committee is satisfied that the current dollar limit of the property policy, coupled with the amount of actual reserves on hand, is equal to or greater than the current replacement costs.

ARTICLE XII

CASUALTY

12.01 Total or Partial Destruction of the Condominium Project.

If there is a total or partial destruction of the Condominium Project, the Condominium Project shall be promptly rebuilt or repaired in accordance with the Act, unless:

(a) the Condominium Project is terminated in accordance with Section 17.02 hereof;

(b) repair or replacement would be illegal under any state or local statute governing health or safety;

(c) seventy-five percent (75%) or more of the Buildings constituting primary residences are destroyed or substantially damaged, and the Owners, by a vote of at least seventy-five percent (75%) of the Interests in General Common Elements, do not voluntarily, within 100 days after the occurrence of such damage, make provision for reconstruction, and the Management Committee shall Record, in the Uintah County Records, a notice, in accordance with the Act, thereby subjecting the Condominium Project to an action for partition and sale; or

(d) the Owners, by a vote of at least seventy-five percent (75%) of the Owners of the Interests in the Common Element, elect to sell or otherwise dispose of the Condominium Project in accordance with the Act.

12.02 Excess Insurance Proceeds.

If the Common Elements of the Condominium Project are not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Condominium Project, and, except to the extent that other persons will be distributees, the insurance proceeds must be distributed to all the Owners or Mortgagees as their interests may appear, in proportion to the Interests in Common Elements of all the Units.

12.03 Casualty to a Unit.

Each Owner shall repair or replace any damage to or destruction to the Owner's Unit and all improvements located thereon, as soon as is reasonably practical after such damage or destruction occurs.

ARTICLE XIII CONDEMNATION

13.01 Condemnation of All Units.

If the entire Condominium Project is taken by condemnation, eminent domain or similar proceeding, the Condominium Project shall terminate as of the date of the taking and any condemnation award payable in connection therewith shall be paid to the Association and then disbursed by the Association to the Owners in proportion to their Interests in the General Common Elements.

13.02 Condemnation of Fewer Than All Units.

If one or more Units, but less than the entire Condominium Project is taken by condemnation, eminent domain or similar proceeding,

(a) any condemnation award payable in connection therewith shall be paid to the Owners of the Units taken and

(b) the Interest in General Common Elements appurtenant to those Units shall be reallocated, in accordance with the terms and conditions of the Act.

13.03 Condemnation of Common Elements.

If any portion of the Common Elements is taken by condemnation, eminent domain or similar proceeding, any condemnation award payable in connection therewith shall be paid to the Association and then disbursed by the Association to the Owners in proportion to their Interest in the General Common Elements.

ARTICLE XIV
SPECIAL DECLARANT RIGHTS

14.01 Development Rights.

Declarant hereby reserves for itself, its successors and assigns the right to create easements, permits, licenses and other property rights and reservations as described in Articles II and X of this Declaration.

14.02 Sales Offices and Models.

Notwithstanding anything in the Declaration to the contrary, during the Declarant Control Period, Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Units owned or to be owned by Declarant.

(a) Declarant shall have the right to maintain a sales and/or management

office in any portion of the Common Elements or any Unit owned by Declarant, and any number of model Units owned by it, one or more separate structures or facilities placed on the Land for the purpose of aiding Declarant's sales efforts, a room or rooms in the facilities is so utilized by Declarant each shall be reasonably located given the layout of the Condominium Project and each shall have an aggregate floor area not substantially in excess of the aggregate floor area of the largest Unit contained in the Condominium Project.

(b) Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or signs, banners, or similar devices at any place or places on the Land, but any such device shall be of a size and in a location as is reasonable and customary.

(c) Declarant shall have the right from time to time to locate or relocate any of its sales offices, model Units, and/or signs, banners, or similar devices, but in connection with such location or relocation shall observe the limitations imposed by the preceding portion of this Section. Within a reasonable period after the end of the Declarant Control Period, Declarant shall have the right to remove from the Condominium Project any signs, banners, or similar devices and any separate structure or facility which was placed on a portion of the Land for the purpose of aiding Declarant's sales efforts shall comply with applicable zoning ordinances.

14.03 Exercising Special Declarant Rights.

Declarant may exercise its Special Declarant Rights at any time prior to the later to occur of the date on which the Declarant Control Period expires or the date that is fifty (50) years after the date on which this Declaration is recorded in the Uintah County Records. Declarant may exercise its Special Declarant Rights in any order, and no assurance is given as to the order in which Declarant will exercise its Special Declarant Rights. If Declarant exercises any Special Declarant Right with respect to any portion of the Land, Declarant may, but is not obligated to, exercise any Special Declarant Right with respect to any other portion of the Land. Notwithstanding anything to the contrary contained in this Declaration, Declarant may exercise any Special Declarant Right described in this Article XIV and any other right reserved to Declarant in this Declaration, without the consent of the Association or any of the Owners.

14.04 Interference with Special Declarant Rights.

Neither the Association nor any Owner may take any action or adopt any Rule or Regulation that interferes with or diminishes any Special Declarant Right without Declarant's

prior written Consent Any action taken in violation of this Section 14.04 shall be null and void and have no force or effect.

14.05 Rights Transferable.

Declarant may transfer any Special Declarant Right reserved to it under this Article XIV or under any other provision of this Declaration in accordance with the terms and conditions of the Act.

ARTICLE XV
MORTGAGEE PROTECTIONS

15.01 Benefit of Mortgagees.

This Article establishes certain standards and covenants which are for the benefit of Mortgagees. This Article is supplemental to, and not in substitution of, any other provisions of this Declaration, but in the case of any conflict, this Article shall control.

15.02 Notice of Action .

If requested in writing to do so, the Association shall give prompt, written notice of the following to each First Mortgagee making such request:

- (a) any condemnation loss or any casualty loss which affects a material portion of the Common Elements or any Unit in which an interest is held by the First Mortgagee;
- (b) any delinquency in the payment of Assessments which remains uncured for sixty days by an Owner whose Unit is encumbered by a First Mortgage held by such First Mortgagee;
- (c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) any proposed motion which would require the consent of First Mortgagees

as set forth in this Article; and,

- (e) any judgment rendered against the Association.

15.03 Consent Required.

Notwithstanding anything to the contrary contained in this Declaration, the Association may not take any of the following actions without the consent of sixty-seven percent (67%) of the First Mortgagees (based on one vote for each Unit covered by a First Mortgage):

- (a) by act or omission seek to abandon or terminate the Condominium Project, except after condemnation or substantial casualty;

- (b) except as provided herein for condemnation, casualty, the inclusion of the Additional Land, and the exercise of Special Declarant Rights, change the interests in General Common Elements, Shares of Common Expenses or votes in the Association of any Unit;

- (c) subdivide, partition, or relocate the boundaries of any Unit, except as permitted with respect to Special Declarant Rights;

- (d) abandon, subdivide, partition, encumber, sell, or transfer the Common Elements (the granting of easements for public Utilities or for other purposes provided for it, this Declaration shall not be deemed transfers);

- (e) use property insurance proceeds for losses to any portion of the Common Elements for than repair, replacement, or reconstruction of such Common Elements, except as provided by this Declaration; or

- (f) merge the Condominium Project with any other common interest community.

15.04 Notice of Objection.

Unless a First Mortgagee provides the Association with written notice of its objection, if any, to any proposed amendment or action requiring the approval of First Mortgagees within

thirty days following the receipt of notice of such proposed amendment or action, the First Mortgagee will be deemed conclusively to have consented to or approved the proposed amendment or action.

15.05 First Mortgage.

(a) First Mortgagees jointly or singly, may pay taxes or other charges which are in default and which may have become a charge against any of the Common Elements or improvements thereon, and may pay overdue premiums on hazard insurance policies, for the Common Elements. First Mortgagees making such payment shall be owed immediate reimbursement from the Association.

(b) A First Mortgagee shall be entitled to cure any delinquency of the Owner of a Unit encumbered by its First Mortgage in the payment of Assessments. In that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

15.06 Limitations on First Mortgage Rights.

No requirement for approval or consent by a First Mortgagee provided in this Article shall operate to:

- (a) deny or delegate control over the general administrative affairs of the Association by the Owners or the Management Committee;
- (b) prevent the Association or the Management Committee from commencing, intervening and/or settling any legal proceeding; or
- (c) prevent any insurance trustee or the Association from receiving and distributing any insurance proceeds in accordance with the requirements of Article XI above.

15.07 Declarant Rights.

No provision or requirement of this Article XV shall apply to any Special Declarant Rights or other rights reserved to Declarant in this Declaration.

15.08 Mortgage Rights in Insurance or Condemnation Proceeds Unaffected.

Notwithstanding any other provision contained herein to the contrary, this Declaration shall not be deemed to give an Owner, or any other party, priority over the rights of a First Mortgagee, with respect to a Condominium Unit in which it has an interest, upon payment of an Owner of insurance proceeds or condemnation awards for losses to or a taking of said Owner's Condominium Unit and/or with respect to said Owners interest in the Common Elements.

ARTICLE XVI
ENFORCEMENT AND REMEDIES

16.01 Enforcement.

(a) Each provision of this Declaration with respect to the Association or the Common Elements shall be enforceable by Declarant or by any Owner by a proceeding for injunctive relief.

(b) Each provision of this Declaration with respect to an Owner or a Unit shall be enforceable by Declarant or by the Association by:

(i) a proceeding for injunctive relief;

(ii) a suit or action to recover damages; or

(iii) in the discretion of the Association, for so long as any Owner fails to comply with any such provisions, exclusion of such Owner and its Guests from the use of any Common Elements and from participation in any Association affairs.

(c) In addition to the rights and remedies described in paragraph 16.01(b) above, if an Owner fails to strictly perform or observe any covenant or condition to be performed or observed by such Owner under this Declaration or any other Association Document, the Association shall have the following rights and remedies:

(i) The Association may, but is not obligated to, cure such failure to comply at the Owner's sole cost and expense. If the Association cures any such

failure to comply, the Owner shall pay to the Association the costs incurred by the Association in connection therewith within thirty days after the Owner receives a written invoice therefor from the Association.

(ii) The Association may, after notice and an opportunity to be heard, fine the Owner, as Default Assessment, an amount not to exceed \$100 for each violation. The Owner shall pay any such fine within thirty days, after the Owner receives a written invoice therefor from the Association.

(iii) With respect to an Owner's failure to pay an installment of any Assessment, the Association may accelerate the due date for the payment of the full amount of the Assessment.

(iv) The Association shall have all other rights and remedies available to it under this Declaration, at law or in equity.

(d) All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy.

16.02 Attorneys' Fees.

In the event of any dispute under or with respect to this Declaration or any other Association Document, the prevailing party shall be entitled to recover from the non prevailing party all of its costs and expenses in connection therewith, including, without limitation, the fees and disbursements of any attorneys, accountants, engineers, appraisers or other professionals engaged by prevailing party.

16.03 Interest.

If an Owner fails to pay to the Association any Assessment or other amount due to the Association as and when the same becomes due, the Owner shall pay to the Association interest on such unpaid amount at the rate of eighteen percent (18%) per annum, or such other rate as the Management Committee may establish from time to time, from the due date of such unpaid amount until the date paid.

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16.04 Right to Notice and Hearing.

Whenever an Association Document requires that an action be taken after "notice and hearing," the following procedure shall be observed. The party proposing to take the action (e.g., the Management Committee or a committee or officer of the Association) shall give at least three (3) days prior written notice of the proposed action to all Owners whose interests would be significantly affected by the proposed action, as reasonably determined by the proposing party. The notice shall include a general statement of the proposed action and the date, time, and place of the hearing. At the hearing, the party proposing to take the action, and all affected Owners may give testimony only, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the hearing to of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. Any affected Owner shall be notified of the decision in the same manner in which notice of the hearing was given. Any Owner having a right to notice and bearing shall have the right to appeal to the Management Committee from shall conduct a hearing within forty-five (45) days thereafter, giving the same notice and observing the same procedures as were required for the original hearing.

16.05 Nonwaiver.

Failure by Declarant, the Association or any Owner to enforce any covenant, condition, restriction, reservation, easement, assessment, charge, lien or other provision of this Declaration or any other Association Document shall in no way be deemed to be a waiver of the right to do so thereafter.

ARTICLE XVII
TERM AND AMENDMENTS

17.01 Term.

The covenant, conditions, restrictions, reservations, easements, assessments, charges, and liens set forth in this Declaration shall run with and bind the Land until the Declaration is terminated pursuant to Section 17.02 below.

17.02 Termination.

Subject to the rights of Mortgagees under Article XV above, the Owners may terminate the Condominium Project and this Declaration, by the vole of 100 percent of the votes allocated

to all Units. If the necessary votes are obtained, the agreement of the Owners to terminate the Condominium Project and this Declaration shall be evidenced by a Termination Agreement or ratification in accordance with the Act. Upon recordation of the Termination Agreement in the Uintah County Records, the Condominium Project shall be terminated, this Declaration shall have no further force or effect and the Association shall be dissolved. Notwithstanding the foregoing, the Owners may not Declarant may withhold in its sole discretion.

17.03 Amendment.

Except as otherwise expressly provided in this Declaration or the Act, and except for provisions of this Declaration regarding the rights and obligations of Declarant which may not be amended without Declarant's prior written consent, and subject to the rights of Mortgagees under Article XV above, Owners may amend any provision of this Declaration at any time by a vote of at least sixty-seven percent (67%) of the votes allocated to all Units. If the necessary votes and consent are obtained, the Association shall cause an amendment to the Declaration to be recorded in the Uintah County Records. Notwithstanding the foregoing, the Owners may no amend this Declaration during the Declarant Control Period without Declarant's prior written consent, which consent Declarant may withhold at its sole discretion.

ARTICLE XVIII

OPTION TO CONVERT LAND

[This Article Intentionally Left Blank]

ARTICLE XIX

OPTION TO EXPAND THE CONDOMINIUM PROJECT

19.01 Reservation of Option.

Notwithstanding anything in this Declaration to the Contrary, Declarant hereby reserves the option, pursuant to Section 57-8-13.6 of the Act, to expand the Condominium Project and to build additional Units, General Common Elements, and/or Limited Common Elements within the Additional Land (collectively, the "Option to Expand") upon the terms and provisions set forth in this Section. Each Option to Expand must be exercised within seven (7) years after recordation of this Declaration, unless three-fourths of the Unit Owners vote in favor of including such Additional Land after said seven (7) year period has expired. The terms and conditions of the Option to Expand shall be as follows in the Article XIX.

19.02 Additional Land.

The real property subject to this Option to Expand consists of the Additional Land. The maximum number of Units that may be created within each area of the Additional Land is two hundred and eighty-eight (288). The Declarant may expand the Condominium Project in any order and may group the Units in any number of various phases so long as the total number of Units in the Condominium Project does not exceed three hundred and sixty (360).

The Declarant, or Declarant's assignee, shall initially own all Units created pursuant to the exercise of the Option to Expand. The Condominium Project is a residential facility, and all Units and Common Elements are to be utilized for residential purposes. All portions of the Additional Land shall be subject to the same restrictions regarding residential use as are then applicable to the Condominium Project generally.

19.03 Timing.

Subject to Section 19.01, Declarant may include from time to time and at different times, all or any portion or portions of the Additional Land into one or more Units, Common Elements, and/or Limited Common Elements, so long as such conversion is made pursuant to the provisions of this Article XIX. No assurance is made with regard to which portion of the Additional Land, if any, will be included, or the order in which such portions will be included. In the event the Option to Expand is exercised with respect to a portion of the Additional Land, such option may subsequently be exercised by Declarant with respect to any other portion of the Additional Land.

19.04 Description of Additional Land, Buildings and Units.

The Additional Land includes all those portions of the Project that have been designated on the Map as Additional Land. Declarant shall determine the interest in General Common Elements for any Units created from the Additional Land on the basis described in Section 3.03 hereof. Each Unit created on any portion of the Additional Land which is added to the Condominium Project shall be used for single family residential housing purposes only and shall be subject to the matters set forth in Article X of this Declaration. The Condominium Project is a residential facility, and all Units and Common Elements are to be utilized for residential purposes. One hundred percent of the Additional Land and Common Elements, and one hundred percent of the additional floor space constructed on the Additional Land, shall be for residential purposes. Any Unit created on the Additional Land shall be substantially identical to pre-existing Units within the Condominium Project and the Area (as defined herein) minimum and maximum square footage per plat. The significant improvements made to any such portion of the

Additional Land may (but need not) include additional Units, asphalt roadways, open parking spaces, concrete and/or brick sidewalks or walkways, curbs and gutters, wooden, brick, chain-link, and/or block fences and/or walls, outdoor lighting, landscaping, and/or other related improvements. Any of the mentioned improvements may be of the type and in the location determined to be appropriate by Declarant so long as such determination is not inconsistent with any limitation or requirement imposed by this Declaration.

19.05 Limited Common Elements – Additional Land.

In conjunction with the inclusion of any Additional Land, Declarant shall have the right to create General Common Elements and Limited Common Elements within such Additional Land. Each of said Limited Common Elements shall be appurtenant to a Unit or Units located on the Additional Land. Such Limited Common Elements may include and consist of patios, porches, balconies, and/or decks attached or adjacent to a Building located on the portion of the Additional Land concerned, storage lockers, areas, or spaces and/or open parking spaces and/or basement garages. The size, type, and total number of Limited Common Elements created within each portion of the Additional Land which is added to the Condominium Project shall be reasonable in light of the number and nature of Units created within the portion of Additional Land concerned and those Limited Common Elements which are located on other portions of the Land, and in any event shall be such as to comply with the provisions of this Section.

19.06 No Consent Required to Expand.

Within the seven (7) year period described above in Section 19.01, Declarant shall not be required to obtain the consent of any Owners or of any other person or entity having any right or interest in all or any portion of the Project prior or subsequent to including all or portions of the Additional Land into Units, General Common Elements, and/or Limited Common Elements.

19.07 Procedures to Expand.

In order to include all or any portion of the Additional Land, the Declarant shall:

- (i) Record, with regard to the Additional Land or any portion thereof that is being expanded to Units, General Common Elements, and/or Limited Common Elements, a Supplemental Map (“Supplemental Map”) showing the location of the vertical and horizontal boundaries, of each Unit, General Common Elements, and/or Limited Common Elements, if any, formed out of the Additional Land or portion thereof, and assigning or reassigning any Limited Common

Elements which are to be appurtenant to any such Unit. Each such Supplemental Map shall be certified as to its accuracy and compliance with the requirements of the Act by the engineer or land surveyor who prepared or supervised the preparation of it; and

(ii) Record simultaneously with each Supplemental Map an amendment of this Declaration ("Amendment") describing the expansion. Each such Amendment shall assign a Unit Number to each Unit, if any, formed out of the Additional Land or a portion thereof and shall allocate to each Unit, on the basis provided for in Section 3.03, the Interest in the General Common Elements all the Units following such conversion and the votes associated with such Units. Except as otherwise provided by the Act, each such Amendment or Supplemental Map shall also described the Limited Common Elements formed out of the Additional Land or a portion thereof, showing or designating the Unit or Units to which each is assigned.

Upon recordation of the Supplemental Map and Amendment contemplated above, the revised allocation of undivided interests contained therein shall automatically become effective for all purposes and shall completely supersede any similar allocation which was contained in any Declaration or supplement previously recorded in connection with the Condominium Project or any Additional Land and upon the recordation of such Supplemental Map and Amendment, they shall automatically supplement this Declaration, the Map, and any supplements or amendments previously recorded. At any point in time, the Declaration and Map shall consist of this Declaration and the Map recorded herewith, as amended and expanded by all supplements and amendments theretofore recorded pursuant to the terms hereof.

19.08 Owner Approval.

Each Owner, by execution of a contract for deed or the acceptance of a deed to a Unit in the Condominium Project, shall be deemed to have consented to all provisions of this Article XIX.

19.09 Additional Land Miscellaneous.

Until such time as the Additional Land is included pursuant to the provisions of this Article XIX, it shall not be subject to the provisions of this Declaration or the Act. However, in the event any Building (or structure intended to become a Building), Unit, improvement, or Limited Common Element constructed or located by Declarant substantially within Additional Land encroaches in a minor or immaterial way beyond the boundaries thereof, such

encroachment shall be permissible and the description of the Additional Land concerned shall for all purposes be deemed to have been originally drawn so as to encompass the area of encroachment. Until such time as Additional Land is included; (i) Declarant shall have the exclusive right to use, occupy, and possess any Building or other improvement constructed or located within such Additional Land; and (ii) unless Declarant gives its prior written consent thereto, no easement, right-of-way, or similar matter affecting any part of such Additional Land shall be granted or created, no improvement to, or work on, any part of such Additional Land shall occur, and no other action shall be taken with respect to such Additional Land which would or might impair Declarant's ability to exercise its rights concerning the same.

ARTICLE XX
MISCELLANEOUS

20.01 Interpretation of the Declaration.

Except for judicial construction, the Association, by its Management Committee shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's Construction or interpretation of the provision hereof shall be final, conclusive and binding as to all persons and provisions benefitted or bound by the covenants and the provisions hereof.

20.02 Severability.

Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity and enforce ability of any other provision hereof.

20.03 Disclaimer of Representation.

Notwithstanding anything to the contrary contained in this Declaration, Declarant makes no warranties or representations whatsoever that the plan presently envisioned for the complete development of the Condominium Project can or will be carried out or that any land now owned or hereafter acquired by Declarant is or will be subject to this Declaration, or that any such land, whether or not it has been subjected to this Declaration, is or will be committed to or developed for a particular use, that such use will continue in effect.

20.04 Reference to Declaration.

Deeds to and instruments affecting any Unit or any other part of the Condominium Project may contain the provisions set forth herein by reference to this Declaration, but regardless of whether any such reference is made in any deed or instrument, each and all of the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth herein shall be binding upon the grantee-owner or other person claiming through any deed or other instrument and his heirs, executors, administrators, successors and assigns.

20.05 Successors and Assigns of Declarant.

Any reference in this Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder on the condition that Declarant's rights and powers may only be assigned by a written recorded instrument expressly assigning such rights and powers.

20.06 Captions and Titles.

All captions and titles of headings of Articles and Sections in this Declaration are for the purpose of reference and convenience and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

20.07 Exhibits.

All exhibits attached to this Declaration are a part of, and are incorporated into this Declaration.

20.08 Governing Law.

This Declaration shall be governed by and continued in accordance with Utah law.

20.09 Notices.

All Owners of each Unit shall have one and the Same registered mailing address to be used by the Association or other Owners for notices, demands and all other communications regarding Association matters. The Owner or the representative of the Owners of a Unit shall

furnish such registered address to the secretary of the Association within ten (10) days after transfer of title to the Unit to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized to represent the interests of all Owners of the Unit. If no address is registered or if all of the Owner's cannot agree, then the address of the Unit shall be deemed their registered address of the Owner(s), and any notice shall be deemed duly given if delivered to the Unit. All notices and demands intended to be served upon the Association shall be sent to the following address or such other address as the Association may designate from time to time by notice to the Owner(s):

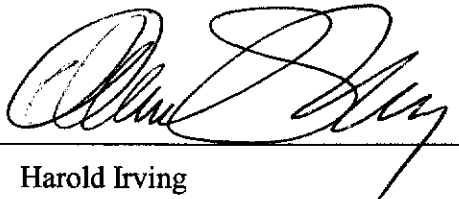
8703 So. Sandy Parkway
Sandy, UT 84070

20.10 Service of Process.

The name and place of business of the person to receive service of process is set forth in the Articles of Incorporation of the Association and initially shall be Harold Irving, whose place of business within Salt Lake County, Utah, is 8703 So. Sandy Parkway, Sandy, UT 84070.

Declarant has caused its name to be the signature of a duly authorized officer as of the day and year first written above.

Silver Pines Condominiums, LLC

By: 

Harold Irving

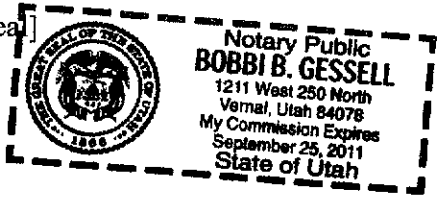
Its: Managing Member

STATE OF UTAH)
) SS:
 Utah
COUNTY OF ~~SALT LAKE~~)

On the 10th day of June 2008, personally appeared before me Harold Irving, who being by me duly sworn, did say that he is the Managing Member of Silver Pines Condominiums, LLC, and

that the foregoing instrument was signed in behalf of said limited liability company by authority of its member and he acknowledged to me that said limited liability company executed the same.

[Seal]



Bobbi B. Geszell
Notary Public

EXHIBIT A

Legal Description of Phase I Land

SILVER PINES - PHASE I

BEGINNING AT A POINT IN THE SOUTHWEST QUARTER NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 4 SOUTH, RANGE 21 EAST, SALT LAKE BASE AND MERIDIAN WHICH BEARS S01°47'00"E ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 178.00 FEET AND N87°57'39"E PARALLEL WITH THE NORTH LINE OF THE SAID SOUTHWEST QUARTER NORTHEAST QUARTER 152.00 FEET FROM THE NORTHWEST CORNER OF THE SAID SOUTHWEST QUARTER NORTHEAST QUARTER; THENCE N87°57'39"E PARALLEL WITH THE SAID NORTH LINE OF THE SOUTHWEST QUARTER NORTHEAST QUARTER 106.46 FEET; THENCE N02°03'40"W 178.00 FEET TO A POINT ON THE SAID NORTH LINE OF THE SOUTHWEST QUARTER NORTHEAST QUARTER WHICH BEARS N87°57'39"E 257.60 FEET FROM THE SAID NORTHWEST CORNER OF THE SOUTHWEST QUARTER NORTHEAST QUARTER; THENCE N87°57'39"E ALONG THE SAID NORTH LINE OF THE SOUTHWEST NORTHEAST QUARTER 412.64 FEET; THENCE S02°02'21"E 134.31 FEET; THENCE S24°16'37"E 47.68 FEET; THENCE S02°02'21"E 273.05 FEET; THENCE N87°57'39"E 15.00 FEET; THENCE S16°43'36"E 92.79 FEET; THENCE S35°15'53"W 80.00 FEET; THENCE S54°39'12"W 66.73 FEET; THENCE S14°42'38"W 152.87 FEET TO A NON TANGENT CURVE CONCAVE TO THE SOUTHWEST HAVING A DELTA ANGLE OF 2°00'12", A RADIUS OF 1145.45 FEET AND A CHORD BEARING OF N72°36'59"W; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 40.05 FEET; THENCE N73°37'05"W 146.00 FEET TO THE NORTHEAST CORNER OF LOT 27 OF THE CENTRAL PARK SUBDIVISION PLAT "A" REVISED; THENCE THE FOLLOWING FOUR CALLS ALONG THE EASTERN BOUNDARY OF SAID SUBDIVISION, (i) N16°22'55"E 66.00 FEET, (ii) N73°37'05"W 7.00 FEET, (iii) N16°22'55"E 101.92 FEET, (iv) N01°47'00"W 292.95 FEET TO THE NORTHEAST CORNER OF LOT 21 OF SAID SUBDIVISION; THENCE THE FOLLOWING THREE CALLS ALONG THE NORTHERN BOUNDARY OF THE SAID SUBDIVISION, (i) S88°13'00"W 183.17 FEET (PREVIOUSLY RECORDED ON THE PLAT OF SAID SUBDIVISION AS BEING 183.00 FEET), (ii) S01°47'00"E 1.59 FEET (PREVIOUSLY RECORDED ON THE PLAT OF SAID SUBDIVISION AS BEING 0.83 FEET) (iii) S88°13'00"W 116.00 FEET TO THE NORTHWEST CORNER OF LOT 7 OF SAID SUBDIVISION; LEAVING SAID SUBDIVISION BOUNDARY, THENCE N01°47'00"W PARALLEL WITH THE SAID WEST LINE OF THE NORTHEAST QUARTER 96.25 FEET TO THE POINT OF BEGINNING. BASIS OF BEARINGS IS THE SAID WEST LINE OF THE NORTHEAST QUARTER WHICH IS CALCULATED FROM THE UTAH COUNTY SURVEYOR'S CONTROL MAPS TO BEAR N01°47'00"W. CONTAINS 5.48 ACRES MORE OR LESS

EXHIBIT B

Legal Description of the Additional Land

SILVER PINES - ADDITIONAL PROPERTY

BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 4 SOUTH, RANGE 21 EAST, SALT LAKE BASE AND MERIDIAN WHICH BEARS N87°57'39"E 670.24 FEET FROM THE NORTHWEST CORNER OF THE SAID SOUTHWEST QUARTER NORTHEAST QUARTER; THENCE N87°57'39"E ALONG THE SAID NORTH LINE OF THE SOUTHWEST QUARTER NORTHEAST QUARTER 715.23 FEET; THENCE S01°59'43"E PARALLEL WITH THE EAST LINE OF THE SAID SOUTHWEST QUARTER NORTHEAST QUARTER 1325.23 FEET TO A POINT ON THE SOUTH LINE OF THE SAID NORTHEAST QUARTER WHICH BEARS S88°10'40"W 1253.77 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION; THENCE S88°10'40"W ALONG THE SAID SOUTH LINE OF THE NORTHEAST QUARTER 68.30 FEET TO THE SOUTHEAST CORNER OF THE SAID SOUTHWEST QUARTER NORTHEAST QUARTER; THENCE N01°59'43"W ALONG THE EAST BOUNDARY OF THE JEAN R. JONES SUBDIVISION, BEING THE SAID EAST LINE OF THE SOUTHWEST QUARTER NORTHEAST QUARTER 99.00 FEET; THENCE THE FOLLOWING THREE CALLS ALONG THE NORTHERN BOUNDARY OF THE JEAN R. JONES SUBDIVISION, (i) N80°11'46"W 85.50 FEET, (ii) S89°18'14"W 201.30 FEET, (iii) N56°11'46"W 104.60 FEET; LEAVING SAID SUBDIVISION BOUNDARY, THENCE N35°07'21"W 45.09 FEET; THENCE N10°44'15"W 53.22 FEET; THENCE N79°56'07"W 122.83 FEET; THENCE N73°00'07"W 17.77 FEET; THENCE N67°08'26"W 35.21 FEET; THENCE S81°48'42"W 30.84 FEET; THENCE S19°52'16"W 19.59 FEET TO THE SAID NORTHERN SUBDIVISION BOUNDARY; THENCE N54°41'46"W ALONG THE SAID NORTHERN SUBDIVISION BOUNDARY 108.19 FEET; LEAVING SAID SUBDIVISION BOUNDARY, THENCE N20°22'55"E 144.97 FEET; THENCE N69°37'05"W 65.63 FEET TANGENT TO AND TO A CURVE CONCAVE TO THE SOUTHWEST HAVING A DELTA ANGLE OF 1°59'48" AND A RADIUS OF 1145.45 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 39.92 FEET TO THE EASTERN BOUNDARY OF SILVER PINES CONDOMINIUMS, PHASE 1; THENCE THE FOLLOWING EIGHT CALLS ALONG THE SAID EASTERN BOUNDARY OF THE SILVER PINES CONDOMINIUMS, PHASE 1 (i) N14°42'38"E 152.87 FEET, (ii) N54°39'12"E 66.73 FEET, (iii) N35°15'53"E 80.00 FEET, (iv) N16°43'36"W 92.79 FEET, (v) S87°57'39"W 15.00 FEET, (vi) N02°02'21"W 273.05 FEET, (vii) N24°16'37"W 47.68 FEET, (viii) N02°02'21"W 134.31 FEET TO THE POINT OF BEGINNING. BASIS OF BEARINGS IS THE SAID WEST LINE OF THE NORTHEAST QUARTER WHICH IS CALCULATED FROM THE UTAH COUNTY SURVEYOR'S CONTROL MAPS TO BEAR N01°47'00"W. CONTAINS 18.97 ACRES MORE OR LESS.

SILVER PINES CONDOMINIUMS
SITE PLAN

Located at:
860 South Vernal Avenue
Vernal, Utah 84078

Entry 2008005696
Book 1094 Page

SURVEYED BY: []
DRAWN BY: []
DATE: 1-2-2008
SCALE: 1/8" = 1'-0"
SHEET 3 OF 12

Timberline
Engineering & Land Surveying
38 West 100 South, Vernal, Utah
(435) 786-1200

SITE PLAN
C1.1

- LEGEND**
- Large Deciduous Tree
 - Medium Deciduous Tree
 - Small Deciduous Tree
 - Large Deciduous Shrub
 - Medium Deciduous Shrub
 - Small Deciduous Shrub
 - Medium Evergreen Tree
 - Small Evergreen Tree
 - Evergreen Shrub
 - Existing Vegetation
 - Earth Berm
 - Concrete
 - Asphalt
 - Turn Around Area
 - Signage

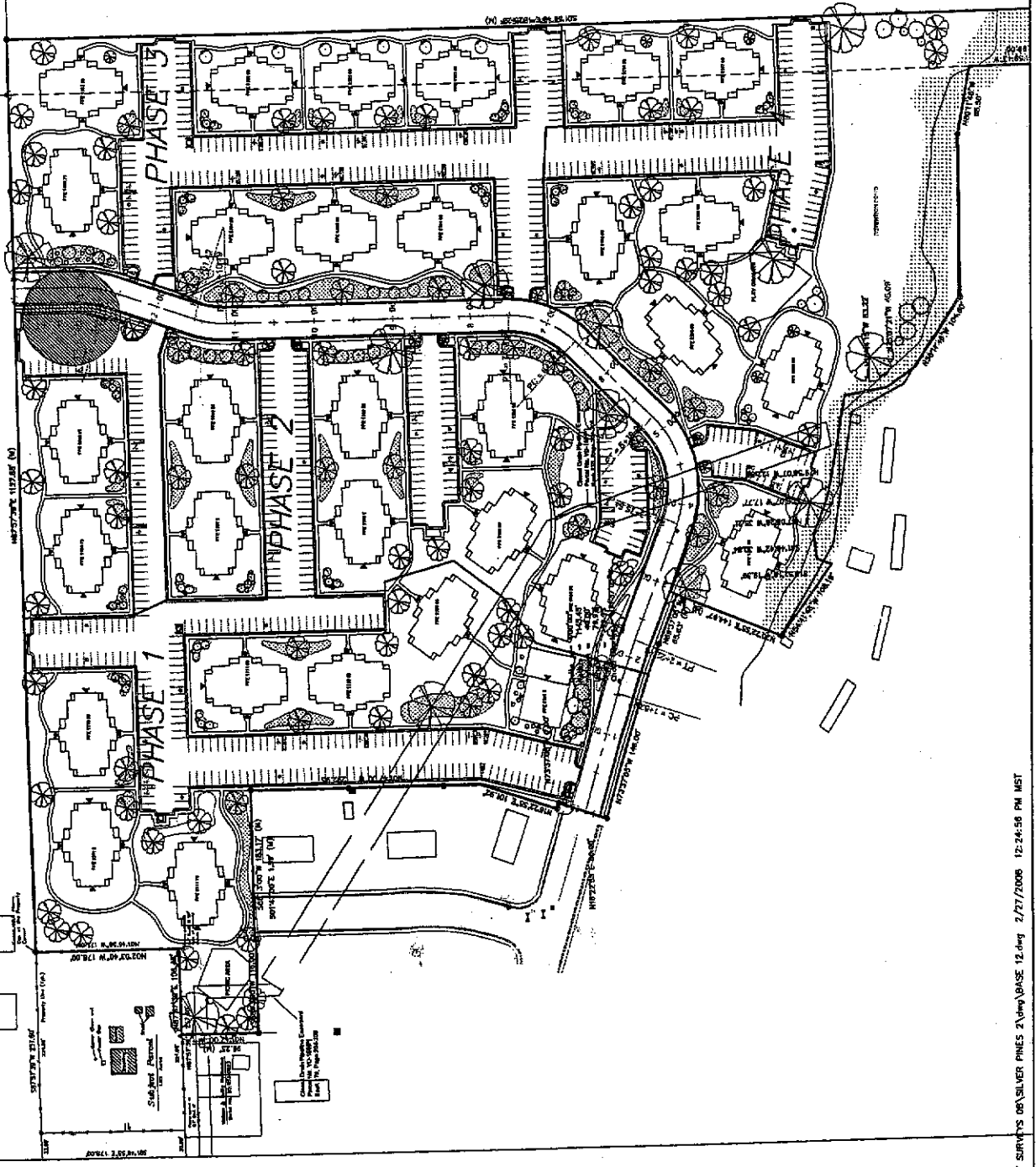
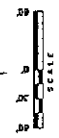


EXHIBIT C

Bylaws

**BYLAWS
OF
SILVER PINES CONDOMINIUMS
HOME OWNERS ASSOCIATION, INC.**

**ARTICLE 1
DEFINITIONS**

1.01 Declaration.

As used herein, "Declaration" means the Declaration of Condominium for Silver Pines Condominiums, Phase 1, and any supplemental Declaration therefor, recorded in the Official Records of Uintah County, Utah.

1.02 Other Definition.

Unless otherwise defined herein, all capitalized terms used herein shall have the meanings given to them in the Declaration.

**ARTICLE 2
OFFICES**

The Association is a Utah non profit corporation, with its principal office located at 8703 So. Sandy Parkway, Sandy, UT 84070.

**ARTICLE 3
VOTING, QUORUM AND PROXIES**

3.01 Voting.

Votes shall be allocated as set forth in Section 4.08 of the Declaration.

3.02 Quorum.

Except as otherwise required by law or by the Articles, the presence in person or by proxy Owners entitled to vote more than thirty-five percent (35%) of the total votes of the Owners shall constitute a quorum.

3.03 Proxies.

Votes may be cast in person or by proxy. Every proxy must be executed in writing by the Owner or his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the before or at the time of the meeting. No proxy shall be valid after the expiration of eleven

months from the date of its execution unless otherwise provided in the proxy.

3.04 Majority Vote.

At any meeting of the Owners, if a quorum is present, the affirmative vote of a majority of the votes represented at the meeting in person or by proxy, shall be the act of the Owners, unless the vote of a greater number is required by law, the Articles, the Declaration, or these Bylaws.

ARTICLE 4
ADMINISTRATION

4.01 Annual Meeting.

The annual meeting of the Owners shall be held at a time designated by the Management Committee in each year beginning with the year 2008, for the purpose of electing Trustees and for the transaction of such other business as may come before the meeting.

4.02 Special Meetings.

Special meetings of the Owners, for any purpose, unless otherwise prescribed by statute, may be called by the president or by a majority of the Trustees and shall be called by the president at the request of Owners entitled to vote 20 percent or more of the total votes of all Owners.

4.03 Place of Meeting.

The Management Committee may designate the Association's principal offices or any place within Uintah County, Utah, as the place for any annual meeting or for any special meeting called by the Management Committee.

4.04 Notice of Meeting.

Written or printed notice of any meeting of the Owners, stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered personally or by mail to each Owner entitled to vote at such meeting not less than ten nor more than fifty days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Owner at his address as it appears in the office of the Association, with postage thereon prepaid. For the purpose of determining Owners entitled to notice of or to Vote at any meeting of the Owners, the Management Committee may set a record date for such determination of Owners, in accordance with the laws of the State of Utah. If requested by the person or persons lawfully calling such meeting, the secretary shall give notice thereof at the expense of the Association.

4.05 Informal Action by Owners.

Any action required or permitted to be taken at a meeting of the Owners may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Owners entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Owners.

ARTICLE 5
DECLARANT CONTROL

Declarant shall be entitled to control the Association as set forth in Section 5.03 of the Declaration.

ARTICLE 6
MANAGEMENT COMMITTEE

6.01 Number and Election of Trustees.

Trustees shall be appointed, elected and removed as set forth in Article V of the Declaration.

6.02 Resignations: Vacancies.

Any Trustee may resign at any time by giving written notice to the president or to the secretary of the Association. Such resignation shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Other than with respect to a Trustee appointed by the Declarant during the Declarant Control Period, any vacancy occurring on the Management Committee (by reason or resignation or death) may be filled by the affirmative vote of a majority of the Trustees then in office though less than a quorum. A vacancy occurring on the Management Committee created by the resignation or death of a Trustee appointed by the Declarant during the Declarant Control Period shall be filled by the Declarant appointing a new Trustee. A Trustee elected to fill a vacancy shall hold office until the next annual meeting of the Owners and until his successor is duly elected and qualified.

6.03 Regular meetings of the Management Committee may be held without call or formal notice at such places within or outside of the State of Utah, and at such times as the Management Committee from time to time by vote may determine. Any business may be transacted at a regular meeting. The regular meeting of the Management Committee for the election of Officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of Owners, or any special meeting of Owners at which a management Committee is elected.

6.04 Special Meetings.

Special meetings of the Management Committee may be held at any place within the State of Utah or by telephone, provided that each Trustee can hear each other Trustee, at any time when called by the president, or by two or more Trustees, upon the giving of at least three days' prior notice of the time and place thereof to each Trustee by leaving such notice with such Trustee or at such Trustee's residence or usual place of business, or by mailing it prepaid and addressed to such Trustee at such Trustee's address or by telephone. Notices need not state the purposes of the meeting. No notice of any adjourned meeting shall be required.

6.05 Quorum.

A majority of the number of Trustees fixed by these Bylaws, as amended from time to time, shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the Trustees in attendance shall, except where a larger number is required by law, by the Articles, or by these Bylaws, decide any question brought before such meeting.

6.06 Waiver of Notice.

Before, at, or after any meeting of the Management Committee, any Trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at any meeting of the Management Committee shall be a waiver of notice by such Trustee except when such Trustee attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

6.07 Informal Action by Trustees.

Any action required or permitted to be taken at a meeting of the Trustees may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Trustees entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Trustees.

ARTICLE 7
OFFICERS AND AGENTS

7.01 General.

The Officers of the Association shall be a president, who shall be chosen from among the Trustees, one or more vice presidents, a secretary and a treasurer, The Management Committee may appoint such other offices, assistant officers, committees, and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who

shall be chosen in such manner and hold th their offices for such terms and have such authority and duties as from time to time may be determined by the Management Committee. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any officer, agent, or employee are not prescribed by the Bylaws or by the Management Committee, such Officer, agent or employee shall follow the orders and instructions of the president.

7.02 Removal of Office.

The Management Committee may remove any Officer, either with or without cause and elect a successor at any regular meeting of the Management Committee or at any special meeting of the Management Committee called for such purpose.

7.03 Vacancies.

A vacancy in any office, however occurring, shall be filled by the Management Committee for the unexpired portion of the term.

7.04 President.

The president shall be the chief officer of the Association. The president shall preside at all meetings of the Association and of the Management Committee. The president shall have general and active control of the affairs and business of the Association and general supervision of its officers, agents, and employees. The president of the Association is designated as the Officer with the power to prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

7.05 Vice Presidents.

The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the Management Committee. In the absence of the president, the vice president designated by the Management Committee or if there be no such designation, designated in writing by the president shall have the powers and perform the duties of the president. If no such designation shall be made, all vice presidents may exercise such powers and perform such duties.

7.06 Secretary.

The secretary shall:

(a) keep the minutes of the proceedings of the Owners Meetings and of the Management Committee meetings;

(b) see that all notices are duly given in accordance with the provisions of these bylaws, the Declaration, and as required by law;

(c) be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the Management Committee;

(d) maintain at the Association's principal offices a record containing the names and registered addresses of all Owners, the designation of the Unit owned by each Owner, and, if such Unit is mortgaged, the name and address of each Mortgagee; and

(e) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Management Committee. Assistant secretaries, if any, shall have the same duties to supervision by the secretary.

7.07 Treasurer.

The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness, and other personal property of the Association and shall deposit the same in accordance with the instructions of the Management Committee. The treasurer shall receive and give receipts and acquittances for moneys paid in on account of the Association, and shall payout of the funds on hand all bills, payrolls, and other just debts of the Association of whatever nature upon maturity. The treasurer shall perform all other duties incident to the office of the treasurer make such reports to it as may be required at any time. The treasurer shall, if required by the Management Committee give the Association a bond in such sums and with such sureties as shall be satisfactory to the Management Committee, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money, and other property or whatever kind in his possession or under his control belonging to the Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Management Committee or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

ARTICLE 8 EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS, AND LIEN HOLDERS

8.01 Proof of Ownership.

Except for those Owners who initially contracted to purchase a Unit from the Declarant, any person on becoming an Owner shall furnish to the Association a photocopy or certified copy of the recorded instrument vesting that person with an ownership interest in the Unit. Such copy shall remain in the files of the Association. An Owner shall not be deemed to be

in good standing and shall not be entitled to vote at any annual or special meeting of Owners unless this requirement is first satisfied.

8.02 Registration of Mailing Address.

If a Unit is owned by two or more Owners, such Owners shall designate one address as the registered address required by the Declaration. The registered address shall be furnished to the secretary of the Association within ten days after transfer of title, or after a change of address. Such registration shall be in written form by all of the Owners of the Unit. If no address is registered or if all of the Owners cannot agree, then the address of the Unit shall be deemed the registered address of the Owner(s), and any notice shall be deemed duly given if delivered to the Unit.

8.03 Liens.

Any Owner who mortgages or grants a deed of trust covering his Unit shall give the Association written notice of name and address of the Mortgagee and shall file true, correct, and complete copies of lie note and security instrument with the Association.

8.04 Address of the Association.

The address of the Association shall be:

8703 So. Sandy Parkway
Sandy, UT 84070

Such address may be changed from time to time upon written notice to all Owners and all listed Mortgagees.

ARTICLE 9
SECURITY INTEREST IN MEMBERSHIP

Owners shall have the right irrevocably to constitute and appoint a mortgagee their true and lawful attorney-in-fact to vote their Membership in the Association at any and all meetings of the Association and to vest in the Mortgagee any and all rights, privileges and powers that they have as Owners under the Articles and these Bylaws or by virtue of the Declaration. Unless otherwise expressly provided in such proxy. Nothing herein contained shall be construed to relieve Owners, as mortgagors, of their duties and obligations as Owners or to impose upon the Mortgagee the duties and obligations of an Owner.

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ARTICLE 10
AMENDMENTS

10.01 By Trustees.

Except as limited by law, the Articles, the Declaration, or these Bylaws, the Management Committee shall have power to make, amend, and repeal the Bylaws of the Association at any regular meeting of the Management Committee or at any special meeting called for that purpose at which a quorum is represented. If, however, the Owners shall make, amend, or repeal any Bylaw, the Trustees shall not thereafter amend, or repeal any Bylaw, the Trustees shall not thereafter amend the same in such manner as to defeat or impair the object of the Owners in taking such action.

10.02 Owners.

Subject to any rights conferred upon first Mortgagees in the Declaration, the Owners may, by the vote of the holders of at least sixty seven percent (67%) of the votes of the Owners, unless a greater percentage is expressly required by law, the Articles, the Declaration, or these Bylaws, make, alter, amend, or repeal the Bylaws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

ARTICLE 11
MISCELLANEOUS

11.01 Fiscal Year.

The fiscal year of the Association shall be such as may from time to time be established by the Management Committee.

11.02 Other Provisions.

The Declaration contains certain other provisions relating to the administration of the Condominium Project, which provisions are hereby incorporated herein by reference.

Dated this _____ day of April, 2008.

INCORPORATOR


Harold Irving

MINUTES OF THE FIRST MEETING OF THE
INCORPORATOR OF SILVER PINES
CONDOMINIUMS HOME OWNERS
ASSOCIATION, INC. HELD ON THE 30 DAY
OF APRIL, 2008, AT THE OFFICES OF THE
CORPORATION AT 1:00 O'CLOCK
P.M.

Present was Harold Irving being the sole incorporator of the Association.

Articles of Incorporation were presented, read and reviewed and, following a discussion, were signed by the incorporator. Harold Irving was directed to have Darrel J. Bostwick, attorney, file the Articles of Incorporation.

On Motion duly made, seconded and carried, the following persons were named as the first trustees of the Association to serve for the respective terms set forth below, or until their successors are duly elected and qualified:

Three-year term	Vic Condie	8703 So. Sandy Parkway Sandy, UT 84070
Two-year term	Josh Richards	8703 So. Sandy Parkway Sandy, UT 84070
One-year term	Harold Irving	8703 So. Sandy Parkway Sandy, UT 84070

A form of Bylaws was presented and reviewed by the Incorporator. Following a discussion, the Bylaws as presented were adopted by the incorporator as the Bylaws of the Association and was ordered to be filed in the record book of the Association.

There being no further business, the meeting was adjourned.


Secretary

MINUTES OF THE FIRST MEETING OF THE
BOARD OF TRUSTEES OF THE SILVER PINES
CONDOMINIUMS HOME OWNERS
ASSOCIATION, INC. HELD ON THE 30 DAY
OF APRIL, 2008, AT THE OFFICES OF THE
CORPORATION AT 1:00 O'CLOCK
P.M.

Present was Vic Condie, Josh Richards and Harold Irving, Trustees of the Association.

On Motion duly made, seconded and carried, the following persons were named as the first trustees of the Association to serve for the respective position: 1) Vic Condie was appointed as the President of the Association; 2) Harold Irving was appointed as the Vice President of the Association; and Josh Richards was appointed as the Secretary of the Association.

There being no further business, the meeting was adjourned.

Secretary

A handwritten signature in cursive script, appearing to read "Josh Richards", is written over a horizontal line. The signature is positioned to the right of the printed word "Secretary".