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WHEN RECORDED, RETURN TO:

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Salt Lake City, Utah 84111

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REC'D FOR STOEL RIVES LLP

**AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM**

FOR

CUTLER DRIVE WAREHOUSE CONDOMINIUMS

THIS AMENDED AND RESTATED DECLARATION OF CONDOMINIUM FOR CUTLER DRIVE WAREHOUSE CONDOMINIUMS (this "**Declaration**"), with an effective date of January 15, 2002, is made by all of the owners of the property made subject to this Declaration as set forth on the signature pages hereof (collectively "**Declarants**").

Recitals

A. Declarants are the owners of certain real property located in Davis County, Utah and more particularly described in Exhibit A attached hereto (the "**Property**").

B. The Property is subject to that certain Declaration of Covenants, Conditions and Restrictions for Northwood Business Center, dated as of February 20, 1997, made by North Wood Associates, L.C., a Utah limited liability company and recorded in the office of the Davis County Recorder as Entry No. 1309728 in Book 2105 at page 85 (the "**North Wood Declaration**").

C. The Property is also subject to that certain Declaration of Covenants, Conditions & Restrictions for Cutler Drive Warehouse Condominiums, dated as of May 10, 2000, made by Murray Peterson, LLC, Renard Richter and Shauna Richter and recorded in the office of the Davis County Recorder as Entry No. 1594392 in Book 2652 at page 972 (the "**Existing Condominium Declaration**").

D. The Property is a condominium project subject to the Utah Condominium Ownership Act, Utah Code Ann §§ 57-8-1 *et. seq.* (as amended, supplemented or superseded from time to time, the "**Condominium Act**"), and Declarants' ownership interest in the Property relates to their respective ownership (as indicated on the signature pages hereof) of all the condominium units (the "**Condominiums**") within the condominium project.

E. Subject to the North Wood Declaration and in accordance with the Condominium Act, Declarants desire to amend and restate the Existing Condominium Declaration in its entirety and to more fully set forth the rights and obligations of the owners of the Property and the Condominiums.

Declaration

Declarants, as the current owners of the Property, hereby amend and restate the Existing Condominium Declaration in its entirety, grant the following easements and make the following covenants, which are intended to burden or benefit, and to run with, the Property and to be binding upon and enforceable against the owner or owners of the Property, as applicable.

ARTICLE 1.

DEFINITIONS

Defined Terms. Unless the context clearly indicates otherwise, certain terms as used in this Declaration shall have the meanings set forth in the Recitals hereto and this Article 1. Terms used and not otherwise defined herein shall have the meanings given them in the Condominium Act or, if no definition is provided therein, such terms shall have their natural, commonly accepted meanings.

"Association" shall mean the Cutler Drive Warehouse Owner's Association, a Utah nonprofit corporation, organized to be the Association of the Unit Owners of the Condominiums.

"Board of Directors" shall mean the governing board of the Association, appointed or elected in accordance with this Declaration and the Articles of Incorporation and Bylaws of the Association.

"Buildings" shall mean those buildings containing Units as shown on the Map.

"Common Areas" shall mean all physical portions of the Project not included in the Units, including without limitation, all real property designated as common area on the Map and all common areas and facilities as defined in the Condominium Act.

"Common Facilities" shall mean all furniture, furnishings, equipment, facilities, and other property (real, personal, or mixed) and interests therein at any time leased, acquired, owned, or held by the Association for the use and benefit of all Owners and all other property (real, personal, or mixed) hereafter purchased in accordance with this Declaration with monies from the Common Expense Fund. Common Facilities shall be deemed to be part of the Common Area, except to the extent otherwise expressly provided in this Declaration.

"Common Expense Fund" shall mean the fund established by the Association containing annual and special assessments paid by the Owners and any other amounts the Association collects or receives pursuant to this Declaration or the Bylaws, which fund shall be used to pay Common Expenses and other expenses as permitted by this Declaration or the Bylaws.

"Condominium" shall mean a Unit and the undivided interest (expressed as a percentage of the entire ownership interest) in the Common Areas appurtenant to such Unit, as set forth in Exhibit A hereto.

"Condominium Act" shall have the meaning provided in the Recitals to this Declaration.

“Limited Common Areas” shall mean any Common Areas designated for exclusive use by the Owner of a particular Unit. Structural separations between Units or the space which would be occupied by such structural separations may become Limited Common Areas for the exclusive use of the Owner or Owners of the Units on either side thereof as provided in Section 4.03 hereof. Any balconies, porches, portions of decks or storage facilities that are identified on the Map with the same number or other designation by which a Unit is identified shall be Limited Common Areas for the exclusive use of the Owner of the Unit bearing the same number or designation.

“Manager” shall mean the person, firm, or company, if any, designated from time to time by the Association to manage, in whole or in part, the affairs of the Association and the Project.

“Map” shall mean that certain record of survey map of Cutler Drive Warehouse Condominiums,” pertaining to the Project and recorded or to be recorded in the office of the County Recorder of Davis County, State of Utah.

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

“Mortgagee” shall mean (i) any person named as the mortgagee or beneficiary under any Mortgage by which the interest of any Owner is encumbered, or (ii) any successor to the interest of such person under such Mortgage.

“Owner” shall mean the person or persons, including the Declarants, owning in fee simple a Condominium in the Project, as such ownership is shown by the records of the County Recorder of Davis County, State of Utah and shall be deemed to be a “Unit Owner” or “Commercial Unit Owner”, as the case may be. The term “Owner” shall not refer to any Mortgagee (unless such Mortgagee has acquired title for other than security purposes) or to any person or persons purchasing a Condominium under contract (until such contract is fully performed and legal title conveyed of record).

“Project” shall mean the Property, the Buildings, and all improvements submitted by this Declaration and the Map to the provisions of the Condominium Act.

“Total Votes of the Association” shall mean the total number of votes appertaining to all Condominiums in the Project, as shown in Exhibit A attached hereto.

“Unit” shall mean a unit of the Condominiums as such units are designated on the Map.

ARTICLE 2.

SUBMISSION AND DIVISION OF PROJECT

Section 2.1 Submission to Condominium. It is intended that the Condominium Act shall apply to the Property, the Buildings, and all other improvements now or hereafter made in or upon the Property. In accordance with such intent, Declarants, as record fee simple owners of the Property, hereby confirm the prior submission of the Property, the Buildings, and all other improvements now or hereafter made in or upon the Property, to the provisions of the

Condominium Act. All of said property is and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and improved as a fee simple Condominium Project to be known as Cutler Drive Warehouse Condominiums. All of said property is and shall be subject to the covenants, conditions, restrictions, uses, limitations, and obligations set forth herein and in the North Wood Declaration, both of which are declared and agreed to be for the benefit of said Project and in furtherance of a plan for improvement of said property and division thereof into Condominiums; further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit to Declarants, and to any person acquiring, leasing, or owning an interest in the real property and improvements comprising the Project, and to its respective personal representatives, heirs, successors, and assigns. In the event another provision or clause of this Declaration contradicts or conflicts with any provision or clause of the North Wood Declaration, the North Wood Declaration shall govern. In the event another provision or clause of this Declaration contradicts or conflicts with any provision or clause of the Existing Condominium Declaration, this Declaration shall govern.

Section 2.2 Division into Condominiums. The Project is hereby divided into Condominiums, each such Condominium consisting of a Unit and an appurtenant undivided interest in the Common Areas, as set forth in Exhibit A attached hereto and by this reference made a part hereof.

ARTICLE 3.

NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

Section 3.1 Interior of Units. Each Owner shall have the right to paint, repair, tile, wax, paper, carpet, or otherwise decorate the interior surfaces of the walls, ceilings, floors, and doors forming the boundaries of his Unit and the surfaces of all walls, ceilings, floors, and doors within such boundaries.

Section 3.2 Maintenance of Units. Each Owner shall keep the interior of his Unit, including without limitation, interior walls, ceilings, floors, and permanent fixtures and appurtenances thereto, together with all doors and windows separating his Unit from Common Areas or from the exterior of the Building and any decks and all Limited Common Areas appurtenant to his Unit in a clean and sanitary condition and in a state of good repair. In the event that any such Unit, Limited Common Areas, doors, windows, or other improvements shall develop an unsanitary or unclean condition or fall into a state of disrepair, and in the event that the Owner of such Unit shall fail to correct such condition or state of disrepair within thirty (30) days following written notice from the Association, the Association shall have the right, at the expense of the Owner, and without liability to the Owner for trespass or otherwise, to enter said Unit and correct or eliminate said unsanitary or unclean condition or state of disrepair.

Section 3.3 Title. Title to a Condominium within the Project may be held or owned by any person or entity or any combination thereof and in any manner in which title to any other real property may be held or owned in the State of Utah, including without limitation, joint tenancy or tenancy in common.

Section 3.4 Ownership of Common Areas. The undivided interest in the Common Areas appurtenant to each Unit in the Project shall be as set forth in Exhibit A attached hereto and by this reference made a part hereof. Except as otherwise provided in this Declaration or in the Condominium Act, the percentages appurtenant to each Unit as shown in said Exhibit A shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in an amendment as to this Declaration duly recorded. Except as otherwise provided in this Declaration, any Owner shall be entitled to nonexclusive use of the Common Areas (other than Limited Common Areas) in any manner that does not hinder or encroach upon the rights of other Owners and is not contrary to any rules and regulations promulgated by the Association or the terms of any lease or other agreement with any other party with respect to any portion of the Common Areas. Except as otherwise provided in this Declaration, any Owner shall have the exclusive right to use and enjoy any Limited Common Areas that may be designated for exclusive use by such Owner. The Board of Directors on behalf of the Association may enter into leases, management agreements or operating agreements with other parties with respect to the Common Areas on such terms as it may elect that are not otherwise inconsistent with the provisions of this Declaration.

Section 3.5 Inseparability. Title to no part of a Condominium within the Project may be separated from any other part thereof during the period of condominium ownership hereunder, and each Unit and the undivided interest in the Common Areas appurtenant to each Unit shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium. Every devise, encumbrance, conveyance, or other disposition of a Condominium, or any part thereof, shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the entire Condominium, together with all appurtenant rights created by law or by this Declaration, including appurtenant membership in the Association as hereinafter set forth.

Section 3.6 No Subdivision. No Unit or portion thereof may be divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership. Under no circumstances shall interests in a Unit be divided into, leased, sold, conveyed or used as time periods of intervals or sold or conveyed to owners or holders for use on a time share basis. No Unit shall be owned by a partnership or corporation or unincorporated association for the purposes of creating a fraction or divided ownership arrangement or facilitating a time share arrangement among three or more unrelated individuals.

Section 3.7 No Partition. The Common Areas shall be owned in common by all of the Owners, and no Owner may bring any action for partition thereof.

Section 3.8 Separate Mortgages by Owners. Each Owner shall have the right separately to mortgage or otherwise encumber his Condominium. No Owner shall attempt to or shall have the right to mortgage or otherwise encumber the Common Areas or any part thereof, except the undivided interest therein appurtenant to his Condominium. Except as provided in Article 14 hereof, any mortgage or other encumbrance of any Condominium within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure, or otherwise.

Section 3.9 Separate Taxation. Each Condominium within the Project, including each Unit and appurtenant undivided interest in the Common Areas, shall be deemed to be a parcel and shall be assessed separately for all taxes, assessments, and other charges of the State of Utah or of any political subdivision or of any special improvement district or of any other taxing or assessing authority. For purposes of such assessment, the valuation of the Common Areas shall be apportioned among the Units in proportion to the undivided interests in Common Areas appurtenant to such Units. All such taxes, assessments, and other charges on each respective Condominium shall be separately levied against the Owner thereof. No forfeiture or sale of any Condominium for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title to any other Condominium.

Section 3.10 Mechanics Liens. No labor performed or material furnished for use in connection with any Unit with the consent or at the request of an Owner or his agent or subcontractor shall create any right to file a statement of mechanic's lien against the Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the Common Areas, except the undivided interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished.

Section 3.11 Description of Condominium. Every contract for the sale of a Condominium and every other instrument affecting title to a Condominium within the Project shall describe a Unit by its identifying number or symbol as indicated in this Declaration or as shown on the Map and shall set forth the percentage of undivided interest in the Common Areas appurtenant to such Unit. Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Areas, and to incorporate all the rights incident to ownership of a Condominium within the Project and all of the limitations on such ownership as described in this Declaration and/or the Articles of Incorporation and Bylaws of the Association.

ARTICLE 4.

EASEMENTS

Section 4.1 Easements for Encroachments. If any part of the Common Areas encroaches or shall hereafter encroach upon any Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches upon the Common Areas, or upon an adjoining Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of a Building or any improvements constructed or to be constructed within the Project, by error in the Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project, or any part thereof, in accordance with the provisions of this Declaration.

Section 4.2 Easements for Maintenance, Cleaning, and Repair. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Association shall have the irrevocable right to have access to each Unit and to all

Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, cleaning, repair, or replacement of any Common Areas or for making emergency repairs at any time therein necessary to prevent damage to the Common Areas or to any Unit. In addition, the Association or its agents may enter any Unit when necessary in connection with any cleaning, maintenance, repair, replacement, landscaping, construction, or reconstruction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association with funds from the Common Expense Fund.

Section 4.3 Right to Ingress, Egress, and Support. Each Owner shall have the right to ingress and egress over, upon, and across the Common Areas as necessary for access to such Owner's Unit and to any Limited Common Areas appurtenant to such Unit, and shall have the right to horizontal, vertical, and lateral support of such Unit, and such rights shall be appurtenant to and pass with title to each Condominium.

Section 4.4 Association's Right to Use Common Areas. The Association shall have an easement to make such use of the Common Areas as may be necessary or convenient to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration, including without limitation the right to construct and maintain in the Common Areas (other than Limited Common Areas) facilities for use by Owners generally or by the Association and its agents exclusively.

Section 4.5 Easements Deemed Created. All conveyances of Condominiums within the Project hereafter made, whether by a Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

ARTICLE 5.

RESTRICTIONS ON USE

Section 5.1 Units. The Units within the Project shall be used exclusively for retail, office, warehouse and light manufacturing purposes. No Unit shall be used for heavy manufacturing purposes, storage in bulk of junk, wrecked autos or secondhand materials, or for any other use prohibited by the North Wood Declaration or by law.

Section 5.2 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on in or upon any part of the Project, nor shall anything be done or placed in or upon any part of the Project which is or may become a nuisance or may cause embarrassment, disturbance, or annoyance to Owners. No activities shall be conducted, nor improvements constructed, in or upon any part of the Project which are or may become unsafe or hazardous to any person or property.

Section 5.3 Restrictions on Signs. No signs, neon lighting, flags, or advertising devices of any nature, including without limitation commercial, political, informational, or directional signs or devices, shall be erected or maintained on any part of the Project except in compliance with the Bylaws and Rules of the Association and with applicable law.

Section 5.4 Alterations. No Owner shall, without the prior written consent of the Association, do any act that would impair the structural soundness or integrity of, or alter the exterior appearance of, the Building or the safety of property or impair any easement or hereditament appurtenant to the Project.

Section 5.5 No Obstructions. There shall be no obstruction of the Common Areas by any Owner. Owners shall neither store nor leave any of their property in the Common Areas, except with the prior written consent of the Association.

Section 5.6 Prohibition of Damage and Certain Activities. Except with the prior written consent of the Association, nothing shall be done or kept in any Unit, in the Common Areas, or in any other part of the Project which would result in cancellation of the insurance on the Project or any part thereof, nor shall anything be done or kept in any Unit which would increase the rate of insurance on the Project or any part thereof over that which the Association, but for such activity, would pay. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental authority. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or guest of any Owner, and each Owner shall indemnify and hold harmless the Association and the other Owners from and against all loss resulting from any such damage or waste caused by such Owner or his guests, lessees, licensees, or invitees.

Section 5.7 Parking. Owners shall have the right to use and occupy Common Areas dedicated for parking of vehicles only in connection with the actual occupancy of a Unit. No such areas shall be used for storage of a vehicle while the Unit is not being occupied. The Association shall have the right from time to time to require that vehicles be temporarily removed from any and all parking areas for maintenance or snow removal purposes.

Section 5.8 Rules and Regulations. The Owners shall comply with each and all of the rules and regulations governing use of the Units and/or Common Areas, as such rules and regulations may from time to time be adopted, amended, or revised by the Association, in the reasonable judgment of its Board of Directors.

ARTICLE 6.

THE ASSOCIATION

Section 6.1 Membership. Each Owner shall be entitled and required to be a member of the Association; membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Condominium is held by more than one person, the membership appurtenant to that Condominium shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which title to the Condominium is held. An Owner shall be entitled to one membership for each Condominium owned by him. Each membership shall be appurtenant to the Condominium to which it relates and shall be transferred automatically by conveyance of that Condominium. Ownership of a Condominium within the Project cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance,

or other disposition of a Condominium shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the Owner's membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Condominium.

Section 6.2 Votes. The number of votes appurtenant to each respective Condominium shall be one (1) vote for each one thousand (1,000) square feet of ground level space within the Unit of such Condominium, and shall be as set forth in Exhibit A attached hereto and by this reference made a part hereof. The number of votes appurtenant to each Condominium as set forth in said Exhibit A shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in an amendment to this Declaration duly recorded.

Section 6.3 Amplification. The provisions of this Article 6 may be amplified by the Articles of Incorporation and Bylaws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration. A copy of the initial Bylaws of the Association are attached hereto as Exhibit B and by this reference made a part hereof.

Section 6.4 Amendment of Article. This Article 6 shall not be amended unless the Owners of all Condominiums in the Project unanimously consent and agree to such amendment by instruments duly recorded.

ARTICLE 7.

CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 7.1 Common Areas. Subject to the rights and duties of the Owners as set forth in this Declaration, the Association shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including the Common Facilities), and shall keep the same in a good, clean, attractive, safe, and sanitary condition, order and repair. The Association shall be responsible for the maintenance and repair of the exterior of the Building and the grounds, including without limitation painting, repair and replacement of exterior trim and roofs, and maintenance of landscape, walkways, and driveways. The Association shall also be responsible for maintenance, repair and replacement of Common Areas within the Buildings, including, without limitation, hallways, elevators, utility lines, and all Common Facilities, improvements, and other items located within or used in connection with the Common Areas. The specification of duties of the Association with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas, as set forth in the first sentence of this Section. All goods and services procured by the Association in performing its responsibilities under this Section shall be paid for with funds from the Common Expense Fund.

Section 7.2 Manager. The Association may by written contract delegate in whole or in part to a professional Manager such of the Association's duties, responsibilities, functions, and powers hereunder as are properly delegable. The services of any Manager retained by the Association shall be paid for with funds from the Common Expense Fund.

Section 7.3 Miscellaneous Goods and Services. The Association may obtain and pay for the services of such personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. Such services may include Building security and onsite check-in and maintenance services. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. In addition to the foregoing, the Association may acquire, and pay for out of the Common Expense Fund, water, sewer, garbage collection, electrical, gas, telephone, cable or satellite television and other necessary or desirable utility services for the Common Areas (and for the Units to the extent not separately metered or billed), and insurance, bonds, and other goods and services common to the Units.

Section 7.4 Real and Personal Property. The Association may acquire and hold real, personal, and mixed property of all types for the use and benefit of all of the Owners and may dispose of such property by sale or otherwise. All such property, including Common Facilities, shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall be part of such Fund.

Section 7.5 Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the Units, the Common Areas, and the Limited Common Areas, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Association may take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations of Owners arising hereunder, or to obtain damages for noncompliance therewith, as permitted by law. In the event of such judicial action, the Association shall be entitled to recover its costs, including reasonable attorneys' fees, from the offending Owner.

Section 7.6 Granting Easements. The Association may, without the vote or consent of the Owners or of any other person, grant or create, on such terms as it deems advisable, utility and similar easements and rights-of-way over, under, across, and through the Common Areas.

Section 7.7 Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE 8.

ASSESSMENT

Section 8.1 Agreement to Pay Assessments. Each Declarant, for each Condominium owned by it within the Project, hereby covenants and each Owner of any Condominium by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association to pay to the Association all assessments made by the Association for the purposes provided in this Declaration. Such assessments shall be fixed, established, and collected from time to time as provided in this Article 8.

Section 8.2 Annual Assessments. Annual Assessments shall be computed and assessed against all Condominiums in the Project as follows:

(a) Common Expense. Annual Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with maintenance and operation of the Common Areas and Common Facilities and/or furnishing utility services and other common items to the Units. Such estimated expenses may include, among other things, the following: Expenses of management; taxes and special assessments (until the Condominiums are separately assessed); premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs and maintenance, wages for Association employees, including fees for and out-of-pocket expenditures of a Manager (if any); utility charges, including charges for utility services to the Units to the extent not separately metered or billed; legal and accounting fees; any deficit remaining from a previous period; creation of a reasonable contingency reserve, surplus, and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of all of the Owners under or by reason of this Declaration. Such shall constitute the Common Expense, and all funds received from assessment under this Section 8.2 shall be part of the Common Expense Fund. Any costs incurred by the Association for maintenance or repair of doors or windows between a Unit and the exterior of the Building or Common Areas, or Limited Common Areas or improvements thereon, shall be charged by the Association directly to the owner of the Unit adjacent to said doors or windows or to which the Limited Common Areas repaired or maintained is appurtenant and shall not be deemed Common Expense.

(b) Apportionment. Expenses attributable to the common expense or to the Project as a whole shall be apportioned among and assessed to all Owners in proportion to their respective undivided interests in the Common Areas. Expenses attributable to other than common expense or to the Project as a whole shall be apportioned among and assessed to all Owners who are reasonably allocated such expenses in proportion to their respective undivided interests in the Common Areas.

(c) Annual Budget. Annual Assessments shall be determined on a fiscal year basis as determined by the Board of Directors. At least thirty (30) days prior to the commencement of each fiscal year, the Association shall prepare or cause to be prepared

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an operating budget for the upcoming fiscal year. The budget shall itemize the estimated expenses of common expense for such fiscal year, anticipated receipts (if any), and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as the major guideline under which the Project shall be operated during such annual period.

(d) Notice and Payment. Annual Assessments shall be made on a fiscal year basis as determined by the Board of Directors. The Association shall furnish to each Owner a copy of the budget and notify each Owner as to the amount of the Annual Assessment with respect to his Condominium no less than twenty (20) days prior to the commencement of each fiscal year. Each Annual Assessment shall be payable in twelve (12) equal monthly installments due on the first day of each calendar month during the fiscal year to which the assessment relates or at the discretion of the Board of Directors in quarterly and/or unequal installments; provided, however, that the first Annual Assessment shall be based upon and shall be payable in installments during the balance of the fiscal year remaining after the date hereof. All unpaid installments of any Annual Assessment shall bear interest at the rate of eighteen percent (18%) per annum (or at such lesser rate equal to the maximum interest rate allowed by applicable law) from the date each such installment is due until paid. The failure of the Association to give timely notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay such assessment or any other assessment; but the date when the payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such assessment shall have been given to the Owner in the manner provided in this Declaration.

(e) Inadequate Funds. In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Owner's assessment, the Association may levy additional assessments in accordance with the procedure set forth in Section 8.3 below, except that the vote therein specified shall be unnecessary.

Section 8.3 Special Assessments. In addition to the Annual Assessments authorized by this Article, the Association may levy, at any time and from time to time, upon affirmative vote of at least fifty-one percent (51%) of the total votes of the Association, Special Assessments, payable over such periods as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration (including without limitation Common Expenses). This Section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections or Articles hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to their respective undivided interests in the Common Areas. Notice in writing of the amount of such Special Assessments and the time for payment thereof shall be given promptly to the Owners; no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any Special Assessment shall bear interest at the rate of one and one-half percent (1-1/2%) per month (or at such lesser rate equal to the

maximum interest rate allowed by applicable law) from the date such portions become due until paid. All funds received from assessments under this Section shall be part of the Common Expense Fund.

Section 8.4 Lien for Assessments. All sums assessed to Owners of any Condominium within the Project pursuant to the provisions of this Article 8, together with interest thereon as provided herein, shall be secured by a lien on such Condominium in favor of the Association. To evidence a lien for sums assessed pursuant to this Article 8, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Condominium, and a description of the Condominium. Such a notice shall be signed and acknowledged by a duly authorized officer of the Association and may be recorded in the office of the County Recorder of Davis County, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in the State of Utah. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Condominium which shall become due during the period of foreclosure, and all such assessments shall be secured by the lien being foreclosed. The Association shall have the right and power to bid in at any foreclosure sale, and to hold, lease, mortgage, or convey the subject Condominium. The rights of the Association under this Section 8.4 shall be in addition to any other rights provided by law with respect to liens for and collection of unpaid assessments.

Section 8.5 Personal Obligation of Owner. The amount of any Annual or Special Assessment against any Condominium shall be the personal obligation of the Owner of such Condominium to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Condominium or by waiving any services or amenities provided for in this Declaration. In the event of any suit to recover a money judgment for unpaid assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

Section 8.6 Statement of Account. Upon payment of a reasonable fee and upon written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Condominium, the Association shall issue a written statement setting forth the following: The amount of the unpaid assessments, if any, with respect to such Condominium; the amount of the current Annual Assessment and the date or dates upon which installments thereof become due; credit for advanced payments or prepaid items, including without limitation the Owner's share of prepaid insurance premiums. Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith.

Section 8.7 Personal Liability of Purchaser. Subject to the provisions of Section 8.6 and Article 14 hereof, a purchaser of a Condominium shall be jointly and severally liable with the seller thereof for all unpaid assessments against such Condominium up to the time of the

grant or conveyance; provided, however, that the provisions of this Section shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

Section 8.8 Annual Financial Statements. Promptly following the close of each fiscal year of the Association, the Association shall be caused to be prepared and provided to each Owner financial statements containing a balance sheet of the Association as of the last day of the fiscal year and reasonable detail as to the income and expenses of the Association during said fiscal year.

Section 8.9 Amendment of Article. This Article 8 shall not be amended unless the Owners of all Condominiums in the Project unanimously consent and agree to such amendment by instruments duly recorded.

ARTICLE 9.

INSURANCE

Section 9.1 Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following types of insurance coverage, provided by companies licensed to do business in the State of Utah, where such coverages are reasonably available.

(a) Fire and Casualty Insurance. The Association shall obtain a policy or policies of insurance on the Project in such amounts as shall provide for replacement thereof in the event of damage or destruction from the casualty against which such insurance is obtained, which insurance shall be in accordance with coverage customarily maintained by other condominium projects similar in construction, design, and use. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice. The Association shall have no responsibility to insure the personal property of anyone located within any Unit but may provide such coverage from time to time at the option of the Association.

(b) Public Liability and Property Damage Insurance. The Association shall obtain a broad form of comprehensive liability insurance coverage, in such amounts and in such forms as it deems advisable to provide adequate protection against liability for personal injury, death, and property damage; provided, however, that in no event shall the single combined liability limit of such insurance coverage be less than One Million Dollars (\$1,000,000). Coverage shall include without limitation, liability for operation of automobiles on behalf of the Association and all activities in connection with the ownership, operation, maintenance, and other use of the Project including Common Areas.

(c) Workmen's Compensation Insurance. The Association shall obtain and maintain workmen's compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

(d) Fidelity Bond. The Association may, in its discretion, obtain and maintain a fidelity bond indemnifying the Association and the Board of Directors from and against any loss of money or other personal property belonging to the Association or for which the Association is legally liable, occasioned by any dishonest or fraudulent acts committed by the officers, Directors, or employees of the Association. When a management agent has the responsibility for handling or administering funds of the Association, the management agent shall be required to maintain any fidelity bond coverage required by the Association. The fidelity bond shall name the Association as a obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months aggregate assessments on all Units plus reserve funds. The bond shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Association as a Common Expense. The bond shall provide that they may not be canceled or subsequently modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association. The bonds shall provide that first mortgagees, upon request, shall receive notice of cancellation or modification.

Section 9.2 Form of Insurance. Insurance coverage on the Project, insofar as possible, shall be in the following form:

(a) Casualty Insurance. Casualty insurance shall be carried in a form or forms naming the Association as the insured, as trustee for the Owners, and such policy or policies shall specify the interest of each Owner (Owner's name, Unit number, and the appurtenant undivided interest in the Common Areas). Each policy shall provide a standard, noncontributory mortgagee clause in favor of each Mortgagee which from time to time shall give notice to the Association of its Mortgage. Each policy also shall provide that it cannot be canceled either by the insured or by the insurance company until after fifteen (15) days prior written notice is first given to each Owner and to each Mortgagee which has requested such notice in writing. The Association shall furnish to each Owner, and to each Mortgagee requesting the same, a certificate of coverage, including an identification of the Owner's interest.

(b) Public Liability and Property Damage Insurance. Public liability and property damage insurance shall name the Association as the insured, as trustee for each Owner and for each Declarant (for so long as such Declarant holds an interest in the Project whether or not such Declarant is an Owner), and shall protect the Association, each Owner, and each Declarant against liability for acts or omissions of the Association

and all other persons and entities in connection with the ownership, operation, maintenance, or other use of the Project. Each such policy shall provide that it cannot be canceled either by the insured or by the insurance company until after fifteen (15) days prior written notice to the Association, to each Owner, and to each Declarant.

(c) Policies. All insurance policies obtained by the Association pursuant to this Declaration shall be issued by an insurance company or companies licensed to do business in the State of Utah which has or have a general policy holders rating of A or better and a financial category rating of Class IX or higher in Best's Insurance Guide. The Association shall secure the insurance policies that will provide for the following:

(i) The insurer shall waive subrogation as to any claims against the Association, the Declarants, the Manager, the Owners, and their respective servants, agents, and guests;

(ii) The policy or policies on the Project cannot be canceled, invalidated, or suspended on account of the conduct of any one or more individual Owners;

(iii) The policy or policies on the Project cannot be canceled, invalidated, or suspended on account of the conduct of any trustee, officer, or employee of the Association, without a prior demand in writing that the Association cure the defect; and

(iv) Any "no other insurance" clause in the policy or policies on the Project shall exclude individual Owners' policies from consideration.

Section 9.3 Additional Coverage. The provisions of this Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required by this Declaration, in such amounts and in such forms as the Association may deem appropriate from time to time.

Section 9.4 Adjustment and Contribution. Exclusive authority to adjust losses under policies hereafter in force on the Project shall be vested in the Association. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees.

Section 9.5 Owner's Own Insurance. Notwithstanding the provisions hereof, each Owner may obtain insurance at his own expense providing coverage upon his Condominium, his personal property, for his personal liability, and covering such other risks as he may deem appropriate; provided, that each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Article. All such insurance of the Owner's Condominium shall waive the insurance company's right of subrogation against the Association, the Declarants, the Manager, other Owners, and their respective servants, agents, and guests, if such insurance can be obtained pursuant to industry practice without additional premium charge for the waiver of subrogation rights.

Section 9.6 Review of Insurance. The Association shall review annually the coverage and policy limits of all insurance on the Project and adjust same at its discretion. Such annual review may include an appraisal of the improvements in the Project by a representative of the insurance carrier or carriers providing the policy or policies on the Project, or by such other qualified appraisers as the Association may select.

ARTICLE 10.

DAMAGE OR DESTRUCTION

Section 10.1 Association as Attorney in Fact. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in fact in their name, place, and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from any Declarant or from any Owner shall constitute an appointment by said grantee of the Association as his attorney in fact as herein provided. As attorney in fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted.

Section 10.2 Definition of Repair and Reconstruction. Repair and reconstruction of the improvements as used herein means restoring the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as before.

Section 10.3 Procedures. In the event any part of the Project is damaged or destroyed, the Association shall proceed as follows:

(a) Estimate of Costs. As soon as practicable after an event causing damage to or destruction of any part of the Project, the Association shall obtain complete and reliable estimates of the costs to repair and reconstruct that part of the Project damaged or destroyed.

(b) Sufficient Insurance. If the proceeds of the insurance maintained by the Association equal or exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, such repair and reconstruction shall be carried out. The proceeds of all insurance collected or maintained by the Association shall be available to the Association to pay the costs of such repair and reconstruction. If the proceeds of such insurance are insufficient to pay the actual costs of such repair and reconstruction, the Association shall levy a Special Assessment sufficient to provide funds to pay such actual costs of repair and reconstruction. Such Special Assessment shall be allocated and collected as provided in Section 8.3 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

(c) Insufficient Insurance -- Less than 75% Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if less than seventy-five percent (75%) of the Building is damaged or destroyed, such repair and reconstruction shall nevertheless be carried out. The proceeds of all insurance collected or maintained by the Association shall be available to the Association to pay the costs of such repair and reconstruction. The Association shall levy a Special Assessment sufficient to provide funds to pay the actual costs of such repair and reconstruction to the extent that such insurance proceeds are insufficient to pay such costs. Such Special Assessment shall be allocated and collected as provided in Section 8.3 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

(d) Insufficient Insurance -- 75% or More Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if seventy-five percent (75%) or more of the Building is damaged or destroyed, such damage or destruction shall be repaired and reconstructed as provided in Section 10.3(c) hereof if, but only if, within one hundred (100) days following the damage or destruction, the Owners shall elect by a vote of at least seventy-five percent (75%; or such higher percentage as designated in the Bylaws in effect from time to time) of the total votes of the Association to carry out such repair and reconstruction. If, however, the Owners shall not, within one hundred (100) days after such damage or destruction, elect by a vote of at least seventy-five percent (75%; or such higher percentage as designated in the Bylaws in effect from time to time) of the total votes of the Association to carry out such repair and reconstruction, the Association shall record in the office of the County Recorder of Davis County, State of Utah, a notice setting forth such facts and such other documents as are necessary to dissolve the condominium. Upon the recording of such notice and other documents, the following shall occur:

(i) The Project shall be deemed to be owned in common by the Owners;

(ii) The undivided interest in the Project owned in common which shall appertain to each Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Areas;

(iii) Any liens affecting any of the Condominiums shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest of the respective Owner in the Project; and

(iv) The Project shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance on the Project, if any, shall be considered as one fund and shall be divided among all Owners in a percentage equal to the percentage of undivided interest owned by each respective Owner in the Common

Areas, as set forth in Exhibit A hereto, after first paying out of the respective shares of each Owner, to the extent sufficient for the purposes, all liens on the undivided interest in the Project owned by such Owner.

Section 10.4 Repair or Reconstruction. If the damage or destruction is to be repaired and reconstructed as provided above, the Association shall, as soon as practicable after receiving the said estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair and reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The Project shall be restored or repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having the same vertical and horizontal boundaries as before.

Section 10.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and any amounts received from assessments made pursuant to Sections 10.3(b), (c) and (d) hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair and reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to their respective percentages of ownership of the Common Areas.

Section 10.6 Amendment of Article. This Article 10 shall not be amended unless the Owners of all Condominiums in the Project unanimously consent and agree to such amendment by instruments duly recorded.

ARTICLE 11.

CONDEMNATION

Section 11.1 Condemnation. If at any time or times during the continuance of condominium ownership pursuant to this Declaration all or any part of the Project shall be taken or condemned by any public authority under power of eminent domain, the provisions of this Article shall apply. A voluntary sale or conveyance of all or any part of the Project in lieu of condemnation, but under threat of condemnation, shall be deemed to be a taking by power of eminent domain.

Section 11.2 Proceeds. All compensation, damages, and other proceeds from any such taking by power of eminent domain (hereinafter the "condemnation award") shall be made payable to the Association and shall be distributed by the Association as herein provided.

Section 11.3 Complete Taking. In the event the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall terminate and the condemnation award shall be allocated among and distributed to the Owners in proportion to their respective undivided interests in the Common Areas. Such distribution shall be made by check payable jointly to the respective Owners and their respective Mortgagees, as appropriate.

Section 11.4 Partial Taking. In the event less than the entire Project is taken by power of eminent domain, the following shall occur:

(a) Allocation of Award. As soon as practicable, the Association shall, reasonably and in good faith, apportion the condemnation award between compensation, severance damages, or other proceeds, and shall allocate such apportioned amounts and pay the same to the Owners as follows:

(i) The total amount apportioned to taking of or injury to the Common Areas shall be allocated among and distributed to all Owners (including Owners whose entire Units have been taken) in proportion to their respective undivided interests in the Common Areas;

(ii) The total amount apportioned to severance damages shall be allocated among and distributed to the Owners of those Condominiums that have not been taken, in proportion to their respective undivided interests in the Common Areas;

(iii) The respective amounts apportioned to the taking of or injury to a particular Unit shall be allocated and distributed to the Owner of such Unit;

(iv) The total amount apportioned to consequential damages and any other takings or injuries shall be allocated and distributed as the Association determines to be equitable under the circumstances;

(v) If apportionment or allocation is already established by negotiation, judicial decree, statute, or otherwise, the Association shall employ such apportionment and allocation to the extent it is relevant and applicable; and

(vi) Distribution of allocated proceeds shall be made by check payable jointly to individual Owners and their respective Mortgagees, as appropriate.

(b) Continuation and Reorganization. If less than the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall not terminate, but shall continue unless the Owners determine otherwise in compliance with the Bylaws. If any partial taking results in the taking of an entire Unit, the Owner thereof shall cease to be a member of the Association. The Association shall reallocate the voting rights and the undivided interest in the Common Areas appurtenant to such Unit in accordance with the Condominium Act.

(c) Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the provisions specified in Article 10 hereof for cases of Damage or Destruction; provided, however, that the provisions of said Article dealing with sufficiency or insufficiency of insurance proceeds shall not be applicable.

Section 11.5 Amendment of Article. This Article 11 shall not be amended unless the Owners of all Condominiums in the Project shall unanimously consent and agree to such amendment by duly recorded instruments.

ARTICLE 12.**COMPLIANCE WITH DECLARATION AND BYLAWS**

Section 12.1 Compliance. Each Owner shall comply strictly with the provisions of the North Wood Declaration, this Declaration, the Articles of Incorporation and the Bylaws of the Association, rules and regulations promulgated by the Association, and the decisions and resolutions of the Association adopted pursuant thereto, as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or for injunctive relief or for both, maintainable by the Association or, in a proper case, by an aggrieved Owner.

Section 12.2 Enforcement and Remedies. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration, or in any Supplemental or Amended Declaration, with respect to the Association or Condominiums within the Project shall be enforceable by any Declarant or by any Owner of a Condominium within the Project, subject to this Declaration, by a proceeding for a prohibitive or mandatory injunction. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration, or in any Supplemental or Amended Declaration, with respect to a person or entity or property of a person or entity other than the Association or a Declarant shall be enforceable by any Declarant or by the Association or, in a proper case, by an aggrieved Owner by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages or to recover any amount due or unpaid.

ARTICLE 13.**GENERAL PROVISIONS**

Section 13.1 Intent and Purpose. The provisions of this Declaration, and any Supplemental or Amended Declaration, shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a Condominium Project. Failure to enforce any provision, restriction, covenant, or condition in this Declaration, or in any Supplemental or Amended Declaration, shall not operate as a waiver of any such provision, restriction, covenant, or condition or of any other provisions, restrictions, covenants, or conditions.

Section 13.2 Construction. The provisions of this Declaration shall be in addition and supplemental to the Condominium Act and to all other provisions of law. Wherever used herein, unless the context shall otherwise require, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The Article and Section headings set forth herein are for convenience and reference only and are not intended to describe, interpret, define, or otherwise affect the content, meaning, or intent of this Declaration or any Article, Section, or provision hereof. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

Section 13.3 Notices and Registration of Mailing Address. Each Owner shall register from time to time with the Association his current mailing address. All notices, demands, and other communications to any Owner as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally served or if sent by first class U.S. mail, postage prepaid, addressed to the Owner at his registered mailing address or, if no address has been registered, to the Unit of such Owner. All notices, demands, and other communications to the Association as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally served or if sent by first class U.S. Mail, postage prepaid, addressed to the Association at its offices at the Project, or to such other address as the Association may hereafter specify to the Owners in writing. Any notice, demand, or communication referred to in this Declaration shall be deemed given when personally served or when deposited in the U.S. Mail, postage prepaid, and in the form provided for in this Section, as the case may be.

Section 13.4 Audit. Any Owner may at any reasonable time, upon appointment and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association.

Section 13.5 Amendment. Except as otherwise provided herein, this Declaration may be amended if Owners holding at least sixty percent (60%) of the total votes in the Association consent and agree to such amendment by instruments duly recorded in the office of the County Recorder of Davis County, State of Utah.

Section 13.6 Effective Date. This Declaration shall take effect upon recording.

Section 13.7 Agent for Service. The agent for service of process under the Condominium Act shall initially be Dan L. Murray, having an address at 880 West Center Street, North Salt Lake, Utah 84054. The Association shall have the right to change said agent for service of process at any time in which event the Association shall cause such agent's name and address to be listed in an appropriate instrument filed with the Utah State Department of Commerce.

Section 13.8 Owner's Obligations. All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may be leasing, renting, or selling under contract his Condominium. The Owner of a Condominium within the Project shall have no obligation for expenses or other obligations accruing after he conveys such Condominium.

Section 13.9 Limitation on Association's Liability. The Association shall not be liable for any failure of water service or other utility service (if any) to be obtained and paid for by the Association hereunder, or for injury to or damage of any person or property caused by the elements or by another Owner or person in the Project, or resulting from electricity, water, rain, snow, or ice which may leak or flow from outside or from any parts of the Building or its drains, pipes, conduits, appliances, conduits, or equipment, or from any other place, unless caused by the grossly negligent or willful misconduct of the Association. No diminution or abatement of any assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of any repairs or improvements in or maintaining the Project or any part

thereof, or from any action taken to comply with the laws, ordinances, regulations, rules, or orders of any governmental authority.

ARTICLE 14.

MORTGAGEE PROTECTION

Section 14.1 Request for Notice. From and after the time a Mortgagee makes written request to the Board of Directors or the Association therefor, the Board of Directors or the Association shall notify such Mortgagee in writing in the event that the Owner of the Unit encumbered by the mortgage held by such Mortgagee neglects for a period of sixty (60) or more days to cure any failure on his part to perform any of his obligations under this Declaration.

Section 14.2 Priority of Mortgages as to Assessments. The lien or claim against a Unit for unpaid assessments or charges levied by the Board of Directors or by the Association pursuant to this Declaration or the Act shall be subordinate to a first Mortgage affecting such Unit. A Mortgagee who obtains title to a Unit pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall not be liable for such Unit's unpaid assessments which accrue prior to the acquisition of title to such Unit by the Mortgagee and shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue prior to the acquisition of title to such Unit by Mortgagee (except for claims for a pro rata share of such prior assessments or charges resulting from a pro rata reallocation thereof to all Units including the Unit in which the Mortgagee is interested). No assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a Mortgage or as not a burden to a Mortgagee coming into possession pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall be collected or enforced by either the Board of Directors or the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee's interest in such Unit).

Section 14.3 Abandonment or Modification of Project. Without the approval of each first Mortgagee neither the Board of Directors nor the Association shall be entitled, by act, omission, or otherwise:

- (a) to seek to abandon or terminate the Project or to abandon or terminate the arrangement which is established by this Declaration and the Record of Survey Map (except as provided in Article 10 hereof in the event of certain destruction or damage);
- (b) to partition or subdivide any Unit;
- (c) to seek to abandon, partition, subdivide, encumber, sell or transfer all or any of the Common Areas and Facilities (except for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas and Facilities except as provided in Article 10 hereof in the event of certain destruction or damage);

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

(e) to change the pro rata interests or obligations of any Unit which apply for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for (2) determining the pro rata share of ownership of each Unit in the Common Areas and Common Facilities; or

(f) to alter the provisions of Article 9 hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein.

Section 14.4 Right to Examine Books and Records. Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Board of Directors, or the Association, or of the Project. From and after the time a Mortgagee makes written request to the Board of Directors or the Association therefor, the Board of Directors or the Association shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Project as may be prepared for distribution to or use by the Board of Directors, the Association, or the Unit Owners.

Section 14.5 Reserve Funds. The Board of Directors and the Association shall establish an adequate reserve fund to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Common Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by Special Assessments.

Section 14.6 Damage, Loss or Condemnation. From and after the time a Mortgagee makes written request to the Board of Directors or the Association therefor, the Board of Directors or the Association shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or any taking or anticipated condemnation of: (a) the Common Areas and Common Facilities involving an amount in excess of, or reasonably estimated to be in excess of, Twenty Thousand Dollars (\$20,000); or (b) any Unit involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000). Said notice shall be given within ten (10) days after the Board of Directors or said Association learns of such damage, loss, taking or anticipated condemnation.

Section 14.7 Priority of Mortgages as to Insurance or Condemnation Awards. Nothing contained in this Declaration shall give a Unit Owner, or any other party, priority over any rights of a first Mortgagee pursuant to its Mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of condominium Units and/or Common Areas and Common Facilities.

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Section 14.8 Conflicting Provisions. In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Article, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority as the case may be, applicable to the Board of Directors and Association with respect to the subject concerned.

Section 14.9 Restrictions on Amendment of Articles. Except with respect to combination of Units pursuant to Section 3.3 or expansion of the Project, which may be accomplished without consent of any Mortgagee, no amendment to this Article which has the effect of diminishing the rights, protection or security afforded to Mortgagees shall be accomplished or effective unless all of the Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Article shall be accomplished by an instrument executed by the Board of Directors and filed for record in the office of the County Recorder of the county where the Project is located. In any such instrument an officer of the Board of Directors shall certify that any prior written approval of Mortgagees required by this Article as a condition to amendment has been obtained.

IN WITNESS WHEREOF, the undersigned have executed this Declaration to be effective as of the day and year first above written.

OWNER OF UNIT No. 101:

HEC SOFTWARE, INC., a
Utah corporation,

By: Leonard L. Eversole
Name: Leonard L. Eversole
Title: Chairman of the Board

OWNERS OF UNIT No. 102:

Leonard L. Eversole
Leonard L. Eversole

Linda L. Eversole
Linda Eversole

**OWNERS OF UNIT Nos. 103, 201, 202, 203
& 204:**

Renard E. Richter
Renard E. Richter

Shauna Richter
Shauna Richter

OWNER OF UNIT Nos. 301, 302, 303 & 304:

ALAMO STORAGE, L.C., a Utah limited liability company,

By: R. Fred Healey
R. Fred Healey
Manager/Member

OWNERS OF UNIT No. 401:

Don Kopenhefer
Don Kopenhefer

Barbara Kopenhefer
Barbara Kopenhefer

OWNER OF UNIT Nos. 402, 403 & 404:

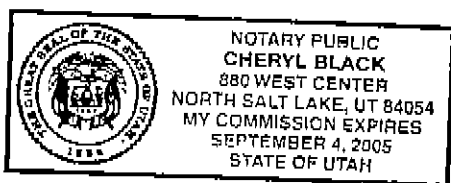
MAVERIK COUNTRY STORES, INC., a Wyoming corporation,

By: Don U. Murray
Name: Don U. Murray
Title: Dir. of Store Development

STATE OF UTAH)
)
) : ss.
COUNTY OF Davis)

The foregoing instrument was acknowledged before me this 1st day of February, 2002
by Leonard L. Eversole, the CEO
of HEC Software, Inc., a Utah corporation.

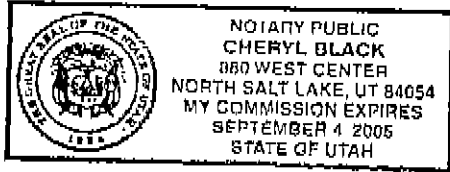
Cheryl Black
Notary Public



STATE OF UTAH)
)
COUNTY OF Davis) : ss.

The foregoing instrument was acknowledged before me this 1 day of ^{Feb} January, 2002 by Leonard L. Eversole.

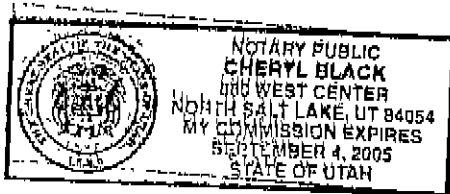
Cheryl Black
Notary Public



STATE OF UTAH)
)
COUNTY OF Davis) : ss.

The foregoing instrument was acknowledged before me this 1 day of ^{Feb} January, 2002 by Linda Eversole.

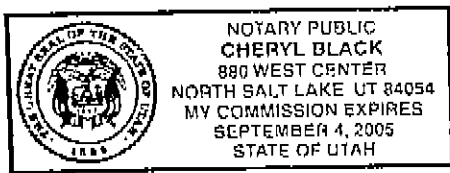
Cheryl Black
Notary Public



STATE OF UTAH)
)
COUNTY OF Davis) : ss.

The foregoing instrument was acknowledged before me this 21 day of January, 2002 by Renard E. Richter.

Cheryl Black
Notary Public

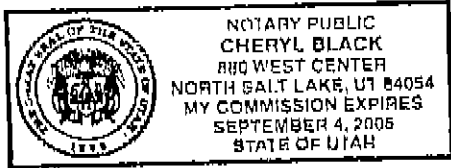


STATE OF UTAH)
) : ss.
COUNTY OF DAVIS)

The foregoing instrument was acknowledged before me this 21 day of January, 2002 by Shauna Richter.

Cheryl Black

Notary Public

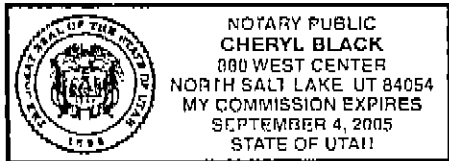


STATE OF UTAH)
) : ss.
COUNTY OF DAVIS)

The foregoing instrument was acknowledged before me this 21 day of January, 2002 by R. Fred Healey, a Manager/Member of Alamo Storage, L.C., a Utah limited liability company.

Cheryl Black

Notary Public

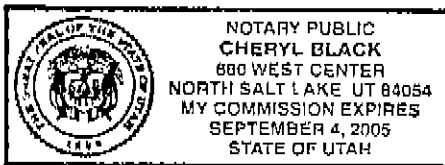


STATE OF UTAH)
) : ss.
COUNTY OF DAVIS)

The foregoing instrument was acknowledged before me this 21 day of January, 2002 by Don Kopenhefer.

Cheryl Black

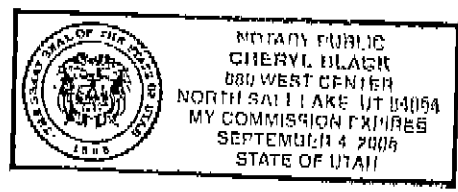
Notary Public



STATE OF UTAH)
 : ss.
COUNTY OF Davis)

The foregoing instrument was acknowledged before me this 21 day of January, 2002
by Barbara Koppenhefer.

Cheryl Black
Notary Public



STATE OF UTAH)
 : ss.
COUNTY OF DAVIS)

The foregoing instrument was acknowledged before me this 21 day of January, 2002
by Dan Murray, the Dir. of Store Development
of Maverik Country Stores, Inc., a Wyoming corporation.

Cheryl Black
Notary Public

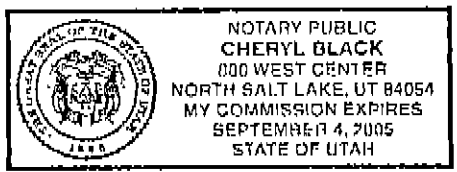


EXHIBIT A
Declaration
COVENANTS, CONDITIONS, & RESTRICTIONS
FOR
CUTLER DRIVE WARHOUSE CONDOMINIUMS
A portion of the
NORTH WOOD BUSINESS CENTER

Located at 30 North & North Cutler Drive, NSL, Utah

DESCRIPTION

Units 101,102, 103 located in BUILDING 1 at 60 North Cutler Drive, North Salt Lake City, Utah
Units 201, 202, 203, 204 located in BUILDING 2 at 60 North Cutler Drive, North Salt Lake City,
Utah

Units 301, 302, 303, 304 located in BUILDING 3 at 30 North Cutler Drive, North Salt Lake,
Utah

Units, 401, 402, 403, 404 located in BUILDING 4 at 30 North Cutler Drive, North Salt Lake,
Utah

EXHIBIT B

Copy of Association Bylaws

BYLAWS

OF

CUTLER DRIVE WAREHOUSE

OWNER'S ASSOCIATION

A Utah Nonprofit Corporation

January 15, 2002

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**BYLAWS OF
CUTLER DRIVE WAREHOUSE
OWNER'S ASSOCIATION**

ARTICLE 1.

PLAN OF CONDOMINIUM OWNERSHIP

Section 1.1 Name and Location. These are the Bylaws of the CUTLER DRIVE WAREHOUSE OWNER'S ASSOCIATION (the "**Association**"). Cutler Drive Warehouse Condominiums (the "**Condominium Project**") is located in Davis County, Utah, and has been submitted to the Utah Condominium Ownership Act by a declaration recorded in the Recorder's Office of Davis County, Utah (the "**Declaration**"). The location of the Condominium Project is more specifically described in the Declaration.

Section 1.2 Principal Office. The principal office of the Association shall be located at 880 West Center Street, North Salt Lake, Utah 84054, or such other address as may be designated by the Board of Directors from time to time.

Section 1.3 Purposes. The Association is formed under the provisions of the Utah Condominium Ownership Act ("**Act**") to serve as the means through which the Unit Owners may take action with regard to the administration, management and operation of the Condominium Project.

Section 1.4 Applicability of Bylaws and Rules. The Association, all Unit Owners, and all persons using the condominium property shall be subject to these Bylaws and to the Rules.

Section 1.5 Composition of Association. The Association shall be composed of all the Unit Owners of the Condominium Project, including the Association itself, to the extent it owns any Unit or Units of the Condominium Project.

Section 1.6 Incorporation. The Association has been or will be incorporated under the Utah Revised Nonprofit Corporation Act, and these Bylaws shall constitute the Bylaws of the incorporated association.

Section 1.7 Definitions. The definitions contained in or adopted by the Declaration shall be applicable to these Bylaws.

MEETINGS OF ASSOCIATION

Section 2.1 Place of Meetings. The Association shall hold meetings at such suitable place in Salt Lake County or Davis County, State of Utah, convenient to the Unit Owners, as may be designated by the Board of Directors from time to time.

Section 2.2 Annual Meetings. The annual meetings of the Association shall be held in the month of January or February at such hour and on such date as the president may designate, or if the president should fail to designate such date by the first day of February, then on the last Tuesday in February at 4:00 p.m. (Mountain Time). The annual meetings shall be for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

Section 2.3 Special Meetings. Special meetings of the Association may be called by the president or secretary or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from at least fifty percent (50%) of the Unit Owners stating the purpose of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

Section 2.4 Notice of Meetings. Notice of all meetings of the Association stating the time and place and the objects for which the meeting is being called shall be given by the president or secretary. Such notice shall be in writing and mailed to each Unit Owner at his address as it appears on the books of the Association and to any first Mortgagee requesting such notice not less than ten (10) days nor more than fifty (50) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived by any Unit Owner before or after meetings. When a meeting is adjourned for less than 30 days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

Section 2.5 Voting. Each Unit Owner shall have one vote for each one thousand (1,000) square feet of ground level warehouse or office space owned by such Unit Owner. The Board of Directors shall be entitled to vote on behalf of any Unit which has been acquired by or on behalf of the Association; provided, however, that the Board of Directors shall not be entitled to vote such Units in any election of directors.

Section 2.6 Proxies. A vote may be cast in person or by proxy. A proxy given by a Unit Owner to any person who represents such Owner at meetings of the Association shall be in writing and signed by such Owner, and shall be filed with the secretary, at any time prior to the meeting. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy, and every proxy shall automatically cease upon sale of the Unit by its Owner. A Unit Owner may pledge or assign such Owner's voting rights to a Mortgagee. In such a case, the Mortgagee or its designated representative shall be entitled to receive all notices to which the Unit Owner is entitled under these Bylaws and to exercise the Unit Owner's voting rights from and after the time that the Mortgagee shall give written notice of such pledge or

assignment to the Board of Directors. Any first Mortgagee may designate a representative to attend meetings of the Association.

Section 2.7 Fiduciaries and Joint Owners. An executor, administrator, guardian or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Unit owned or held in such capacity, whether or not the same shall have been transferred to his or her name; provided, that such person shall satisfy the secretary that he or she is the executor, administrator, guardian or trustee, holding such Unit in such capacity. Whenever any Unit is owned by two or more persons jointly, according to the records of the Association, the vote or proxy of such Unit may be exercised by any one of the Owners then present, in the absence of protest by a co-Owner. In the event of such protest, no one co-Owner shall be entitled to vote without the approval of all co-Owners. In the event of disagreement among the co-Owners, the vote of such Unit shall be disregarded completely in determining the proportion of votes given with respect to such matter.

Section 2.8 Landlords and Contract Vendors. Unless otherwise expressly stated in the rental agreement or lease, all voting rights allocated to a Unit shall be exercised by the Owner. Unless otherwise stated in the contract, all voting rights allocated to a Unit shall be exercised by the vendee of any recorded land sale contract on the Unit.

Section 2.9 Quorum of Unit Owners. At any meeting of the Association, members holding fifty percent (50%) of the voting rights, present in person or by proxy, shall constitute a quorum. The subsequent joinder of a Unit Owner in the action taken at a meeting by signing and concurring in the minutes of the meeting shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a Unit Owner or Owners. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

Section 2.10 Majority Vote. The vote of the holders of more than fifty percent (50%) of the voting rights, present in person or by proxy at a meeting at which a quorum is constituted, shall be binding upon all Unit Owners for all purposes except where a higher percentage vote is required by law, by the Declaration or by these Bylaws.

Section 2.11 Order of Business. The order of business at annual meetings of the Association shall be:

- (a) Calling of the roll and certifying of proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees, if any;
- (f) Unfinished business;

- (g) New business; and
- (h) Adjournment.

Section 2.12 Written Consent in Lieu of Meetings. At the discretion of the Board of Directors, any matter which might come before the Association at a meeting, including election of directors, may be determined by written consent, rather than at a formal gathering. Forms for obtaining written consent shall be sent to all Unit Owners in the same manner as notice of meetings, with a specified deadline for return thereof. Written consents must be properly executed and returned in sufficient quantity to constitute a quorum, and determination of the matter presented shall be based upon the required percentage being returned, unless approval of a specified percentage of all voting rights is required by law, the Declaration or these Bylaws. The results of a vote by written consent shall be determined by the Board of Directors within 48 hours after the deadline for return of written consents. Within 10 days after the written consents have been counted, each Unit Owner shall be notified of the results thereof.

ARTICLE 3.

BOARD OF DIRECTORS

Section 3.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of three (3) to five (5) persons, as provided in Sections 3.2 and 3.3 of this Article. All directors shall be Owners or co-Owners of Units of the Condominium Project. For purposes of this section, the officers of any corporation, the managers of any limited liability company, and the partners of any partnership shall be considered co-Owners of any Units owned by such corporation, limited liability company or partnership.

Section 3.2 Initial Directors. The interim board of five (5) directors designated in the Articles of Incorporation of the Association ("**Initial Directors**") shall serve until their successors have been elected by the Unit Owners as provided below.

Section 3.3 Election and Term of Office. At the first annual meeting or an earlier special meeting called for such purpose, the Initial Directors shall resign and five (5) directors shall be elected by vote of the Unit Owners as provided in these Bylaws, one to serve until the next annual meeting, two to serve until the second annual meeting after the election, and two to serve until the third annual meeting after the election. Thereafter, at the expiration of the initial term of office of each respective director, his or her successor shall be elected to serve for a term of three years. Directors shall hold office until their respective successors have been elected by the Unit Owners. Election shall be by plurality. Upon a majority vote of the membership present in person or by proxy at a meeting called for such purpose, the number of directors may be reduced to three (3) directors. Upon such decrease, two directors shall be removed from office, such that the remaining three (3) directors shall serve three (3) year terms with one director being replaced or reelected each year. Thereafter, each successor shall be elected to serve for a three-year term.

Section 3.4 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, or by a sole remaining director. Each person so elected shall be a director until a successor is elected to fill the unexpired term at the next annual meeting of the Association or the next special meeting of the Association called for that purpose.

Section 3.5 Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a majority vote (in person or by proxy) of the Unit Owners, and a successor shall be elected at that meeting to fill the vacancy thus created. The notice of any such meeting shall state that such removal is to be considered, and any director whose removal has been proposed shall be given an opportunity to be heard at that meeting.

Section 3.6 Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law or by the Declaration or by these Bylaws may not be delegated to the Board of Directors by the Unit Owners. The powers and duties to be exercised by the Board of Directors shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep, maintenance, repair and replacement of the Common Areas and Limited Common Areas.

(b) Determination of the amounts required for operation, maintenance and other affairs of the Association, and the making of such expenditures.

(c) Adoption of a budget for the Association, and assessment and collection of the Common Expenses.

(d) Employment and dismissal of such personnel as necessary for the efficient maintenance, upkeep and repair of the Common Areas and Limited Common Areas.

(e) Employment of legal, accounting or other personnel for reasonable compensation to perform such services as may be required for the proper administration of the Association; provided, however, the board may not incur or commit the Association to incur legal fees in excess of \$3,000 for any specific matter unless the Unit Owners have enacted a resolution authorizing the incurring of such fees by a vote of sixty-seven percent (67%) of the voting rights present in person or by proxy at a meeting at which a quorum is constituted. This limitation shall not be applicable to legal fees incurred in defending the Association and the Board of Directors from claims or litigation brought against them.

(f) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.

(g) Preparing or causing to be prepared and filed any required income tax returns or forms for the Association.

(h) Purchasing Units of the Condominium Project at foreclosure or other judicial sales in the name of the Association, or its designee, on behalf of all the Unit Owners as provided in these Bylaws.

(i) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of directors), or otherwise dealing with Units of the Condominium Project acquired by the Association or its designee on behalf of all the Unit Owners.

(j) Obtaining insurance or bonds pursuant to the provisions of these Bylaws.

(k) Making additions and improvements to, or alterations of, the Common Areas or Limited Common Areas; provided, however, that no such project may be undertaken by the board if the total cost will exceed the amount of \$10,000 unless the Unit Owners have enacted a resolution authorizing the project by a vote of sixty-seven percent (67%) of the voting rights present in person or by proxy at a meeting at which a quorum is constituted. This limitation shall not be applicable to maintenance, repairs or replacement undertaken pursuant to paragraph (a) above.

(l) Designating one or more committees which, to the extent provided in the resolution designating the committee, shall have the powers of the Board of Directors in the management of the affairs of the Association. At least one member of each committee shall be a member of the Board of Directors.

(m) Enforcement by legal means of the provisions of the Act, the Declaration, these Bylaws and the Rules.

(n) The filing of an Annual Report and any amendment in accordance with Utah law.

Section 3.7 Managing Agent or Manager. On behalf of the Association, the Board of Directors may employ or contract for a managing agent or a manager at a compensation to be established by the Board of Directors. Any such management agreement shall be terminable by the Association upon not more than 90 days written notice thereof. The Board of Directors may delegate to the managing agent or manager such duties and powers as the Board of Directors may authorize. In the absence of such appointment, the Board of Directors shall act as manager.

Section 3.8 Contracts Entered into by Initial Board. Notwithstanding any other provision of these Bylaws, any leases or contracts (including management contracts, service contracts and employment contracts) entered into by the initial board on behalf of the Association shall have a term not in excess of three years. In addition, any such lease or contract shall provide that it may be terminated without cause or penalty by the Association or Board of Directors upon not less than 30 days' notice to the other party.

Section 3.9 Organizational Meeting. Within fourteen (14) days following the annual meeting of the Association or following any meeting at which an election of directors has been held, the Board of Directors shall hold an organizational meeting at such place and time as shall have been fixed by the directors at the meeting at which the election was held.

Section 3.10 Regular and Special Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Special meetings of the Board of Directors may be called by the president and must be called by the secretary at the written request of at least two directors. Notice of any special meeting shall be given to each director, personally or by mail, telephone, telefax or telegraph at least seven (7) days prior to the day named for such meeting, and shall state the time, place and purpose of such meeting.

Section 3.11 Waiver of Notice. Any director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall constitute a waiver of notice by such director, except where the director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all of the directors are present at any meeting of the Board, no notice to directors shall be required and any business may be transacted at such meeting.

Section 3.12 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors less than a quorum should be present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice to directors.

Section 3.13 Compensation. No director shall receive any compensation from the Association for acting as such.

Section 3.14 Liability and Indemnification of Directors and Officers. A member of the Board of Directors or an officer of the Association shall not be liable to the Association or any member thereof for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for acts of gross negligence or intentional misconduct. In the event any member of the Board of Directors or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

Section 3.15 Insurance. The Board of Directors shall obtain the insurance and fidelity bonds required in Article 8 of these Bylaws. In addition, the Board of Directors, in its discretion, may obtain such other insurance as it deems necessary to protect the interests of the Association or Unit Owners. The Board of Directors shall conduct an annual insurance review which, if appropriate, shall include an appraisal of all improvements contained in the Condominium Project.

ARTICLE 4.

OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be the president, the secretary and the treasurer, all of whom shall be elected by the Board of Directors. The directors may appoint a vice president, an assistant treasurer, an assistant secretary, and such other officers as in their judgment may be necessary. The president shall be a member of the Board of Directors, but the other officers need not be directors or Unit Owners.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually, by the Board of Directors at the organization meeting of each new board and shall hold office at the pleasure of the board. If any office shall become vacant, the Board of Directors shall elect a successor to fill the unexpired term at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4.3 Removal of Officers. Upon the affirmative vote of a majority of the directors, any officer may be removed either with or without cause, and a successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4.4 President. The president shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. The president shall have all of the general powers and duties which are usually vested in the chief executive officer of an association, including but not limited to the power to appoint committees from among the Unit Owners from time to time as the president may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.5 Secretary. The secretary shall keep the minutes of all proceedings of the Board of Directors and the minutes of all meetings of the Association. He or she shall attend to the giving and serving of all notices to the Unit Owners and directors and other notices required by law. The secretary shall keep the records of the Association, except for those of the treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the president. In addition, the secretary shall act as vice president, taking the place of the president and performing the president's duties whenever the president is absent or unable to act, unless the directors have appointed another vice president.

Section 4.6 Treasurer. The treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of required financial statements. He or she shall be responsible for the deposit of all moneys and other valuable effects in such depositories as may from time to time be designated by the Board of Directors, and shall disburse funds of the Association upon properly authorized vouchers. The treasurer shall perform all other duties incident to the office of treasurer of an association and such other duties as may be assigned to him or her by the Board of Directors.

Section 4.7 Execution of Instruments. All agreements, contracts, deeds, leases and other instruments of the Association, except checks, shall be executed by such person or persons as may be designated by general or special resolution of the Board of Directors and, in the absence of any general or special resolution applicable to any such instrument, then such instrument shall be signed by the president. All checks shall be signed by the treasurer, or in the absence or disability of the treasurer, by the president or any duly elected assistant treasurer.

Section 4.8 Compensation of Officers. No officer who is a member of the Board of Directors shall receive any compensation from the Association for acting as an officer. The Board of Directors may fix any compensation to be paid to any officers who are not also directors.

ARTICLE 5.

BUDGET, EXPENSES AND ASSESSMENTS

Section 5.1 Budget. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association, estimate the Common Expenses expected to be incurred, less any previous overassessment, and assess the Common Expenses to each Unit Owner in the proportion set forth in the Declaration. The budget shall provide for an adequate reserve fund for maintenance, repairs and replacement of those Common Areas and Limited Common Areas which must be replaced on a periodic basis.

Section 5.2 Determination of Common Expenses. Common Expenses shall include:

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of Common Areas and Limited Common Areas or any other portions of the Condominium Project required to be maintained by the Association pursuant to the Declaration or these Bylaws.
- (c) Cost of insurance or bonds obtained in accordance with these Bylaws.
- (d) A general operating reserve, including an amount sufficient to cover the deductible under the property damage insurance policy.
- (e) Reserve for replacements and deferred maintenance.
- (f) Any deficit in Common Expenses for any prior period.
- (g) Utilities for the Common Areas and other utilities with a common meter or commonly billed, such as trash collection.
- (h) Any other items properly chargeable as an expense of the Association.

Section 5.3 Obligation to Pay Common Expenses. All Unit Owners shall be obligated to pay Common Expenses assessed to them by the Board of Directors on behalf of the Association pursuant to these Bylaws and the Declaration. Assessments may not be waived due

to limited or nonuse of the Common Areas or Limited Common Areas, and no Unit Owner may offset amounts owing or claimed to be owing by the Association to the Unit Owner against such Unit Owner's obligation to pay assessments. The Board of Directors, on behalf of the Association shall assess the Common Expenses against the Unit Owners from time to time, and at least annually, and shall take prompt action to collect from a Unit Owner any Common Expense due which remains unpaid for more than thirty (30) days from the due date for its payment. The board may elect to round assessments to the nearest dollar.

Section 5.4 Initial Working Capital Fund. Each Unit Owner shall make an initial contribution to the working capital of the Association equal to two months regular Association assessments for the Unit. Such initial contribution shall be in addition to the regular monthly Common Expense assessment and shall not be considered as an advance payment of regular assessments. The working capital fund shall be deposited by the Association in a segregated fund.

Section 5.5 Commencement of Regular Expense Assessments. Regular monthly assessments for Common Expenses shall commence within 90 days after incorporation of the Association and the Board of Directors shall hold a special meeting within such period to determine the amount of such assessments.

Section 5.6 Commencement of Assessment for Replacement Reserves. Regular monthly assessments for replacement reserves as described in Section 5.9 shall commence upon determination by the Board of Directors of the amounts of such assessments.

Section 5.7 Special Assessments for Capital Improvements. In the case of any duly authorized capital improvement to the Common Areas or Limited Common Areas, the Board of Directors may by resolution establish separate assessments for the same, which may be treated as capital contributions by the Owners of constructed and completed Units, and the proceeds of which shall be used only for the specific capital improvements described in the resolution.

Section 5.8 Other Special or Extraordinary Assessments. In the event the Board of Directors determines that the assessments established upon adoption of the budget as provided in Section 5.1 above will be insufficient to pay the Common Expenses, or the Board of Directors determines that additional funds will be needed to meet unexpected or unbudgeted Common Expenses, the Board may levy an additional special or extraordinary assessment. Such assessment shall be allocated to each Unit in the same proportion set forth in the Declaration, and may be payable in installments over a specified period, in a lump sum, or in a lump sum with option to pay in installments with interest, as determined by the Board of Directors.

Section 5.9 Replacement Reserves. The Board of Directors, on behalf of the Association, shall establish a reserve account for replacement of those Common Areas and Limited Common Areas all or a part of which will normally require replacement in more than three and less than 30 years. Such reserve account shall be funded by assessments against the individual Unit assessed for maintenance of the items for which the reserve account is being established, which sums shall be included in the regular monthly assessment for the Unit, except as otherwise provided in Section 5.4. The amount assessed shall take into account the estimated remaining life of the items for which the reserve is created and the current replacement cost of

such items. The reserve account shall be established in the name of the Association and shall be adjusted at regular intervals to recognize changes in current replacement costs over time. The reserve account shall be used only for replacement of Common Areas and Limited Common Areas and shall be kept separate from assessments for maintenance and operating expenses. The Board of Directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet other temporary expenses which will later be paid from special assessments or maintenance fees. Nothing in this section shall prohibit prudent investment of the reserve account. Following the second year after the date on which assessments for the reserve account are first made against the Units, future assessments for the reserve account may be reduced, eliminated or increased by an affirmative vote of not less than sixty seven percent (67%) of all voting rights in the Condominium Project. Assessments paid into the reserve account are the property of the Association and are not refundable to sellers of Units. Sellers of the Units, however, may treat their outstanding share of the reserve account as a separate item in any sales agreement. The provisions of this section shall be operable only to the extent and so long as required by the Act.

Section 5.10 Default in Payment of Assessments. In the event of default by any Unit Owner in paying any assessments to the Association, including assessed Common Expenses and any other charge imposed or levied by the Association pursuant to the provisions of the Declaration, these Bylaws or the Act, such Unit Owner shall be obligated to pay interest at the rate of eighteen percent (18%) per annum on such assessment from the due date thereof, or at such greater rate as may be established by the Board of Directors from time to time, not to exceed the maximum lawful rate, if any. In addition, the defaulting Unit Owner shall pay all expenses incurred by the Association in collecting such unpaid assessments, including attorneys' fees (whether or not suit is instituted, and at trial or any appeal or petition for review therefrom). If the assessment is not paid within thirty (30) days of its due date, the Board of Directors may declare any remaining installments of assessments for the balance of the fiscal year immediately due and payable. The Board of Directors shall have the right and duty to recover for the Association such assessments, together with such charges, interest and expense of the proceeding, including attorneys' fees, by an action brought against such Unit Owner or by foreclosure of the lien upon the Unit granted by the Act.

Section 5.11 Foreclosure of Liens for Unpaid Assessments. In any suit brought by the Association to foreclose a lien on a Unit because of unpaid assessments, the Unit Owner shall be required to pay all reasonable attorney's fees and expenses incurred by the Association in such foreclosure proceeding. The Board of Directors, acting on behalf of the Association, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the Unit. A suit or action to recover a money judgment for unpaid assessments shall be maintainable without foreclosing the liens securing the same.

Section 5.12 Statement of Assessments. The Board of Directors shall advise each Unit Owner in writing of the amount of assessments payable by such Owner, and furnish copies of each budget on which such assessments are based to all Unit Owners. The Board of Directors shall promptly provide any Unit Owner who makes a request in writing with a written statement of the Owner's unpaid assessments.

Section 5.13 Priority of Lien: First Mortgages. Any lien of the Association against a Unit for assessments shall be subordinate to tax and assessment liens and any prior Mortgage of record. Where the purchaser or Mortgagee of a Unit obtains title to the Unit as a result of foreclosure of a first Mortgage, such purchaser or Mortgagee, its successors and assigns, shall not be liable for any of the assessments chargeable to such Unit which became due prior to the acquisition of title to such Unit by such purchaser or Mortgagee. Such unpaid share of assessments shall be a Common Expense and reallocated on a pro rata basis for all Units, including the mortgaged unit. The purchaser or Mortgagee shall not be relieved of the obligation to pay further assessments.

Section 5.14 Voluntary Conveyance. In a voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor of the Unit up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, upon request of a prospective purchaser the Board of Directors shall make and deliver a statement of the unpaid assessments against the prospective grantor or the Unit, and the grantee in that case shall not be liable for, nor shall the Unit when conveyed be subject to, a lien filed thereafter for any unpaid assessments against the grantor in excess of the amount set forth in the statement.

ARTICLE 6.

RECORDS AND AUDITS

Section 6.1 General Records. The Board of Directors and the managing agent or manager, if any, shall keep detailed records of the actions of the Board of Directors and the managing agent or manager, minutes of the meetings of the Board of Directors and minutes of the meetings of the Association. The Board of Directors shall maintain copies of the rules, regulations and policies adopted by the Association, Board of Directors and the manager. The Board of Directors shall maintain a list of Owners entitled to vote at meetings of the Association and a list of all Mortgagees of Units.

Section 6.2 Financial Records. The Board of Directors or its designee shall keep financial records sufficient for proper accounting purposes.

Section 6.3 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and address of the Owner or Owners, the amount of each assessment against the Owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

Section 6.4 Payment of Invoices. The treasurer shall pay all invoices and similar bills or statements for all budgeted items and for any nonbudgeted items up to \$500 signed by the president, managing agent, manager or other person authorized by the Board of Directors. Any invoices and similar bills or statements for nonbudgeted items in excess of \$1,000 shall require the authorization of the Board of Directors.

Section 6.5 Reports and Audits. An annual financial statement consisting of a balance sheet and income and expense statement for the preceding fiscal year shall be rendered by the Board of Directors to all Unit Owners and to all Mortgagees of Units who have requested the same within 90 days after the end of each fiscal year. From time to time the Board of Directors, at the expense of the Association, may obtain an audit or review of the books and records pertaining to the Association and furnish copies thereof to the Owners and such Mortgagees. Upon written request, any holder, insurer or guarantor of a first Mortgage shall be entitled to an audited financial statement for the immediately preceding fiscal year at the expense of the requesting party, if one is not otherwise available.

Section 6.6 Notice of Sale, Mortgage, Rental or Lease. Immediately upon the sale, mortgage, rental or lease of any Unit, the Unit Owner shall promptly inform the secretary or manager of the name and address of said vendee, Mortgagee, lessee, or tenant.

Section 6.7 Availability of Records. During normal business hours or under other reasonable circumstances, the Association shall make available to Unit Owners and Mortgagees, for inspection, current copies of the Declaration, Bylaws, other rules concerning the Condominium Project, amendments or supplements to such documents, and the books, records, financial statements and current operating budget of the Association. Upon written request, the Association shall make such documents, information and records available to such persons for duplication during reasonable hours. The Association may charge a reasonable fee for furnishing copies of such documents, information or records.

ARTICLE 7.

MAINTENANCE AND USE OF CONDOMINIUM PROPERTY

Section 7.1 Maintenance and Repair. Except as otherwise provided in Section 7.3 for damage or destruction caused by casualty:

(a) Units. All maintenance of and repairs to any Unit shall be made by the Owner of such Unit, who shall keep the same in good order, condition and repair and shall do all refurbishing, painting or other work which at any time may be necessary to maintain the good appearance and condition of its Unit. In addition, each Unit Owner shall be responsible for the maintenance, repair, or replacement of windows and doors and the forced air furnace, any plumbing, heating or air conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps, or other appliances and accessories that may be in or connected with such Owner's Unit.

(b) Common Areas. All maintenance, repairs and replacements to the Common Areas shall be made by the Association and shall be charged to all the Unit Owners as a Common Expense.

(c) Limited Common Areas. All maintenance, repairs and replacements to the Limited Common Areas shall be made by the Association and shall be charged to all Unit Owners as a common expense.

Section 7.2 Additions, Alterations or Improvements.

(a) A Unit Owner may make any improvements or alterations to such Owner's Unit that do not impair the structural integrity or mechanical systems of the Condominium Project or lessen the support of any portion of the Condominium Project.

(b) A Unit Owner shall make no repair or alteration or perform any other work on such owner's Unit which would jeopardize the soundness or safety of the Condominium Project, reduce its value, impair any easement or hereditament or increase the Common Expenses of the Association unless the consent of all the other Unit Owners affected is first obtained.

(c) A Unit Owner may not change the appearance of the Common Areas or Limited Common Areas or the exterior appearance of a Unit without permission of the Board of Directors.

Section 7.3 Damage or Destruction by Casualty of the Condominium Project. In the case of damage or destruction which affects a material portion of the Condominium Project, timely written notice shall be given to the Unit Owners and their Mortgagees and any eligible Mortgage insurer or guarantor and the following provisions shall apply:

(a) In the event of damage or destruction by casualty of Condominium Project property, the damage or destruction shall be repaired, reconstructed or rebuilt unless, within fourteen (14) days of such damage or destruction, the Board of Directors or more than ten percent (10%) of the Unit Owners shall have requested a special meeting of the Association. Such special meeting must be held within sixty (60) days of the date of damage or destruction. At the time of such meeting, unless Unit Owners holding ninety percent (90%) of the voting power, whether in person, by writing or by proxy, with the approval of Mortgagees as required by the Declaration, vote not to repair, reconstruct or rebuild the damaged property, the damage or destruction shall be repaired, reconstructed or rebuilt. If the damage or destruction is not repaired, reconstructed or rebuilt, then the property shall be removed from condominium ownership in the manner provided in the Act.

(b) The Association shall be responsible for repairing, reconstructing or rebuilding all such damage or destruction to the Common Areas and Limited Common Areas and, to the extent of the Association's insurance coverage and any deductible under such policies, all such damage or destruction to the Units. Each Unit Owner shall be responsible for such repairing, reconstructing or rebuilding of his Unit as is not so covered by the Association's insurance.

(c) If, due to the act or neglect of a Unit Owner, or of a member of such Owner's tenant, invitee, guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Areas or Limited Common Areas or to a Unit owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and

such maintenance, repairs and replacements as may be determined by the Association, to the extent not fully covered by the Association's insurance.

(d) In the event any portion of the insurance proceeds paid to the Association is not used to repair, reconstruct or rebuild the damaged or destroyed property, the Association shall distribute the proceeds among the Unit Owners and their Mortgagees (as their interests may appear) in the same proportion as Common Expenses are shared, unless the property is removed from the Condominium Project. If the property is removed from the Condominium Project, the insurance proceeds, together with the proceeds from the sale of the property, shall be distributed to the Unit Owners and their Mortgagees (as their interests may appear) in the manner described in the Act.

Section 7.4 Condemnation. If any portion of the Condominium Project is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition shall promptly be given to each Unit Owner and to each Mortgagee. The Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of any portion of the Common Areas or Limited Common Areas, and each Unit Owner appoints the Association to act as his attorney-in-fact for such purposes. All compensation, damages or other proceeds of the taking shall be payable to the Association and allocated and distributed as provided in this Section 7.4.

(a) Complete Taking. If the entire Common Area is taken, or if Unit Owners holding ninety percent (90%) of the voting power agree that such substantial portion of the Common Area has been taken as to make the Condominium Project obsolete, then the property shall be deemed removed from condominium ownership. In such event, any proceeds of the condemnation paid to the Association, together with any other proceeds upon sale of the remaining Common Areas, shall be distributed among the Unit Owners and their Mortgagees, as their interests may appear, in accordance with the provisions of the Act.

(b) Partial Taking. If less than the entire Common Area is taken and the Condominium Project is not determined to be obsolete as provided in paragraph (a) above, then as soon as practicable the Board of Directors shall, reasonably and in good faith, allocate the award, if any, among the Units in accordance with the reduction in the value of each Unit and its interest in the Common Areas, compared to the total reduction in value of all Units and their interest in the Common Areas. In the event any Unit Owner or Mortgagee objects to the allocation determined by the Board of Directors, the matter shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. The cost of such determination shall be paid out of the proceeds of the condemnation. Any portion of the award allocated to a Unit Owner under this paragraph shall be paid first to all Mortgagees and holders of liens on the Unit Owner's interest in accordance with the existing priorities, and the balance to the Unit Owner. If any reconstruction or repair is undertaken as a result of the condemnation, the Board of Directors may retain and apply such portion of each Unit Owner's share of the award as is necessary to discharge the Owner's liability for any special assessment arising from such reconstruction or repair.

Section 7.5 Restrictions and Requirements Respecting Use of Property. The following restrictions and requirements are in addition to all other restrictions and requirements contained in the Declaration and these Bylaws:

(a) Use. The Units shall be used solely for retail, office, warehouse and light manufacturing purposes. No Unit may be used for heavy manufacturing purposes, storage in bulk of junk, wrecked autos or secondhand materials.

(b) Use of Common Areas. The Common Areas shall be used for the furnishing of access, parking, services and facilities for which the same are reasonably intended, for the enjoyment of the Units. The use, operation and maintenance of the Common Areas shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner.

(c) Offensive or unlawful activities. No noxious or offensive activities shall be carried on in any Unit nor shall anything be done in or placed upon any Unit which interferes with or jeopardizes the enjoyment of other Units or the Common Areas. No unlawful use shall be made of the Condominium Project nor any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(d) Exterior equipment and devices. Subject to paragraph (e) below, except for such safety, security and lighting equipment and devices as shall be determined by the Board of Directors to be necessary and/or beneficial for the use and enjoyment of the Condominium Project, no equipment or devices shall be installed or maintained on or shall be affixed to the Common Areas or Limited Common Areas.

(e) Signs. No Unit Owner shall, without the prior written consent of the Association which shall not be unreasonably withheld, place or suffer to be placed or maintained (i) on any exterior door, wall or window of the Unit, or upon any door, wall or window of the Common Areas, any sign or advertising matter or other thing of any kind, or (ii) any decoration, lettering or advertising matter on the glass of any window or door of the Unit, or (iii) any advertising matter within the Unit which shall be visible from the exterior thereof. No "for sale" signs shall be displayed by any Unit Owner on any Unit or in any Common Areas without the prior approval of the Association.

(f) Leasing of Units. All leases shall be by written lease agreement, which shall provide that the terms of the lease shall be subject in all respects to, and the lessee shall comply in all respect with, the provisions of the Declaration and these Bylaws and the Rules, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. If the Board of Directors finds that a lessee has violated any provision of the Declaration, these Bylaws or the Rules, the Board may require the Unit Owner to terminate such lease.

(g) Trash. No part of any Unit or any part of the Common Areas or Limited Common Areas shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste except in sanitary containers inside the Units or at locations in the Common Areas as determined by the Association.

(h) Insurance. Nothing shall be done or kept in any Unit or in the Common Areas or Limited Common Areas which will increase the cost of insurance on the Common Areas or Limited Common Areas. No Owner shall permit anything to be done or kept in his or her Unit or in the Common Areas or Limited Common Areas which will result in cancellation of insurance on any Unit or any part of the Common Areas or Limited Common Areas.

(i) Hazardous Substances. All uses of any Unit or any part of the Common Areas or Limited Common Areas shall be in compliance with all state, federal and local laws and regulations governing or in any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal of any Hazardous Substance. "**Hazardous Substance**" includes: (i) any hazardous, toxic or dangerous waste, substance or material defined as such in (or for the purposes of) the Comprehensive Environmental Response, Compensation and Liability Act, as amended, and any so-called superfund or superlien law, or any other Environmental Law, including Environmental Laws relating to or imposing liability or standards of conduct concerning any hazardous or toxic waste, substance or material, (ii) asbestos or polychlorinated biphenyls, and (iii) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any federal, state, foreign or local governmental authority pursuant to any environmental law or any health and safety or similar law, code, ordinance, rule or regulation, order or decree, and which could reasonably pose a hazard to health and safety.

Section 7.6 Rules. The Board of Directors may adopt Rules governing the conduct of persons on and the operation and use of the Units and Common Areas and Limited Common Areas. The Rules, which shall not be inconsistent with the Declaration or these Bylaws, may be amended or modified from time to time by the Board of Directors, as it may deem necessary or appropriate in order to assure the continued peaceful and orderly use and enjoyment of the Condominium Project; provided, that any such adoption, modification or amendment of the Rules by the Board of Directors must be approved by vote of not less than sixty-seven percent (67%) of the voting rights held by Unit Owners present, in person or by proxy, at any meeting of Unit Owners, the notice of which shall have stated that such adoption, modification or revocation of Rules will be under consideration. A copy of the Rules initially adopted and each amendment, modification or revocation thereof shall be delivered by the secretary promptly to each Unit Owner and shall be binding upon all Unit Owners and occupants of all Units from the date of delivery.

Section 7.7 Abatement and Enjoining of Violations. The violation of any provision of the Declaration or these Bylaws, of any rule or regulation adopted pursuant to these Bylaws, or of any decision of the Association made pursuant to such documents, shall give the Board of Directors, acting on behalf of the Association, the right, in addition to any other rights set forth in these Bylaws, to do any or all of the following after giving notice and an opportunity to be heard:

(a) in the case of emergency or as reasonably necessary to protect the Common Areas or property of other Unit Owners, to enter the Unit in which or as to which such violation exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing, or condition that may exist contrary to the intent and meaning of such provisions, and the Board of Directors shall not thereby be deemed guilty of any manner of trespass; provided, however, that judicial proceedings shall be instituted before any items of construction may be altered or demolished;

(b) to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings; or

(c) to levy reasonable fines.

The offending Unit Owner shall be liable to the Association for all costs and attorneys' fees incurred by the Association, whether or not legal proceedings are instituted and including attorneys' fees on appeal or petition for review, together with any expense incurred by the Association in remedying the default, damage incurred by the Association or Unit Owners, or fines so levied. Such sums shall be assessed against the offending Unit as an assessment and enforced as provided in Article 5. In addition, any aggrieved Unit Owner may bring an action against such other Unit Owner or the Association to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

ARTICLE 8.

INSURANCE

Section 8.1 Types of Insurance. For the benefit of the Association and the Unit Owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the Common Expense funds, the insurance provided for in this Article 8.

Section 8.2 Property Damage Insurance.

(a) The Association shall maintain a policy or policies of insurance covering loss or damage from fire, with standard extended coverage and "all risk" endorsements, and such other coverages as the Board of Directors may deem desirable.

(b) The amount of the coverage shall be for not less than one hundred percent (100%) of the current replacement cost of the Units and Common Areas and Limited Common Areas (exclusive of land, foundation, excavation and other items normally excluded from coverage), subject to a maximum deductible of the lesser of \$10,000 or one percent (1%) of the policy amount.

(c) The policy or policies shall include all fixtures and building service equipment to the extent that they are part of the Common Areas and all personal property and supplies belonging to the Association, together with all fixtures, improvements and alterations comprising a part of each Unit.

(d) Such policy or policies shall name the Association as insured, and shall provide for loss payable in favor of the Association, as a trustee for each Unit Owner and each such Unit Owner's Mortgagee, as their interests may appear. The policies shall contain the standard mortgage clause, or equivalent endorsement (without contribution) which is commonly accepted by institutional mortgage investors in Utah.

Section 8.3 Liability Insurance.

(a) The Association shall maintain comprehensive general liability insurance coverage insuring the Association, the Board of Directors, the Unit Owners and the managing agent, against liability to the public or to the Owners of Units and of Common Areas and Limited Common Areas, and their invitees or tenants, incident to the operation, maintenance, ownership or use of the Condominium Project, including legal liability arising out of lawsuits related to employment contracts of the Association. There may be excluded from such policy or policies coverage of a Unit Owner (other than as a member of the Association or Board of Directors) for liability arising out of acts or omission of such Unit Owner and liability incident to the Ownership and/or use of the part of the property as to which such Unit Owner has the exclusive use or occupancy.

(b) Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) on a combined single limit basis.

(c) Such policy or policies shall be issued on a comprehensive liability basis and shall provide a cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.

Section 8.4 Workers' Compensation Insurance. The Association shall maintain workers' compensation insurance to the extent necessary to comply with any applicable laws.

Section 8.5 Fidelity Insurance.

(a) The Association may, in its discretion, maintain fidelity insurance for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. In the event the Association has retained a management agent, such agent may, in its discretion, maintain fidelity insurance for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association.

(b) The total amount of fidelity insurance coverage shall be determined by the Board of Directors.

(c) Such fidelity insurance shall name the Association as obligee and shall contain waivers by the issuers of the insurance of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The insurance shall provide that it may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association.

Section 8.6 Directors' and Officers' Liability Insurance. The Association may maintain, if available at a reasonable cost, a policy of directors' and officers' liability insurance with coverage in the amount of not less than One Million Dollars (\$1,000,000), subject to a reasonable deductible.

Section 8.7 Insurance by Unit Owners. Each Unit Owner shall be responsible for obtaining, at such Owner's expense, insurance covering his or her property not insured under Section 8.2 above and against his or her liability not covered under Section 8.3 above, unless the Association agrees otherwise.

Section 8.8 Other Insurance Requirements. Insurance obtained by the Association shall be governed by the following requirements:

(a) All policies shall be written with a company licensed to do business in the State of Utah which has a Best's rating of A or better and a financial size category of Class IX or higher, as designated in Best's Key Rating Guide.

(b) Notwithstanding the provisions of 8.1 above, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement, or any successor to such trustee. Such insurance trustee shall have exclusive authority to negotiate losses under any property or liability insurance policy. Each Unit Owner appoints the Association, or any insurance trustee or substitute trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance including: the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purchase. The Association or insurance trustee shall receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their first Mortgage holders, as their interests may appear.

(c) All property insurance policies shall contain a "Special Condominium Endorsement" or its equivalent providing for the following: recognition of any Insurance Trust Agreement, a waiver of the right of subrogation against Unit Owners individually, that the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Owners collectively, and that the policy is primary in the event the Unit Owner has other insurance covering the same loss.

(d) For purposes of this article, insurance policies are unacceptable where (i) under the terms of the insurance carrier's charter, Bylaws or policy, contributions or assessments may be made against the Association or Unit Owners, or (ii) by the terms of the carrier's charter, Bylaws or policy, loss payments are contingent upon action by the carrier's Board of Directors, policy holders or members, or (iii) policy includes any limiting clauses (other than insurance conditions) which could prevent the Owners from collecting insurance proceeds.

(e) All policies required by this article shall provide that they may not be canceled or substantially modified without at least 30 days' prior written notice to the Association and to each holder of a first Mortgage which is listed as a scheduled holder of a first Mortgage in the insurance policy. Evidence of insurance shall be issued to each Unit Owner and Mortgagee upon request.

(f) In the event requested or required by the Association's insurance carrier, each Unit Owner shall be required to notify the Board of Directors of all improvements made by the Owner to his or her Unit, the value of which is in excess of Three Thousand Dollars (\$3,000). Nothing in this paragraph shall permit an Owner to make improvements without first obtaining the approval of the Board of Directors if required pursuant to Section 7.2.

(g) Any Unit Owner who obtains individual insurance policies covering any portion of the property other than such Owner's personal property and fixtures shall file a copy of such individual policy or policies with the Association within thirty (30) days after the purchase of such insurance.

Section 8.9 Optional Provisions. The Board of Directors shall make every effort to secure insurance policies that will provide for the following:

(a) To the extent appropriate and available at reasonable cost, the Association shall maintain additional coverages against such other risks as are customarily covered with respect to projects similar in construction, location and use, including but not limited to, contractual and all-written contract insurance, employer's liability insurance, comprehensive automobile liability insurance, and an endorsement patterned after "use and occupancy" insurance providing relief from monthly assessments while a Unit is uninhabitable due to a covered loss.

(b) If reasonably available, the insurance policies shall include Inflation Guard Endorsement, and Construction Code Endorsements (such as a Demolition Cost Endorsement, a Contingent Liability from Operation of Building Laws Endorsement, and an Increased Cost of Construction Endorsement).

(c) Flood Insurance, if the Condominium Project is in a Special Flood Hazard Area.

(d) If reasonably available, the insurance policies shall include earthquake coverage.

ARTICLE 9.

AMENDMENTS TO BYLAWS

Section 9.1 How Proposed. Amendments to the Bylaws shall be proposed by either a majority of the Board of Directors or by Unit Owners holding fifty percent (50%) of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice

of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment.

Section 9.2 Adoption. A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the Unit Owners and may be approved by the Unit Owners at a meeting called for this purpose or by ballot vote. Any resolution must be approved by Unit Owners holding a majority of the voting rights and by Mortgagees to the extent required by the Declaration, except that any amendment relating to the use or leasing of Units or signage in the Condominium Project must be approved by Unit Owners holding sixty-seven percent (67%) of the voting rights.

Section 9.3 Execution and Recording. An amendment shall not be effective until certified by the president and secretary of the Association as being adopted in accordance with these Bylaws and the provisions of the Act and recorded as required by the Act.

ARTICLE 10.

MISCELLANEOUS

Section 10.1 Notices. All notices to the Association or to the Board of Directors shall be sent care of the person designated to receive service of process pursuant to the Declaration, which person may be changed from time to time by the Board of Directors, effective upon recordation as required by the Act. All notices to any Unit Owner shall be sent to such address as may have been designated by him from time to time, in writing, to the Board of Directors, or, if no address has been designated, then to the Owner's Unit.

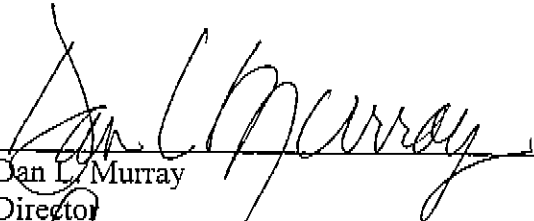
Section 10.2 Waiver. No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 10.3 Action Without a Meeting. Any action which the Act, the Declaration or the Bylaws require or permit the Owners or directors to take at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Owners or directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Owners or directors, shall be filed in the records of minutes of the Association.

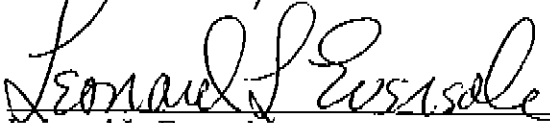
Section 10.4 Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used in these Bylaws, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

Section 10.5 Conflicts. These Bylaws are intended to comply with the Act and the Declaration. In case of any irreconcilable conflict, such statute and document shall control over these Bylaws or the Rules.


DATED this 15th day of January, 2002.



Dan L. Murray
Director




Leonard L. Eversole
Director



R. Fred Healey
Director



Don Koppenhefer
Director



Renard E. Richter
Director