

When Recorded Return to:

Don Norton
Far West Bank
201 East Center Street
Provo, Utah 84606



ENT 11276:2007 PG 1 of 31
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2007 Jan 23 2:06 pm FEE 72.00 BY VM
RECORDED FOR PAYSON CITY CORPORATION

DECLARATION OF CONDOMINIUM
OF
FARWEST BANK CONDOMINIUMS
A UTAH OFFICE CONDOMINIUM PROJECT

THIS DECLARATION, containing covenants, conditions and restrictions relating to Farwest Bank Condominiums, a Utah Condominium Project, is made on the date set forth at the end hereof by Far West Bank, a Utah corporation ("Declarant"), for itself, its successors, grantees and assigns, pursuant to Sections 57-8-1 *et seq.* of the Utah Code, as amended, known as the Condominium Ownership Act (the "Act").

RECITALS

A. Declarant is the owner of that certain real property, together with the improvements found thereon, located in Payson, Utah County, State of Utah, and described in Article II herein.

B. Declarant has constructed or will construct certain buildings and improvements on the Property in accordance with the plans and drawings set forth in the Record of Survey Map ("Map") filed concurrently herewith, consisting of three (3) sheets, prepared and certified by Kenneth E. Barney, Utah Registered Land Surveyor, associated with Northern Engineering, Inc.

C. Declarant desires by filing this Declaration and the aforesaid Record of Survey Map to submit the Property and the buildings and other improvements now constructed or to be constructed thereon to the provisions of the Act as a condominium project to be known as Farwest Bank Office Condominiums ("The Project").

D. Declarant desires and intends to sell fee title to the individual Units contained in the Project, together with undivided ownership interests in the Common Area and Facilities appurtenant thereto, to various purchasers, subject to the covenants, limitations, easements, and restrictions contained herein.

NOW, THEREFORE, for such purposes, Declarant hereby makes the following Declaration containing covenants, conditions, easements, and restrictions relating to this Project which, pursuant to the provisions of the Act, shall be enforceable equitable servitudes, where reasonable, and shall run with the land:

ARTICLE I
(Definitions)

1.01 Name of the Condominium Project. The name by which the Project shall be known is Farwest Bank Condominiums.

1.02 Definitions. When used in this Declaration each of the following terms shall have the meaning indicated:

(a) "Assessment" means any charge imposed by the Association, including common expenses on or against a unit owner pursuant to the provisions of the Declaration, bylaws contained herein, or the Act;

(b) "Association of unit owners" or "Association" means all of the unit owners acting as a group in accordance with the Declaration and Act;

(c) "Buildings" means any building, containing a unit or multiple units, described on the Map and comprising a part of the Property'

(d) "Common Areas" or "Common Areas and Facilities" unless otherwise provided in the Declaration or lawful amendments to the Declaration mean:

(i) The real property and interests in real property, which this Declaration submits to the Act, including the entirety of the Property and all lawns, landscaping, decorative gardens or fences, rockeries, outdoor lighting, sidewalks, walkways, parking lots and private ways located on the Property, but excluding all individual Units as defined herein;

(ii) All Common Areas designated on the Map or by the Act and all Limited Common Areas designated on the Map or by the Act;

(iii) All foundations, columns, beams, interior loadbearing walls, and supports of any Building;

(iv) Any halls, corridors, stairs, stairways, entrances, exits, and landings which are designated for the use of more than one Unit and which are not contained within one Unit;

(v) Those portions of the exterior walls of the Buildings (excluding glass in windows) beyond the exposed face of the dry wall on the Unit side of such walls; those portions of all walls which enclose Units and divide them from corridors, stairs or other Common Areas and which are located beyond the unfinished surface on the Unit side of such walls; those portions of all walls located between Units within the unfinished surfaces of such walls on either side thereof; the floors; and the roof;

(vi) All installations and equipment designed and intended to provide utility services for common use, including but not limited to telephone, electricity, gas, water, sewer, heat, ventilation and air conditioning (including all pipes, ducts, vents, wires, cables, and conduits designed and intended for common use in connection therewith), whether or not located within the horizontal or vertical boundaries of a Unit, but excluding from such

installations and equipment all parts thereof, and all items affixed or connected thereto, located within the exterior boundaries of a Unit and designed and intended for the sole use of such Unit;

(vii) All apparatus and equipment designed and intended for common use such as but not necessarily limited to pumps, motors, fans, clocks, compressors and control apparatus and equipment, whether or not located within the horizontal or vertical boundaries of a Unit, but excluding from such apparatus or equipment all parts thereof and all items affixed or connected thereto, located within the exterior boundaries of a Unit and designed and intended for the sole use of such Unit;

(viii) All cleaning and maintenance equipment and other personal property at any time leased, acquired, owned, or held by the Association for the common use or benefit of all owners; and

(ix) All other parts of the Project designed and intended for, or normally in, common use or necessary or convenient to the existence, maintenance, safety, or management of the Project.

(e) "Common expenses" mean:

(i) all sums lawfully assessed against the unit owners;

(ii) expenses of administration, maintenance, repair, or replacement of the Common Areas and Facilities;

(iii) expenses agreed upon as common expenses by the association of unit owners; and

(iv) expenses declared common expenses by the Act or by this Declaration or the Bylaws.

(f) "Common profits," unless otherwise provided in the declaration or lawful amendments to the declaration, means the balance of all income, rents, profits, and revenues from the common areas and facilities remaining after the deduction of the common expenses.

(g) "Condominium" means the ownership of a single unit in a multiunit project together with an undivided interest in common in the Common Areas and Facilities of the Property.

(h) "Condominium plat" means a plat or plats of survey of land and units prepared in accordance with Utah Code Ann. Section 57-8-13.

(i) "Condominium Project" or "Project" means the real estate development of the Project into unit or units within office buildings or structures, with other improvements to the Property.

(j) "Condominium unit" means a unit together with the undivided interest in the common areas and facilities appertaining to that unit. Any reference to a condominium unit includes both a physical unit together with its appurtenant undivided interest in the common areas and facilities.

(k) "Declarant" means all persons who execute the declaration or on whose behalf the declaration is executed. From the time of the recordation of any amendment to the Declaration, all persons who execute that amendment or on whose behalf that amendment is executed shall also come within this definition. Any successors of the persons referred to in this subsection, who come to stand in the same relation to the condominium project as their predecessors, also come within this definition.

(l) "Declaration" means this instrument by which the property is submitted to the provisions of the Utah Condominium Ownership Act, as it from time to time may be lawfully amended.

(m) "Limited common areas and facilities" means those common areas and facilities designated in this Declaration and in the Record of Survey Map as reserved for use of a certain unit to the exclusion of the other units.

(n) "Majority" or "majority of the unit owners," unless otherwise provided in this Declaration or lawful amendments to this Declaration, means the unit owners of more than 50% in the aggregate in interest of the undivided ownership of the common areas and facilities.

(o) "Management Committee" means the committee as provided in this Declaration charged with and having the responsibility and authority to make and to enforce all of the reasonable rules covering the operation and maintenance of the Property.

(p) "Par value" means a number of dollars or points assigned to each unit by this Declaration. Substantially identical units shall be assigned the same par value, but units located at substantially different heights above the ground, or having substantially different views, or having substantially different amenities or other characteristics that might result in differences in market value, may be considered substantially identical within the meaning of this subsection. If par value is stated in terms of dollars, that statement may not be considered to reflect or control the sales price or fair market value of any unit, and no opinion, appraisal, or fair market transaction at a different figure may affect the par value of any unit, or any undivided interest in the common areas and facilities, voting rights in the unit owners' association, liability for common expenses, or right to common profits, assigned on the basis thereof.

(q) "Person" means an individual, corporation, partnership, limited liability company, association, trustee, or other legal entity.

(r) "Property" means the land, whether leasehold or in fee simple, the building, if any, all improvements and structures thereon, all easements, rights, and appurtenances belonging thereto, and all articles of personal property

intended for use in connection therewith.

(s) "Unit" means a separate physical part of the Property intended for any type of independent use, including one or more rooms or spaces located in part of a floor in a building.

(t) "Unit number" means the number designating the Unit in this Declaration and in the record of survey map for the Project.

(u) "Unit Owner" means the person or persons owning a unit in fee simple and an undivided interest in the fee simple estate of the common areas and facilities in the percentage specified and established in this Declaration.

ARTICLE II (Submission of Project)

2.01 Submission to Condominium Ownership. Declarant hereby submits to the provisions of the Act the following described real property and improvements (the "Property") located in the City of Payson, County of Utah, State of Utah:

Commencing at a point North 00 deg. 18'38" West 1641.35 feet along the quarter section line and East 568.38 feet from a found brass monument marking the South quarter corner of Section 17, Township 9 South, Range 2 East, Salt Lake Base and Meridian; and running thence South 89 deg. 18'38" East 308.26 feet to a point of curvature of a 15.00 foot radius tangent curve to the right; thence Southeasterly along the arc of said curve 33.54 feet; said curve having a central angle of 128 deg.07'04" and a chord that bears South 25 deg. 15'06" East 26.98 feet; thence South 38 deg.48'25" West 319.33 feet; thence North 46 deg.46'35" West 177.02 feet; thence North 03 deg. 26'45" East 156.00 feet to the point of beginning.

Together with all easements, rights-of-way, and other appurtenances and rights incident thereto, appurtenant to, or accompanying the Property.

Reserving unto Declarant, however, such easements and rights of ingress and egress over, across, through and under the Property (including any improvements or Buildings now or hereafter constructed thereon) as may be reasonably necessary for Declarant: (i) to construct and complete each Building and all of the other improvements described in this Declaration or the Map and to do all things reasonably necessary or property in connection therewith; and (ii) to improve portions of the Property with such other or additional improvements, facilities, or landscaping designed for the use and enjoyment of the Unit Owners as Declarant may reasonably determine to be appropriate; and (iii) to park vehicles belonging to the employees and Owners of Unit A, Building 1, of the Project in parking spaces located Northwesterly or Southwesterly from Building 2.

2.02 Covenants to Run with the Land. This Declaration containing covenants, conditions, easements, and restrictions relating to the Project shall be enforceable equitable servitudes which shall run with the land and shall be binding upon and inure to the benefit of the Declarant and upon all Unit Owners or subsequent Unit Owners, their grantees, mortgages, successors, heirs, personal representatives, devisees and assigns.

2.03 Division into Units. The Project is hereby divided into three (3) Units as set on the Map. Each Unit includes an appurtenant undivided ownership interest, whether stated in the deed of conveyance or not, in the Common Areas as set forth in Exhibit "A" attached thereto and by this reference made a part hereof.

ARTICLE III (Improvements)

3.01 Description of Improvements. The significant improvements contained or to be contained in the Project include those described this paragraph. Declarant shall construct or has constructed two buildings substantially in accordance with the information contained in the Map and with the Plans and Specifications therefor. Each Unit has its separate mechanical apparatus room to service that unit. Restrooms are available in each Unit. All Buildings have a main floor and a basement level. A vestibule provides the main access to the Units in Building B. Each building shall have two floors. The Project will contain three (3) office condominium Units. The buildings will be constructed principally of exterior walls of brick frame with aluminum soffit and fascia and manufactured insulated windows, and interior walls and floors of wood studs, plywood and dry wall plaster. Thirty-nine parking stalls are available with the applicable number, as required by law, designated for handicapped parking.

3.02 Description and legal status of Units. The Map and/or Exhibit A hereto shows the Unit Number of each Unit, its location, those Limited Common Areas and Facilities, applicable to Units in Building B only, which are reserved for its use, and the Common Areas and Facilities. Each Unit shall be legally described and designated by a Unit Number. Units in the Project are office condominium Units. All Units shall be capable of being independently owned, encumbered and conveyed. Each Unit shall include that part of the building containing the Unit lying within the boundaries of the Unit, which boundary shall be determined in the following manner:

- i. The upper boundary shall be the place of the lower surface of the ceiling slab;
- ii. The lower boundary shall be the plane of the upper surface of the basement floor slab; and
- iii. The vertical boundaries of the Units in Building B shall be (i) the interior surface of the outside walls of the building bounding a Unit; (ii) the center-line of any non-bearing interior walls bounding a Unit; and (iii) the interior surface of any interior bearing walls bounding a Unit.

3.03 Improvements in Common Areas and Facilities. Except as otherwise provided in the Declaration, the Common Areas and Facilities shall consist of the areas and facilities described in the definitions and constitute in general all of the parts of the Property except the Units. Without limiting the generality of the foregoing, the Common Areas and Facilities shall include the following, whether located within the bounds of a Unit or not:

- i. All structural parts of the buildings including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;
- ii. Driveways, parking areas, lawns, shrubs, gardens, entrance and exit ways, and outside stairways;
- iii. Any utility pipe or line or system servicing more than a single Unit, and all ducts, wires, conduits, and other accessories used therewith;
- iv. All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map.
- v. The Limited Common Areas and Facilities herein described; and
- vi. All repairs and replacements of any of the foregoing.

3.04 Conveyance Description of Unit. Each conveyance and every other instrument affecting title to a Unit may describe it as follows:

Unit ____, Building ____, contained within Farwest Bank Condominiums, as the same is identified in the Record of Survey Map recorded in Utah County, Utah, as Entry No. _____ (as said Record of Survey Map may have heretofore been amended or supplementaed) and in the Declaration of Condominium of Farwest Bank Condominiums recorded in Utah County, Utah as Entry No. _____ (as said Declaration may have been heretofore amended or supplemented).

Together with the undivided ownership interest in and to the Common Areas and Facilities, which is appurtenant to said Unit as more particularly described in said Declaration (as said Declaration may have been heretofore amended or supplemented).

ARTICLE IV
(Nature and Incidences of Ownership)

4.01 Ownership of a Unit. Except with respect to any of the Common Areas and Facilities located within the bounds of a Unit, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and to the ownership of an undivided interest in the Common Areas and Facilities in the percentage expressed in Exhibit B.

4.02 Nature of and Restrictions on Ownership and Use. Each Unit Owner shall have and enjoy the rights and privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own office Units, it being intended that they may and shall be owned as any other property rights by persons, corporations, partnerships, limited liability companies, or trusts and in the form of common tenancy accepted in Utah. The Unit Owners may lease or rent their Units with their appurtenant rights subject to terms and conditions chosen solely by the Unit Owner and his lessee, except that all Unit Owners, their tenants and other occupants or users of the Project, shall be subject to the Act, this Declaration, the By-Laws, and all rules and regulations of the Association of Unit Owners and Management Committee.

4.03 Prohibition Against Subdivision of Unit. No Unit Owner, by deed, plat or otherwise, shall subdivide or in any manner cause the ownership of his Unit to be separated into physical tracts or parcels smaller than the whole Unit as shown on the Map except as permitted by Section 4.07.

4.04 Ownership of Common Areas and Facilities. The Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. No percentage of undivided ownership interest in the Common Area and Facilities shall be separate from the office Unit to which it appertains. Even though not specifically mentioned in the instrument of transfer, such a percentage of undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates. The Common Area and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units contained in the Project.

4.05 Use of Common Areas and Facilities. Except with respect to Limited Common Areas, each Unit Owner may use the Common Areas and Facilities in accordance with the purpose for which they are intended, but subject to this Declaration and the By-Laws. This right of use shall be appurtenant to and run with each Unit.

4.06 Computation of Undivided Interest. The percentage of undivided ownership interest in the Common Areas and Facilities which are appurtenant to each Unit has been computed by determining the ratio between the par value associated with such Unit (as set forth in Exhibit A) and the aggregate par values of all Units in the Project (with such minor adjustments in some or all of the resulting percentage interests as may have been necessary to assure that the total undivided interest respecting the Project equals 100%). Substantially identical Units have been assigned the same par value and the total of all undivided interests equals 100%. A Unit Owner's percentage of ownership interest in the

Common Area and Facilities shall be for all purposes, including voting and assessment of common expenses.

4.07 Alterations. If the boundaries between Units are altered or the number of Units increased, in the amendment related thereto, all Unit Owners shall reapportion the percentage of ownership in the Common Areas and Facilities which are allocated to the altered Units on the basis of the change in floor space which results from the boundary alteration.

4.08 Maintenance. Each Owner of an office Unit at his own expense shall keep the interior of such Unit and its fixtures and equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that the Management Committee is protected by insurance against such injury, the Unit Owner shall repair any injury or damage to any Unit, building or buildings caused by the act, negligence or carelessness of the Unit Owner or that of any tenant or subtenant or any member of the Unit Owner's family or of the family of any tenant or subtenant or any agent, employee or guest of the Owner or his tenant or subtenant and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the office Unit in good repair, the Unit Owner shall be responsible for the maintenance or replacement of any plumbing fixtures that may be in or connected with the Unit. Whether paid by the Association or a Unit Owner, each Unit Owner shall timely and completely contribute its share of the costs of maintaining the Common Areas.

4.09 Obligation to Comply with Declaration, Bylaws, Articles, Rules, and Regulations. Each Unit Owner, tenant, subtenant or other occupant of a Unit shall comply with the provisions of the Act, the Declaration, the By-Laws, the Articles and the rules and regulations, all agreements and determinations lawfully made and/or entered into by the Management Committee or the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof shall be grounds for an action by the Management Committee or other aggrieved party for injunction relief or to recover any loss or damage resulting therefrom.

ARTICLE V (Easements)

5.01 Easement for Common Areas. Each Unit shall be subject to such easements, as may be necessary for the installation, maintenance, repair or replacement of any Common Areas and Facilities located within the boundaries of such Unit.

5.02 Easement for Encroachment. In the event that, by reason of the construction, reconstruction, settlement or shifting of any part of a building, any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any part of any Unit or any part of the Common Areas and Facilities or any other Unit, valid easements for such encroachment and the maintenance of such encroachment are hereby established and

shall exist for the benefit of such Unit and the Common Areas and Facilities, as the case may be, so long as all or any part of the building containing any such Unit shall remain standing; provided, however, that in no event shall a valid easement or any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners as owners of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of such Unit Owner or Owners.

5.03 Easement for Ingress and Egress. Each Unit shall have appurtenant thereto and shall be benefited thereby a perpetual, non-exclusive right of way and easement for vehicular and pedestrian ingress and egress on, over and across the driveways, access ways, entrances and exits over the Common Areas as such are constructed and established from time to time. Such right of way and easement shall be limited to commercial use consistent with banking and professional office uses commonly found in first-class commercial complexes.

5.04 Easement for Parking. Parking in front of and adjacent to each building is reserved for the Unit Owner or Owners (or their tenants, guests and invitees) of that Building. Notwithstanding the foregoing, Declarant reserves parking for its employees, working in Building 1, who may perpetually and non-exclusively use parking located Northwesterly and Southwesterly of Building 2.

5.05 Easement for Utilities. All Unit Owners shall cooperate in granting and maintaining appropriate and necessary easements for the installation, repair, and replacement of utilities and other proper services necessary for the orderly development and operation of the Buildings located on the Property.

5.06 Easement for Signage. Subject to existing signage, each Unit Owner shall have the right to maintain signage on the Common Areas consistent with applicable local law and mores of the other Unit Owners.

5.07 Easement for Refuse Dumpster. The refuse dumpster shall be located and maintained as provided on the Map.

ARTICLE VI (Restrictions)

6.01 Purpose. The purpose of this Declaration is to restrict and govern the use of the Property to professional office and banking use only by the Owners, their tenants and guests, all in accordance with the provisions of the Act and this Declaration.

6.02 Restriction on Use. The Units and Common Areas and Facilities shall be used and occupied as follows:

- i. Each Unit shall be occupied and used by the Unit Owner, or its immediate tenants or guests, exclusively for business, banking and professional office use commonly found in first-class commercial complexes and consistent

with applicable law and for no other purpose. There shall be no overnight parking. Except for the use by Declarant, no other banking operation shall be conducted on the Property without the written consent of Declarant.

ii. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the buildings or contents thereof beyond that customarily applicable for office use, or will result in the cancellation of insurance on the buildings, or the contents thereof, without the prior written consent of the Management Committee. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Area and Facilities that is in violation of any law, ordinance or regulation of any governmental authority.

iii. Subject to 5.06, no Unit Owner shall cause or permit anything (including without limitation, a sign, awning, canopy, shutter, radio or television antenna) to hang, be displayed or otherwise affixed to or placed on the exterior walls or roof or any part thereof, or on the outside of window or doors, without the prior written consent of the Management Committee.

iv. No noxious or offensive activity shall be carried on in any Unit or in the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.

v. Nothing shall be done in any Unit or in, on, or to the Common Areas and Facilities which will impair the structural integrity of any building or any part thereof or which would structurally change any building or any part thereof except as otherwise provided herein.

vi. No animals of any kind shall be raised, bred or kept in any Unit or in the Common Areas or Limited Common Area and Facilities.

vii. The Common Areas and Facilities shall be kept free and clear of all rubbish, debris, and other unsightly materials.

viii. No admission fees, charges for use, leases or other income-generating arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas and Facilities without the prior written consent of all Unit Owners.

ARTICLE VII (Insurance)

7.01 Hazard Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force hazard insurance meeting the following requirement:

i. A multi-peril type policy covering the entire Condominium Project (both Unit and Common Areas and Facilities) shall be maintained. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage endorsement and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage specified in the policy, but not less than one hundred percent (100%) of the full insurable value (based upon replacement cost). Such policy shall include an "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent, and, if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent, and a "Contingent Liability from Operation of Building Laws Endorsement or its equivalent.

ii. The named insured under each policy required to be maintained by the foregoing items (i) shall be in form and substance essentially as follows: "Farwest Bank Condominium Owners Association, a nonprofit corporation, or its authorized representative, for the use and benefit of the individual Owners."

iii. Each such policy shall include the standard mortgage clause (without contribution) which either shall be endorsed to provide that any proceeds shall be paid to the Association of Unit Owners for the use and benefit of Mortgagees as their interests may appear or shall be otherwise endorsed to fully protect the interests of Mortgagees. In addition, the mortgage clause shall provide that the insurance carrier shall notify each Mortgagee, at least thirty (30) days in advance of the effective date, of any reduction in or cancellation of the policy.

iv. Each such policy shall provide that notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it is in conflict with any requirement of law or without the prior written approval of the Association.

7.02 Fidelity Insurance. The Management Committee or Association shall at all times maintain in force fidelity coverage against dishonest acts on the part of managers (and employees of managers), trustees, employees, officers, Committee members, or volunteers responsible for handling funds belonging to or administered by the Management Committee or Association of Unit Owners. The fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one hundred and fifty percent (150%) of the Project's estimated annual operating expenses, including reserves. Such fidelity bond or insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

7.03 Liability Insurance. Along with the Association, each Unit Owner (unless all Unit Owners agree otherwise) shall at all times maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such Insurance shall include a "Severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of other Owners, the Management Committee, or the Association of Unit Owners. The coverage afforded by such public liability insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. The limits of liability under such insurance shall not be less than \$1,000,000.00 for all claims for personal injury and/or property damage arising out of a single occurrence.

7.04 General Requirements Concerning Insurance. Each insurance policy or fidelity bond maintained pursuant to the foregoing Sections 7.01 through 7.03 shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Insurance Reports of its highest classification. No such policy or fidelity bond shall be maintained where: (1) under the terms of the carrier's charter, By-Laws, bond or policy, contribution may be required from, or assessments may be made against, a Unit Owner, a Mortgagee, the Management Committee, the Association of Unit Owners, a Unit, the Common Areas, or the Project; (2) by the terms of the carrier's charter, By-Laws, bond or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders, or member; (3) the bond or policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; or (4) the bond or policy provides that the insurance there under shall be brought into contribution with insurance purchased by the individual Unit Owners or their Mortgagees. Each such fidelity bond or policy shall provide that: (a) coverage shall not be prejudiced by any neglect of the Unit Owners when such act or neglect is not within the control of the Association of Unit Owners or the Management Committee; (b) coverage shall not be prejudiced by any failure by the Association or Committee to comply with any warranty or condition with regard to any portion of the Project over which the Association and Committee have no control; (c) coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to any and all insureds named therein, including any Mortgagee named as an insured; and (2) the insurer waives any right of subrogation it might have as to any and all claims against the Association, the Management Committee, any Unit Owner, and/or their respective agents, employees or tenants. If due to changed circumstances, excessive cost, or any other reason, any of the insurance coverage required to be obtained and maintained under Sections 18(a) through 18(c) hereof cannot reasonably be secured, with respect to such coverage the Association or the Committee shall obtain and maintain such substitute, different or other coverage as may be reasonable and prudent under the circumstances as they then exist.

7.04 Unit Insurance. Each Unit Owner shall, at his own expense, obtain and maintain in force at all times, policies of hazard and casualty insurance relative to his Unit's contents and if Building 1 the entire building.

ARTICLE VIII
(Damage, Destruction and Restoration)

8.01 Destruction or Damage. In the event of destruction or damage of part or all of the improvements in the Project, the following procedures of this Article shall apply subject to the rights of mortgage holders:

i. If less than 75% of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all of the Units shall be assessed for any deficiency on the basis of their respective appurtenant percentages of undivided ownership interest.

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

iii. If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within 100 days after the destruction or damage and by a vote of at least 75% of the entire undivided ownership interest in the Project, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Utah County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated (1953), as amended from time to time, shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

iv. Any reconstruction or repair, which is required to be carried out by this section, shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this section regarding the extent of damage to or destruction of Project improvements shall be made as follows: The Management Committee shall elect three MAI appraisers; each appraiser shall independently arrive at a figure representing the percentage of project improvements which have been destroyed or substantially damaged; the percentage which governs the application of the provisions of this section shall be the average of the two closest appraisal figures.

8.02 Common Area Damage. If proceeds of the insurance maintained by the Management Committee are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out.

ARTICLE IX
(Mortgages and Mortgagee Protection)

9.01 Priority of Mortgage over Association Lien. Except as provided in Section 12.03, the lien or claim against a Unit for unpaid assessments or charges levied by the Management Committee or by the Association pursuant to this Declaration shall be subordinate to the Mortgage affecting such Unit, and the Mortgagee thereunder which comes into possession of the Unit 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 foreclosure of the Mortgage, exercise of a power of sale available thereunder, or deed or assignment in lieu of foreclosure (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 shall be collected or enforced by either the Management Committee 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 interested in such Unit).

9.02 General Mortgagee Protection. Unless the same percentage of Mortgagees as required for Owners of the individual Units have given their prior written approval, neither the Management Committee nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

- i. To abandon or terminate the Project or to abandon or terminate the arrangement, which is established by this Declaration and the Map (except as provided in Article VIII hereof in the event of certain destruction or damage);
- ii. To partition or subdivide any Unit;
- iii. To abandon, partition, subdivide, encumber, sell or transfer all or any part of the Common Areas and Facilities (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas and except as provided in Article VIII hereof in the event of certain destruction or damage);
- iv. 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 in Article VIII hereof in the event of certain destruction or damage;
- v. To change the pro rata interests or obligations of any Unit which apply for (a) purposes of levying assessments or charges or allocating distributions of hazard

insurance proceeds or condemnation awards and for (b) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities; or

vi. To alter the provisions of Article VIII 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.

9.03 Right to Examine. Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the management Committee, of the Association of Unit Owners, or of the Project. From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owner therefore, the Committee 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 Committee, the Association, or the Unit Owners.

9.04 Notice of Damage. If substantial damage to or destruction of any Unit or any part of the Common Areas occurs, the Mortgagee of any Unit shall be entitled to timely written notice of any such damage or destruction. No Owner or other party shall be entitled to priority over such Mortgagee with respect to the distribution to such Unit Owner or other party of any insurance proceeds.

9.05 Notice of Default. The Management Committee or the Association shall provide written notice to any Mortgage of any Owner's failure to perform any obligation under this Declaration within thirty (30) days of its due date.

ASSOCIATION BYLAWS

Pursuant to Utah Code Ann. Section 57-8-15 of the Act, the Association's Bylaws are hereby embodied in this Declaration as Articles X, XI and XII. The General Provisions of Article XIII of this Declaration shall be applicable to both the Declaration and Bylaw provisions.

ARTICLE X

(Bylaws for the Management Committee)

10.01 Purpose of Powers. The business, property and affairs of the Condominium Project shall be managed and governed by the Management Committee which for purposes of the Utah Nonprofit Corporation and Cooperative Association Act shall be the same as the "Governing Board" as used in said Act.

10.02 Election. The Management Committee shall be elected as provided in the Declaration.

10.03 Vacancies. Vacancies on the Management Committee shall be filled as provided in the Declaration.

10.04 Regular Meetings. A regular annual meeting of the Management Committee shall be held immediately after the adjournment of each annual meeting of the Unit Owners. Regular meeting, other than the annual meeting, shall or may be held at regular intervals at such place and at such times as either the president or the Management Committee may from time to time designate.

10.05 Special Meetings. Special Meetings of the Management Committee shall be held whenever called by the president, vice president, or by two members. By unanimous consent of the Management Committee, special meetings may be held without call or notice at any time or place.

10.06 Quorum. A quorum for the transaction of business at any meeting of the Management Committee shall consist of a majority of the members of the Management Committee then in office.

10.07 Compensation. Members of the Management Committee as such, shall not receive any stated salary or compensation; provided that nothing herein contained shall be construed to preclude any member of the Management Committee from serving the Project in any other capacity and receiving compensation therefore.

10.08 Waiver of Notice. Before or at any meeting of the Management Committee, any member thereof, may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Management Committee at any meeting thereof shall be a waiver of notice by him of the time and place thereof.

10.09 Adjournments. The Management Committee may adjourn any meeting from day to day or for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty (30) days.

10.10 Management Committee. The business, property and affairs of the Project shall be managed, operated and maintained by the Management Committee of the Association. The Management Committee of the Association shall have, and is hereby granted, the following authority and powers:

i. The authority, with the vote or consent of the Unit Owners or of any other person(s), to grant or create, on such terms as it deems advisable, utility and similar easements, over, under, across and through the Common Area and Facilities; and work performed pursuant to such easements must be done in a workmanlike manner and any damage to the interior structure or décor of a Unit must be repaired;

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

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

iv. The power and authority to convey or transfer any interest in real property, so long as any vote or consent necessary under the circumstances has been obtained;

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

vi. The power and authority to add any interest in real property obtained pursuant to sub-paragraph (v) above to the Condominium Project, so long as such action has been authorized by the necessary vote or consent.

vii. The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the project is maintained and used in a manner consistent with the interests of the Unit Owners; and

viii. The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent for the Unit Owner.

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

10.11 Composition of Management Committee. The Committee shall be composed of three (3) members. At the first regular Association meeting one (1) Committee member shall be elected for three-year term, one (1) Committee member shall be elected for two-year term and one (1) Committee member for a one-year term. At each annual Association meeting thereafter any vacant seat on the Committee shall be filled with a member elected for a three-year term. Only Unit Owners and officers and agents of Owners other than individuals shall be eligible for Committee membership. At the annual meeting the percentage of undivided ownership interest appurtenant to a Unit may be voted in favor of as many candidates for Committee membership as there are seats on the Committee to be filled; provided, however, no meeting shall occur until the annual Owners meeting held on the second Tuesday in January, 2007, or until Units to which an aggregate of at least three-fourths (3/4) of the undivided Ownership interest in the Common Areas and Facilities appertain have been conveyed by Declarant, whichever occurs first (hereinafter referred to as the "Event"). Declarant alone shall be entitled to select two (2) of the original three (3) Committee members. Notwithstanding the foregoing limitations, until the first annual meeting of the Owners, the members of the

Committee, although numbering less than three (3), shall be the following persons and each shall hold the office indicated opposite his name: Dee Thatcher, President; Ryan Livingston, Secretary, Treasurer.

Any Committee member who fails on three successive occasions to attend Committee meetings (whether regular or special) or who has failed to attend at least 25% of all Committee meetings (whether regular or special) held during any twelve-month period shall automatically forfeit his seat. In the event a Committee seat, which was filled by Declarant, becomes vacant prior to the Event, whether by reason of forfeiture or due to another cause, Declarant shall select a replacement member to sit on the Committee for the balance of the term associated with the vacated seat. In all other cases of vacancy the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected. Unless he forfeits or otherwise loses his seat as herein provided, a member shall serve on the Committee until his successor is elected and qualifies. Committee members shall be reimbursed for all expenses reasonably incurred in connection with Committee business.

10.12 Responsibility. The Management Committee shall be responsible for the control, operation and management of the Project in accordance with the provisions of the Act, this Declaration, such administrative, management and operational rules and regulations as it may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by said Committee.

10.13 Name. The Management Committee shall be known as the Management Committee of Farwest Bank Condominium Owners Association.

10.14 Manager. The Committee may carry out through a Project Manager any of its functions, which are properly the subject of delegation. Any Manager so engaged shall be an independent contractor and not an agent or employee of the Association, shall be responsible for managing the Project for the benefit of the Association and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Association, be authorized to perform any of the function or acts required or permitted to be performed by the Management Committee itself. Any agreement for professional management of the Project which may be entered into by the management Committee or the Association shall call for a term not exceeding three (3) years and shall provide that for cause such management agreement may be terminated by the Management Committee or by the Association upon not in excess of ninety (90) days written notice.

10.15 Change in Ownership. The Management Committee shall maintain up-to-date record showing the name of each person who is an Owner, the address of such person, and the Unit, which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the Management Committee with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of

the County Recorder of Utah County, Utah. The Management Committee may for all purposes act and rely on the information concerning Owners and Unit ownership which is thus acquired by it or, at its option, the Management Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Utah County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such person unless the Management Committee is otherwise advised.

10.16 Eminent Domain. In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of Section 57-8-32.5 of the Utah Code Annotated (1953), as amended from time to time, shall apply. The Management Committee shall give written notice of such proceedings to all Mortgagees of record. No first lien priority of any Mortgagee shall be diminished or otherwise disturbed by virtue of such proceedings.

10.17 Maintenance of Common Area. Except as hereinafter provided, the Management Committee shall provide for such maintenance and operation of the Common Areas and Facilities and of the Limited Common Areas and Facilities as may be reasonably necessary to keep them clean, functional, attractive and generally in good condition and repair. The Management Committee shall have no obligation to maintain the interior of the office Units. The Management Committee shall be responsible for the maintenance, control, operation and management of the Condominium Project in accordance with the provisions of the Act, the Declaration under which the Condominium Project was established and submitted to the provisions of the Act, these By-Laws and such rules and regulations as the Association of Unit Owners may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by the Association of Unit Owners.

10.18 Right of Entry. The Management Committee and its duly authorized agents shall have the right to enter any and all of the Units and the Limited Common Areas appurtenant thereto in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the Unit Owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of the Units and Limited Common Areas at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project or for the purpose of performing emergency installations, alternations or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other Units in the Project; and provided further, that the Unit Owner affected by such entry shall first be notified thereof if available and if time permits.

10.19 Administrative Rules and Regulations. The Management Committee shall have the power to adopt and establish by resolution, such building management and operational rules as it may deem necessary for the maintenance, operation, management and control of the Project. The Committee may, from time to time by resolution, alter,

amend and repeal such rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the Unit Owners, such amendment, alteration or provision shall be taken to be a part of such rules. Unit Owners shall obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision. It is understood that such rules shall apply and be binding upon all Unit Owners, tenants, subtenants or other occupants of the Units.

10.20 Rules. The Management Committee shall have the power to adopt and establish, by resolution, such building, management and operational rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Condominium Project, and the Management Committee may from time to time, by resolution, alter, amend, and repeal such rules and regulations. Unit Owners shall at all times obey such rules and regulations and use their best efforts to see that they are faithfully observed by their lessees and the persons over whom they have or may exercise control or supervision, it being clearly understood that such rules and regulations shall apply and be binding upon all Unit Owners of the Condominium Project. Provisions of the Act pertaining to rules and regulations are incorporated herein by reference and shall be deemed a part hereof.

ARTICLE XI

(Bylaws for Association Voting, Meetings and Officers)

11.01 Place of Meetings. Meetings of the Association shall be held at such place within the State of Utah as the Management Committee may specify in the notice, except as herein otherwise specified.

11.02 Annual Meetings. The first annual meeting of the Association shall be held at the Project on the second Tuesday in January, 2007. Thereafter, the annual meetings shall be held on such day of each succeeding year; provided, however, that whenever such date falls on a legal holiday, the meeting shall be held on the next succeeding business day, and further provided that the Management Committee may by resolution fix the date of the annual meeting on such date or at such other place as the Management Committee may deem appropriate.

11.03 Special Meetings. Special Meetings of the Association may be called at any time by the Management Committee or by Unit Owners who collectively hold at least thirty (30) percent of the total vote. Such meeting shall be held on the Project or such other place as the Management Committee may specify and the notice thereof shall state the date, time and matters to be considered.

11.04 Notice. Written or printed notice stating the place, day and hour of all meetings of the Association and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days before the date of the meeting, either personally or by mail to each Unit Owner. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage

thereon prepaid, addressed to the member at his address as it appears on the records of the Association.

11.05 Quorum. At any meeting of the Association, the Owners of more than fifty (50) percent in the aggregate of interest in the undivided ownership of the Common Areas and Facilities shall constitute a quorum for any and all purposes, except where express provisions of these By-Laws, the Articles of Incorporation or the Declaration of Condominium require a vote of more than fifty (50) percent of the Association, in which event a quorum shall be the percentage of interest required for such vote. In the absence of a quorum the chairman of the meeting may adjourn the meeting from time to time, without notice other than by announcement at the meeting, until holders of the amount of interest requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally notified.

11.06 Voting. When a quorum is present at any meeting, the vote of the Unit Owners representing more than fifty (50) percent of the undivided interest present at the meeting either in person or represented by proxy, shall decide any question of business brought before such meeting, including the election of the Management Committee, unless the question is one upon which, by express provision of the Declaration or these By-laws, a greater vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast either in person or by proxy. All proxies shall be in writing, and in the case of proxies for the annual meeting, they shall be delivered to the secretary a least five (5) days prior to said annual meeting. Proxies for special Unit Owners' meetings must be of record with the secretary at least two days prior to such special meeting.

11.07 Voting-Multiple Ownership. The vote attributable to and exercisable in connection with a Unit shall be the percentage of undivided ownership interest in the Common Areas and Facilities, which is appurtenant to such Unit. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

11.08 Waivers of Notice. Any Unit Owner may at any time waive any notice required to be given under these By-Laws, or by statute or otherwise. The presence of a Unit Owner in person at any meeting of the Unit Owners shall be deemed such waiver.

11.09 Consent in Lieu of Vote. In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit

Owners who collectively hold at least the stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this section:

- a. All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner;
- b. Any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose; and
- c. Unless the consent of all Owners having an interest in the same Unit are secured, the consent of none of such Owners shall be effective.

11.10 Designation and Election. The principal officers of the Management Committee shall be a president, a vice president, a secretary, and a treasurer, all of whom shall be elected by and from the Management Committee. The Management Committee may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary or desirable. Such election or appointment shall regularly take place at the first meeting of the Management Committee immediately following the annual meeting of the Unit Owners; provided, however, that elections of officers may be held at any other meeting of the Management Committee.

11.11 Other Officers. The Management Committee may appoint such other officers, in addition to the officers hereinabove expressly named, as they shall deem necessary, who shall have authority to perform such duties as may be prescribed from time to time by the Management Committee.

11.12 Removal of Officers and Agents. All officers and agents shall be subject to removal, with or without cause, at any time by the affirmative vote of the majority of the then members of the Management Committee.

11.13 President. The president shall be the chief executive of the Management Committee, and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Project all conveyances, mortgages and contracts of material importance to its business, and shall do and perform all acts and things which the Management Committee may require of him. He shall preside at all meetings of the Unit Owners and the Management Committee. He shall have all of the general powers and duties which are normally vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members (or otherwise) from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium Project.

11.14 Vice President. The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Management Committee shall appoint some other member thereof to do so on an interim basis. The vice president shall also

perform such other duties as shall from time to time be prescribed by the Management Committee.

11.15 Secretary. The secretary shall keep the minutes of all meetings of the Management Committee and of the Unit Owners. He shall also have charge of the books and papers as the Management Committee may direct. Further, he shall in general perform all the duties incident to the office of secretary.

11.16 Treasurer. The treasurer shall have the responsibility for the funds and securities of the Management Committee and shall be responsible for keeping full and accurate account of all receipts of all disbursements in books belonging to the Management Committee. He shall be responsible for the deposit of all monies and all other valuable effects in the name, and to the credit of, the Management Committee in such depositories as may from time to time be designated by the Management Committee.

11.17 Compensation. No compensation shall be paid to the officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Management Committee in any other capacity, unless the Management Committee shall adopt a resolution authorizing such remuneration before the services are undertaken.

ARTICLE XII (Bylaws for Assessments)

12.01 Assessments. Every Unit Owner shall pay his proportionate share of the common expenses. Payment thereof shall be in such amounts and at such times as the Management Committee determines in accordance with the Act, the Declaration or the By-Laws. There shall be a lien for nonpayment of common expenses as provided by the Act. No assessment for a single improvement in the nature of a capital expenditure which exceeds the sum of \$1,000 shall be made without the same having been first voted on and approved by at least a majority of the Project's undivided ownership interest.

12.02 Taxes. It is understood that under the Act each Unit, together with its percentage of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law. Each Unit Owner will, accordingly, pay and discharge any and all taxes, which may be assessed against his Condominium Unit.

12.03 Payment of Expenses; Liens for Non-Payment.

d. Each Unit Owner shall pay the Management Committee his allocated portion of the cash requirement deemed necessary by the Management Committee to manage and operate the Project, upon the terms, at the time, and in the manner herein provided without any deduction on account of any set-off or claim which

the Owner may have against the Management Committee or Association. Each installment shall be due on or before the first day of each month. If the Unit Owner shall fail to pay any installment within five (5) days of the time when the same becomes due, the Owner shall pay a late charge of twenty percent (20%) of all fees due and in the event such default is not cured within ten (10) days, a late charge of forty percent (40%) of all fees due, together with all costs and expense, including attorney's fees, incurred in any proceedings brought to collect such unpaid common expense.

e. The cash requirements above referred to for each year, or portions of the year, are hereby defined and shall be deemed to be such aggregate sum as the Management Committee from time to time shall determine, in its judgment, is to be paid by all the Owners of the Project. The cash requirements shall enable the Management Committee to pay all estimated expenses and outlays of the Management Committee to the close of such year. The expenses to maintain and operate the Project may include, among other things, the cost of management, special assessments, fire, casualty, flood, fidelity, public liability and other insurance or bond premiums, common lighting, landscaping, and the care of the grounds, repairs and renovations to Common Areas and Facilities, snow removal, water charges, utility services (except telephone and other services which are separately billed or metered to the individual Units by the utility or party furnishing such service), legal and accounting fees, management fees, expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the Project. The Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so filed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the cash requirements for any year, any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in the cash requirements for a previous year, but were not included therein, and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

f. The portion payable with respect to each Unit in and for each year or for a portion of a year shall be a sum equal to the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid, multiplied by the percentage of undivided interest in the Common Areas and Facilities appurtenant to such Unit, as shown in Exhibit A. Such assessments, together with any additional sums accruing under this Declaration, shall be payable monthly in advance, or in such payments and installments as shall be provided by the Management Committee.

g. The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Condominium Project and to determine the cash requirements of the Management Committee to be paid as aforesaid by the Owners under this Declaration. Every such reasonable determination by the management Committee within the bounds of the Act, and this Declaration shall be final and conclusive to the Owners, and any expenditures made by the Management Committee, within the bounds of the Act and this Declaration shall as against the Owner be deemed necessary and properly made for such purpose.

h. If an Owner shall at any time let or sublet his Unit and shall default for a period of one month in the payment of any assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the Owner occupying the Unit the rent due or becoming due and payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant or sub-tenant and the Owner to the extent of the amount so paid.

i. Each monthly assessment and each special assessment shall be separate, distinct and personal obligations of the Owner(s) of the Unit against which the same is assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid common expenses may be maintained without foreclosing or waiving the following lien securing the same: the amount of any assessment, whether regular or special, assessed to a Unit plus interest at ten percent (10%) per annum and costs, including reasonable attorney's fees, shall become a lien upon such Unit upon recordation of a notice of assessment as provided by the Act. The said lien for non-payment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

i. Tax and special assessment liens on the Unit in favor of any assessment unit, and special district; and

ii. Encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

j. A certificate executed and acknowledged by the Manager or Management Committee stating the unpaid common expenses then outstanding with respect to a Unit shall be conclusive upon the Management Committee and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or prospective Owner of a Unit upon request at a reasonable fee not to exceed Fifteen Dollars (\$15.00). Unless the request for a certificate of indebtedness shall be complied within ten (10) days, all unpaid common expenses which became due prior to the date of making of such request

shall be senior to the lien or interest held by or obtained by the person making the request. Any encumbrance holding a lien on a Unit and upon such payment such encumbrance shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance.

k. Upon payment of delinquent assessments concerning which a notice of assessment has been recorded or other satisfaction thereof, the Management Committee shall cause to be recorded in the same manner as the notice of assessment a further notice stating the satisfaction and release of the lien thereof. Such lien for nonpayment of assessment may be enforced in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any manner permitted by law. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fee.

l. In the event of foreclosure, the Management Committee or Manager shall have the power to bid on the Unit at foreclosure or other sale and to hold, lease, mortgage (with a $\frac{3}{4}$ consent of the Owners) and convey the Unit once acquired.

12.04 Reserves. To the extent the same is reasonably possible and practical and is not inconsistent with the significant interests of the Association, the Management Committee and the Association shall establish an adequate reserve to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

12.05 Mortgagees. From and after the time a Mortgagee makes written request to the Management Committee or the Association, the Committee or the Association shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or taking or anticipated condemnation of: (a) The Common Areas involving an amount in excess of, or reasonably estimated to be in excess of Ten Thousand Dollars (\$10,000.00); or (b) any Unit involving an amount in excess of, or reasonably estimated to be in excess of Ten Thousand Dollars (\$10,000.00). Said notice shall be given within ten (10) days after the Management Committee or said Association learns of such damage, loss, taking or anticipated condemnation.

12.06 Books and Accounts. The books and accounts of the Management Committee shall be kept under the direction of the treasurer, and in accordance with the reasonable standards of accounting procedures.

12.07 Report. At the close of each accounting year, the books and records of the Management Committee shall be reviewed by a person or firm approved by the Unit Owners. Report of such review shall be prepared and submitted to the Unit Owners at or before the annual meeting of the Unit Owners. Provided, however, that a certified audit by a certified public accountant approved by the Unit Owners shall be made if Owners

representing at least seventy-five (75) percent of the undivided interest in the Common Areas and Facilities determine to require the same.

12.08 Inspection of Books. All books and records at the Association shall be available at the principal office of the Management Committee and may be inspected by any Unit Owner or his agent or attorney, for any proper purpose at any reasonable time.

12.09 Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Association against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Committee. The foregoing indemnification shall not apply if the loss, expense or liability involved resulted from the willful misconduct, gross negligence or other intentional act of the member.

ARTICLE XIII (General Provisions)

13.01 Enforcement. Each Unit Owner shall comply strictly with the provisions of this Declaration, the Bylaws, the administrative rules and regulations, and the decisions adopted pursuant to this Declaration. Defaulting Unit Owners shall pay all costs and expenses incurred in enforcing the provisions hereof, including reasonable attorney's fees and costs and monies paid and due for damages and injunctive relief, or both, maintainable by the Management Committee on behalf of the Association, or in a proper case, by an aggrieved Unit Owner.

13.02 Party Wall. Each dividing wall separating the Units in Building 2 shall constitute party wall. The general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

13.03 Agent for Service of Process. Don Norton, whose address is 201 East Center Street, Provo, Utah 84606, is designated initially as the person to receive service of process in cases authorized by the Act; provided, however, that the Management Committee shall have the right to appoint a successor agent for service of process who shall be a resident of Utah.

13.04 Severability. The invalidity of any one or more phrases, sentences, subparagraphs, paragraphs, subsections or sections hereof shall not affect the remaining portions of this instrument or any part there, and in the event that any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or paragraphs, subsection or subsections or section or sections had not been inserted.

13.05 Declarant's Rights Assignable. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any mortgage given by Declarant covering all Condominium Units in the Project, automatically covers, encumbers, and includes all of the then unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to Declarant (in its capacity as Declarant) herein.

13.06 Lease of Units. No Unit Owner shall be permitted to lease his unit for transient or hotel purposes. No Unit Owner may lease less than the entire Unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the By-Laws attached hereto as Exhibit "A", and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing. Other than the foregoing, there shall be no restriction on the right of any Unit Owner to lease his unit.

13.07 Gender. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

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

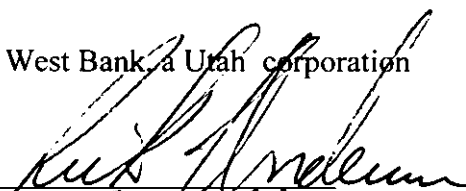
13.09 Topical Headings. The topical headings contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

13.10 Amendment. This Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of not less than two-thirds (2/3) of the undivided interest in the Common Areas and Facilities. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee or all Unit Owners. In any amendment the Committee shall certify that the vote or consent required by this Section has occurred.

13.11 Effective Date. This Declaration shall take effect upon recording.

IN WITNESS WHEREOF, the Declarant has executed this Declaration this 22 day of Dec, 2006.

Far West Bank, a Utah corporation

By 
Its Exec. V.P. & CFO

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this 22 day of December, 2006, by Rick Anderson, the CFO of Far West Bank, a Utah corporation.

My Commission Expires:
1-29-09

Janet M. Lunt
NOTARY PUBLIC
Residing: Payson

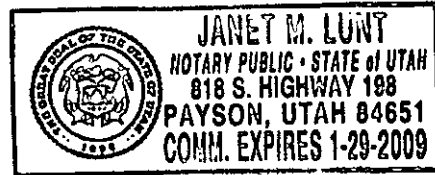


EXHIBIT "A"

FARWEST BANK CONDOMINIUMS
Payson, Utah

UNITS, SIZE, UNDIVIDED PERCENTAGE OWNERSHIP INTERESTS, & VOTES

<u>Unit No.</u>	<u>Building</u>	<u>Size (Sq. Ft.)</u>	<u>Percentage</u>	<u>Votes</u>
A	1	4453	56.92	57.00
B	2	1685	21.54	21.50
C	2	1685	21.54	21.50