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**HOLLADAY HILLS
BLOCK D**

**DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
RESIDENTIAL CONDOMINIUMS**

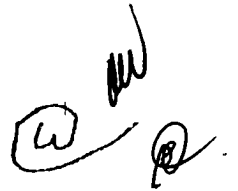


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**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
RESIDENTIAL CONDOMINIUMS**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR RESIDENTIAL CONDOMINIUMS (this "Residential Declaration") is made as of NOV. 23, 2022 ("Effective Date"), by **HOLLADAY HILLS BLOCK D L.L.C.**, a Delaware limited liability company (the "Declarant" or "Project Owner").

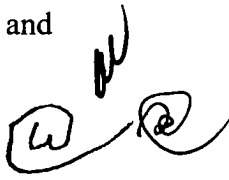
RECITALS

A. The Project Owner is the owner of the Project Property located in the County and more particularly described on Exhibit A attached hereto and is developing a mixed-use commercial, retail, residential, and multi-family project on the Project Property. Capitalized terms utilized but not otherwise defined in this Residential Declaration shall have the same meanings set forth in the Master Definitions attached hereto as Exhibit D or as otherwise set forth in the Master Declaration (as defined below).

B. The Project Owner desires to develop a sixteen (16) unit residential condominium project on the fifth (5th) floor or level of the Project Property, which applicable portions of the Project Property consists of a portion of the Residential Parcel, being more particularly described on Exhibit B attached hereto and made a part hereof. The Residential Parcel, among other things, contains sixteen (16) separate condominium "Units" (as this term is defined in the Master Definitions). In addition, the Project Owner desires to develop sixteen (16) separate garage units on the second (2nd) level of the parking facility for the Project (collectively, the "Garage Units"), which Garage Units are included as part of the Residential Parcel, and are more particularly described on Exhibit B attached hereto and made a part hereof.

C. The Project Property, including the Residential Parcel, the Units, and the Garage Units, will be subject to the terms and conditions of that certain Declaration of Easements, Covenants, Conditions, and Restrictions for Commercial and Rental Project (Block D), as amended or supplemented from time-to-time ("Master Declaration"), which is recorded against the entirety of the Project Property. This Residential Declaration is designed to complement the Master Declaration and shall be recorded against and apply only to the Residential Parcel, the Units, and the Garage Units. This Residential Declaration shall not apply to any of the Rental Parcels and the Commercial Parcels (as these terms are defined in the Master Declaration) and any other improvements or portions of the Project Property, unless otherwise stated in this Residential Declaration and otherwise permitted by the Master Declaration.

D. By this Residential Declaration, it is the intention of Project Owner to establish a common scheme and plan for the use, enjoyment, repair, maintenance, restoration, and improvement of the Residential Parcel, the Units, and the Garage Units, and the interests therein conveyed or reserved, and for the payment of taxes, assessments, insurance premiums, and other expenses pertaining thereto. Project Owner intends that the owners, mortgagees, occupants, and all other persons hereafter acquiring any interest in each of the Residential Parcel, the Units, and



the Garage Units, or any portions thereof, shall at all times enjoy the benefits of, and shall hold, sell, lease, and convey their interests subject to the rights, easements, covenants, conditions, restrictions, and obligations hereinafter set forth, all of which are hereby declared to be in furtherance of a general plan to promote and protect the cooperative aspect of the Residential Parcel, the Units, and the Garage Units and are established for the purpose of enhancing the value, desirability, and attractiveness of the Residential Parcel, the Units, and the Garage Units. Project Owner intends that, in accordance with Section 57-8-10(2)(d)(vi) of the Act, the Act shall apply to the Residential Parcel, the Units, and the Garage Units. In addition, in order to accomplish the object of creating a mixed-use commercial, retail, residential, and multi-family project on the Project Property and one or more condominium regimes on a portion thereof, and to protect and preserve the long-term viability and value of the Project, it is necessary that Project Owner maintain a certain level of control over the Residential Parcel, the Units, and the Garage Units that may be atypical to that found in a traditional condominium project. Accordingly, each Unit Owner, by acceptance of a deed or otherwise acquiring title to (or control over) such Unit Owner's respective Unit and Garage Unit, acknowledges and agrees that certain provisions contained in this Residential Declaration and the Master Declaration may vary from a traditional application of the requirements of the Act and each Unit Owner hereby acknowledges and agrees to accept such variations and agrees not to challenge the enforceability of the Governing Instruments or the validity of the condominium regime or regimes established by this Residential Declaration and/or the Master Declaration as a result of such variations.

NOW, THEREFORE, in furtherance of such intent, Project Owner hereby declares that the Residential Parcel, the Units, and the Garage Units shall be held, conveyed, hypothecated, mortgaged, encumbered, leased, rented, used, occupied, and improved subject to the following rights, easements, covenants, conditions, restrictions, and obligations set forth in this Residential Declaration, as this Residential Declaration may be amended from time-to-time, all of which rights, easements, covenants, conditions, restrictions, and obligations are declared to be in furtherance of a plan established for the purpose of enhancing the value, desirability, and enjoyment of the Residential Parcel, the Units, and the Garage Units. All of the rights, easements, covenants, conditions, restrictions, and obligations contained in this Residential Declaration shall constitute covenants running with the land and equitable servitudes and liens and shall be binding upon and for the benefit of Project Owner and all parties having or acquiring an interest in the Residential Parcel, the Units, and the Garage Units therefrom including, but not limited to, the heirs, executors, administrators, and assigns of any such parties and all subsequent owners of such interest.

ARTICLE I DEFINITIONS

Unless otherwise defined in this Residential Declaration, all defined terms shall have the meaning set forth in the Master Definitions attached hereto as Exhibit D or as otherwise set forth in the Master Declaration.

ARTICLE II DESCRIPTION OF RESIDENTIAL PARCEL, THE UNITS, AND GARAGE UNITS ESTABLISHMENT OF OWNERSHIP INTERESTS



2.1 General Description of Residential Parcel, the Units, and Garage Units. The residential condominium project and regime being established under this Residential Declaration consists of sixteen (16) separate Units located within the Residential Parcel on the fifth (5th) floor or level of the Project Property and sixteen (16) separate Garage Units located on the second (2nd) level of the parking facility for the Project, as each are generally described or further defined in this Residential Declaration, as each is more particularly described on Exhibit B attached hereto, and as each is depicted on the Condominium Plat. The Residential Parcel, the Units, the Garage Units, and any personal property owned by the Residential Association consists of all of the real and personal property subject to this Residential Declaration. As set forth further in the Master Declaration, the Residential Parcel (i) as to the Units, shall at all times and to the fullest extent permitted by law be deemed a single Parcel on the fifth (5th) floor or level of the Project Property, (ii) as to the Garage Units, shall at all times and to the fullest extent permitted by law be deemed a single Parcel on the second (2nd) level of the parking facility for the Project, (iii) may include any applicable Common Elements on the fifth (5th) floor or level of the Project Property or the second (2nd) level of the parking facility for the Project, and (iii) may have been and may be further subdivided (including, into the Units) as determined by the Project Owner.

2.2 Description of Building. The Residential Parcel and each of the Units and the Garage Units are located on a portion of the Project Property and within the single Building located on the Project Property, which Building consists of five (5) floors, levels, or stories above a two-story podium with a subterranean basement containing, among other things, parking facilities, amenities, and other improvements, all as set forth further in the Master Declaration and depicted on the Condominium Plat. The Building is constructed of reinforced concrete foundation, steel and metal framing, wood, cement, and stone siding and membrane roofing materials. Because each of the Units and the Garage Units are considered an “airspace unit,” none of the infrastructure of the Building described in this Section 2.2 is part of the residential condominium project and is instead part of the overall Project, but each of the Units and the Garage Units are dependent upon the Building for, among other things, structural support. The overall Project contains numerous other improvements and amenities typical of a mixed-use commercial, retail, residential, and multi-family project, including (as of the Effective Date) a swimming pool, exterior patio and nearby landscaping, fitness center, sauna, game room and associated restrooms, dog wash, bike storage areas, social/club room, outdoor amenity deck, and other operational areas, as generally described in the Master Declaration and depicted on the Condominium Plat; provided, however, the rights, benefits, and use of such areas of the Project are governed by the Master Declaration and other associated Project documents.

2.3 Condominium Ownership – Division Into Units. As of the recording of this Residential Declaration, the Residential Parcel is hereby initially divided into sixteen (16) separate Units and the Garage Units are hereby initially divided into sixteen (16) separate garage units on the second (2nd) level of the parking facility for the Project. Project Owner, in order to establish a plan of condominium ownership for the Residential Parcel, hereby divides the Residential Parcel into the following elements with the ownership interests therein as set forth below:

2.3.1 Units. Each Unit Owner shall own a separate fee simple estate in a Unit;

2.3.2 Garage Units. Each Unit Owner shall own a separate fee simple estate in one of the Garage Units specifically designated for and assigned to its Unit; and

2.3.3 Common Elements. Each Unit Owner owns an undivided Percentage Ownership Interest (as set forth in Exhibit C) in any applicable Common Elements located within the Residential Parcel on the fifth (5th) floor or level of the Project Property or the second (2nd) level of the parking facility for the Project.

2.4 Conveyance of a Unit and Garage Unit. Each of the following shall be included in any conveyance of a particular Unit and the Garage Unit specifically designated for and assigned to such Unit:

2.4.1 Unit. The right to use and occupy such Unit in accordance with the Master Declaration and this Residential Declaration, as well as all other applicable Governing Instruments and Residential Association Governing Instruments;

2.4.2 Garage Unit. The right to use and occupy the Garage Unit specifically designated for and assigned to such Unit in accordance with the Master Declaration and this Residential Declaration, as well as all other applicable Governing Instruments and Residential Association Governing Instruments;

2.4.3 Common Elements. An undivided Percentage Ownership Interest (as set forth in Exhibit C) in any applicable Common Elements located within the Residential Parcel on the fifth (5th) floor or level of the Project Property or the second (2nd) level of the parking facility for the Project. The Common Elements are intended to comprise “common areas and facilities” as that term is defined in the Act;

2.4.4 Condominium Easement Rights. Subject to the terms and conditions of the Master Declaration, the right to use, in common with other Unit Owners, the non-exclusive Condominium Easement Rights. Such Condominium Easement Rights cannot be altered without the written consent of Project Owner and the consent of at least two-thirds (2/3rds) of the voting power of the Unit Owners; and

2.4.5 Easement Rights Over Exterior Balcony Areas. Subject to the terms and conditions of the Master Declaration, a non-exclusive easement over the Balcony Areas appurtenant and adjacent to such Unit, as designated and assigned on the Condominium Plat. Such easement rights are intended to comprise “limited common areas and facilities” as that term is defined in the Act. Such easement rights cannot be altered without the written consent of Project Owner and the consent of at least two-thirds (2/3rds) of the voting power of the Unit Owners as well as the consent of all affected Unit Owners.

2.5 Severance from Garage Unit, Common Elements, and Appurtenant Easements. No Unit Owner shall be entitled to sever his or her Unit, or any portion thereof, from his or her fee simple estate and ownership in the Garage Unit, and vice versa, nor shall any Unit Owner be entitled to sever his or her Unit, or any portion thereof, from its undivided interest in the Common Elements, Condominium Easement Rights, or non-exclusive easement rights over the Balcony Areas, or from any easement interests appurtenant thereto or licenses granted thereto under the Master Declaration. Neither may such interests be severally sold, conveyed, leased, encumbered, hypothecated, or otherwise dealt with, and any such attempt to do so in violation of this Section 2.5 shall be void and of no effect. The Project Owner and its successors, assigns, and grantees and

each Unit Owner covenant and agree that the Units, the Garage Units, and the corresponding undivided interests in the Common Elements, Condominium Easement Rights, and the non-exclusive easement rights over the Balcony Areas, and any easement interests appurtenant thereto or licenses granted thereto under the Master Declaration, shall not be separated or separately conveyed, and: (a) each such undivided interest and any other easements appurtenant to a Unit or a Garage Unit shall be deemed to be conveyed or encumbered with such Unit and Garage Unit even though the description in the instrument of conveyance or encumbrance may refer only to title to such Unit and/or Garage Unit; and (b) each such Unit and Garage Unit shall be deemed to be conveyed or encumbered with each such undivided interest in the Common Elements, Condominium Easement Rights, or non-exclusive easement rights over the Balcony Areas, or any easement interests appurtenant thereto or licenses granted thereto under the Master Declaration even though the description in the instrument of conveyance or encumbrance may refer only to the title to the respective undivided interest.

2.6 Separation, Combination of Units. No Unit Owner may partition or separate a Unit or Garage Unit or the legal rights comprising ownership of a Unit or Garage Unit from any other part thereof, nor shall a Unit Owner combine a Unit or Garage Unit with another or any portion of another Unit or Garage Unit. No Unit Owner shall convey, transfer, devise, bequeath, or encumber anything other than a single, complete Unit and Garage Unit. Every conveyance, transfer, gift, devise, bequest, encumbrance, or other disposition of a Unit, Garage Unit, or any part thereof shall be presumed to be a disposition of the entire Unit and Garage Unit, together with all appurtenant rights and interests created by law or by this Residential Declaration, the Master Declaration, or any other Governing Instruments. Notwithstanding the foregoing, for as long as Project Owner owns a Unit or Garage Unit, Project Owner shall have the right to: (a) relocate the boundaries of and between two adjoining Units or Garage Units; (b) physically combine a part of or combination of parts of the space of one Unit or Garage Unit with a part of or combination of parts of the space within one or more adjoining Units or Garage Units; or (c) subdivide a Unit, Garage Unit, or part of a Unit or Garage Unit to create any additional Units or Garage Units (in each case, provided that the affected Units or Garage Units are owned by Project Owner). Before exercising its rights herein, Project Owner must obtain all necessary approvals from any governmental authority having jurisdiction over the affected Units or Garage Units before exercising its rights herein. The cost and expense incurred for legal, architectural, and/or engineering fees and all other costs and expenses incurred by the Residential Association in connection with Project Owner's exercise of rights under this Section 2.6 shall be borne by Project Owner. Project Owner shall be permitted to execute and record any amendment to this Residential Declaration or the Condominium Plat, or both, effectuating the relocation of boundaries of, combination or subdivision, or re-designation of Unit(s) or Garage Unit(s). If Project Owner requires, whether for title purposes, governmental approvals, or otherwise, the Residential Association Board shall ratify the action in connection with effectuating such relocation of boundaries, combination, or subdivision, or re-designation of Unit(s) or Garage Unit(s), and take such necessary actions in connection therewith if the requirements in this Section 2.6 have been satisfied. The rights reserved to Project Owner under this Section 2.6 shall not apply to a Unit or a Garage Unit after Project Owner first conveys such Unit and Garage Unit to an unaffiliated third-party purchaser.

2.7 Fractional Interest Ownership – Reservation Right. To the extent permitted under applicable law and subject to all necessary governmental approvals having been obtained, Project



Owner, for itself, its successors and assigns, expressly reserves the right to submit all or some of the Units, the Garage Units, or any other unit located on the Project to a fractional, club, or other shared ownership or use program and, in connection therewith, establish a fractional interest or timeshare regime and owners association, all of which shall be subject to all of the terms and conditions herein. The right to submit all or some of the Units, the Garage Units, or any other unit located on the Project to any such plan of fractional or timeshare ownership shall extend only to Project Owner, its successors or assigns as owner of the overall Project, and shall specifically and expressly not be available to Non-Project Owners or their successors or assigns, except with the prior written consent of Project Owner, which consent may be withheld or conditioned in the Project Owner's sole and absolute discretion. Submission of all or some of the Units, the Garage Units, or any other unit located on the Project to such a plan of fractional or timeshare ownership shall not be subject to the prior written consent of any Unit Owner, except to the extent a Unit or Garage Unit to be so submitted is already owned by any of the Non-Project Owners, or any Mortgagee, except the first Mortgagee of record of any such Unit and Garage Unit to be submitted.

2.8 Calculation of Percentage Ownership Interest. The Percentage Ownership Interest appurtenant to each Unit has been calculated and is based upon the square footage of such Unit, as such square footage for each Unit has been measured and is set forth in the attached Exhibit C and has been provided further on the Condominium Plat. The Percentage Ownership Interest appurtenant to each Unit has been and shall continue to be determined by dividing the square footage of a particular Unit by the total number of square feet of all of the Units within the Residential Parcel, as set forth in attached Exhibit C. Except as otherwise provided in this Residential Declaration or the Act, the undivided interest appurtenant to each Unit shall have a permanent character and shall not be altered. The sum of the Percentage Ownership Interests allocated to all Units shall at all times equal one hundred percent (100%); provided, however, the Project Owner is authorized to round the undivided interest of one or more Units up or down in order to cause the total to equal one hundred percent (100%) (which total undivided interests as shown in the attached Exhibit C may be slightly more or less than 100% due to rounding).

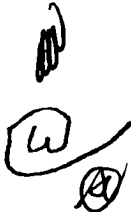
**ARTICLE III
INTERESTS, USE RIGHTS AND RESTRICTIONS**

3.1 Residential Parcel – Interests and Use Rights. A Unit Owner has the exclusive right to use and occupy such Unit Owner's Unit and Garage Unit and non-exclusive rights to use and enjoy any applicable areas of the Common Elements and Condominium Easement Rights located within the Residential Parcel on the fifth (5th) floor or level of the Project Property or the second (2nd) level of the parking facility for the Project, and non-exclusive easement rights over the Balcony Areas appurtenant to such Unit Owner's Unit, all in accordance with the Master Declaration, this Residential Declaration, and the Governing Instruments.

3.2 Use Restrictions.

3.2.1 Alterations, Additions and Improvements.

3.2.1.1 Except as required to prevent damage or injury to persons or property in the event of an emergency, no Unit Owner shall make or authorize (without the prior written consent of the Project Owner) any alterations, additions,



or improvements to the Balcony Areas appurtenant to such Unit Owner's Unit. Subject to the terms and conditions of the Master Declaration and any applicable Governing Instruments, a Unit Owner may have the right to install and improve the Balcony Areas with certain hard-surface flooring.

3.2.1.2 Subject to Section 3.2.5, nothing in this Residential Declaration shall prevent a Unit Owner from removing, altering, or replacing any furniture located within his or her Unit, or from repainting, wallpapering, or similarly coating or refinishing the surfaces of the walls or the interior surfaces of the doors of his or her Unit. Except for those specific activities permitted above in Section 3.2.1.1 and this Section 3.2.1.2, Unit Owners must obtain the written consent of the Project Owner prior to undertaking any alteration, addition, improvement, or maintenance of any Unit (including, but not limited to, any Residential Shared Facilities (as defined in the Master Declaration) and load bearing or other walls and plumbing, other than finish plumbing fixtures) to the extent such alteration, addition, improvement, or maintenance will require a building permit from the City.

3.2.2 Sound Restriction. In the event that any Unit Owner desires to modify any portion of its Unit, including, without limitation, the walls or floor coverings, no such modification may take place without the written consent of the Project Owner. The Unit Owner must install a sound control underlayment system approved by the Project Owner. The installation of the foregoing insulation materials shall be performed in a manner that provides proper mechanical isolation of the flooring materials from any rigid part of the building structure, whether of the concrete subfloor (vertical transmission) or adjacent walls and fittings (horizontal transmission). Under no circumstances shall any Unit Owner modify, alter, or impair the floor/ceiling assembly of its Unit. Any Unit Owner desiring to install hard-surface flooring in its Unit to replace any originally-installed flooring shall provide at such Unit Owner's sole expense the following information to the Project Owner for its reference in connection with its review of any request to permit the installation of such hard-surface flooring (subject to the waiver by the Project Owner of the requirement that any particular materials or information be submitted):

3.2.2.1 Information, including, if appropriate, construction plans and/or drawings, clearly indicating the type of flooring to be installed and the underlayment to be provided to mitigate impact noises such as foot-falls. The information must clearly identify all materials, their composition, and thickness. This information, including any plans and/or drawings, shall be reviewed and approved, at Unit Owner's sole cost and expense, by a qualified acoustical consultant for acoustical and structural integrity and performance and compliance with the acoustical requirements of this Residential Declaration;

3.2.2.2 A copy of the installation instructions from the resilient underlayment manufacturer, which instructions shall be followed by the installing contractor;

3.2.2.3 The name, qualifications, and experience of the contractor who will install the hard-surface flooring and resilient underlayment, with a listing of



such contractor's experience in the installation of floors utilizing impact installation materials;

3.2.2.4 Evidence that the newly-installed flooring will not create greater noise impacts than the test results for the floor/ceiling assembly yielded when tested as described above; and

3.2.2.5 Disclaimer. EACH UNIT OWNER, BY ACCEPTANCE OF AN ORIGINAL DEED OR OTHERWISE ACQUIRING TITLE TO A UNIT AND GARAGE UNIT, ACKNOWLEDGES AND AGREES THAT SOUND TRANSMISSION IN A BUILDING SUCH AS THE BUILDING IS VERY DIFFICULT TO CONTROL AND THAT NOISES FROM ADJOINING OR NEARBY UNITS, GARAGE UNITS, RESIDENTIAL SHARED FACILITIES, PROJECT ACTIVITIES, AND/OR MECHANICAL EQUIPMENT CAN OFTEN BE HEARD IN ANOTHER UNIT AND/OR GARAGE UNIT. PROJECT OWNER DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE LEVEL OF SOUND TRANSMISSION BETWEEN AND AMONG UNITS, THE GARAGE UNITS, AND THE OTHER PORTIONS OF THE PROJECT PROPERTY, AND EACH UNIT OWNER SHALL BE DEEMED TO WAIVE AND EXPRESSLY RELEASE ANY SUCH WARRANTY AND CLAIM FOR LOSS OR DAMAGES RESULTING FROM SOUND TRANSMISSION.

3.2.3 The foregoing provisions shall not modify or affect the obligation of each Unit Owner with respect to the obligations set forth in Sections 3.2.5 or the maintenance and repair obligations set forth in Section 5.1 below.

3.2.4 Project Rules and Regulations. Each Unit Owner, by accepting an Original Deed or otherwise acquiring title to a Unit and a Garage Unit, as applicable, hereby covenants and agrees to abide by the Project Rules and Regulations, including, without limitation, any policies and procedures governing the rental or use of Units and Garage Units to or by Occupants, Permitted Users, and/or Transient Guests.

3.2.5 Use and Occupancy. Use and occupancy of the Units is limited to private, residential use (including use by Occupants and other Permitted Users). Non-residential and/or commercial use of any Unit by any Unit Owner (except as expressly provided in Section 3.3.2 below) is prohibited. Neither the foregoing provision, nor the terms of Section 3.3.2, shall limit the rights of Project Owner to rent or make available for lodging or occupancy all or portions of any Units that it owns as part of its business operations. The provisions of this Section 3.2.5 shall not be amended or revised without the prior written consent of Project Owner.

3.2.6 Garage Units. Use of the Garage Units is limited to private, residential use (including use by Occupants and other Permitted Users). Non-residential and/or commercial use of any Garage Unit is prohibited. Designated Garage Units are reserved for the exclusive use by Unit Owners and their Occupants and other Permitted Users.

3.3 Additional Project Owner's Rights.



3.3.1 Sales, Re-sales and Related Purposes. Project Owner, for itself, its successors, assigns, agents, employees, contractors, subcontractors, and other authorized personnel, reserves the exclusive right as reasonably required or desired by Project Owner, to: (1) market and sell the Units to the initial Unit Owners; (2) maintain customer relations and provide post-sales services to Unit Owners; (3) display signs and to erect, maintain, and operate, for sales and administrative purposes, model units and a customer relations, customer service, and sales office complex; and (4) show the Units that have not already been conveyed by an Original Deed (i.e., that are owned by Project Owner). The exercise of such rights shall not unreasonably interfere with the Residential Association's administration, use, and management of the Residential Parcel or the rights of Unit Owners to use and occupy the Units and the Garage Units; provided, however, that each Unit Owner acknowledges and agrees that Project Owner's management and operation of the Project in accordance with the Project Standard is not inconsistent with and does not unreasonably interfere with the Residential Association's administration, use, and management of the Residential Parcel or the rights of Unit Owners to use and occupy the Units and the Garage Units.

3.3.2 Occupancy of Units by Occupants.

3.3.2.1 Rental Agreements. A Unit Owner of a Unit shall be entitled to enter into a rental agreement, lease agreement, Occupancy Agreement, or other similar arrangement for its Unit and Garage Unit subject to any restrictions and requirements contained in the Governing Instruments, the Residential Association Governing Instruments, and subject to any applicable zoning, licensing, and other applicable laws and ordinances for any period of time, including, but not limited to, any restrictions or limitations on short-term rentals imposed by the City and any policies and procedures governing the rental of Units and Garage Units for transient occupancy purposes in the Project Rules and Regulations from time-to-time. All rental agreements, lease agreements, Occupancy Agreements, or other similar arrangements permitted under this Residential Declaration and the rental of any Units and Garage Units by a Unit Owner shall be conducted and coordinated with the Project Owner and the Project Manager (if appointed by Project Owner), who shall be entitled to a courtesy copy of all rental agreements, lease agreements, Occupancy Agreements, or other written documents once executed and delivered.

3.3.2.2 Transient Occupancy. It is intended that Project Owner may use the Units and Garage Units owned by Project Owner and any other Units and Garage Units that are placed under management by the Project Owner, if any, for transient occupancy purposes, subject, however, to any restrictions or limitations on short-term rentals imposed by the City. As such, the making of Units and Garage Units or portions thereof available for transient occupancy purposes shall not be subject to the approval of the Residential Association and/or any other limitations other than as expressly provided herein; however, the making of Units and Garage Units or portions thereof available for transient occupancy purposes shall be in accordance with any applicable zoning, licensing, and other applicable laws and ordinances (including, but not limited to, compliance with any short-term rental laws and ordinances adopted by the City). Notwithstanding the foregoing, a portion



of a Unit and Garage Units may not be used for transient occupancy purposes unless such portion is separately locked off from the remaining portion of the Unit and/or Garage Unit and such transient occupancy complies with all applicable zoning, licensing, and other applicable laws and ordinances.

A Unit Owner shall be entitled to enter into occupancy agreements for the occupancy of a Unit and Garage Unit subject to any restrictions contained in the Governing Instruments, the Residential Association Governing Instruments, and any applicable zoning, licensing, and other applicable laws and ordinances for any period of time; provided, however, any arrangement for the occupancy of a Unit and Garage Unit shall be pursuant to an agreement (each, an "Occupancy Agreement") that shall: (i) be in writing; (ii) provide that the Occupancy Agreement is subject to the Governing Instruments, the Residential Association Governing Instruments, and all applicable zoning, licensing, and other applicable laws and ordinances; (iii) provide that any failure to comply with any provisions of any of the Governing Instruments, the Residential Association Governing Instruments, and applicable zoning, licensing, and other applicable laws and ordinances shall be a default under the terms of the Occupancy Agreement, and (iv) provide that it is an occupancy agreement providing the Occupant with only an occupancy right and is not a lease granting a leasehold or tenancy interest or other interest in real estate. Any Occupancy Agreement for a Unit shall, whether or not it complies with the requirements of the immediately preceding sentence, be subject to the Governing Instruments, the Residential Association Governing Instruments, and applicable zoning, licensing, and other applicable laws and ordinances. Any breach of any of the foregoing by the Occupant shall, whether or not so stated in such Occupancy Agreement, constitute a breach by the Occupant under such Occupancy Agreement. Occupants under Occupancy Agreements shall be considered "guests" or "lodgers" rather than "tenants" as such term is used under Utah law. A copy of each such Occupancy Agreement shall be provided to the Project Owner and the Residential Association. Even if, despite the foregoing requirements of this Section 3.3.2.2, no written Occupancy Agreement is executed in any circumstance in which such a written Occupancy Agreement is required hereunder, all of the terms of this Residential Declaration and the Governing Instruments and Residential Association Governing Instruments relating to Occupancy Agreements and Occupants thereunder shall nonetheless apply equally to the occupancy of such an Occupant to the same extent as if the required written Occupancy Agreement had been executed. However, an Occupancy Agreement shall not be required with respect to the occupancy of a Unit by the Unit Owner (or by the family members and/or guests of such a Unit Owner who are not providing any consideration for such occupancy).

3.3.2.3 ADA Compliance. All Units that are designated as ADA Units, as well as all improvements therein, shall be designed and constructed in compliance with the Americans With Disabilities Act (42 U.S.C. 12101 *et seq.*) as well as all other applicable laws. All Units that are designated as ADA Units, as well as all improvements therein, must at all times be used and remain in compliance with the Americans With Disabilities Act and other applicable laws. Each Unit Owner of

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an ADA Unit shall be responsible, at such Unit Owner's sole cost and expense, prior to entering into a rental agreement, lease agreement, Occupancy Agreement, or other similar arrangement for such ADA Unit, to take all actions required to cause such Unit to comply in all respects with the Americans With Disabilities Act and other applicable laws.

3.3.3 Amendment of Master Declaration. Each Unit Owner, by acceptance of an Original Deed or otherwise acquiring title to a Unit and a Garage Unit, shall be deemed to have acknowledged that the Project Owner shall have the right to amend the Master Declaration in accordance with Section 2.2 and all other applicable provisions of the Master Declaration.

3.3.4 Conveyance of Property to the Residential Association. Project Owner shall have the right to convey any personal property to the Residential Association reasonably related to the operation of the Residential Parcel and the Common Elements at any time upon not less than thirty (30) days' written notice to the Residential Association Board, provided that any such personal property shall be free of monetary encumbrances as of the date of such conveyance.

3.3.5 Option to Withdraw. Project Owner hereby reserves, pursuant to Section 57-8-13.8 of the Act, the unilateral and exclusive option to withdraw one or more Units and/or Garage Units from the condominium regime such that this Residential Declaration is no longer applicable thereto (the "Option to Withdraw"), without the prior consent of the Unit Owners, Mortgagees, the Residential Association, or any other person or entity. The Option to Withdraw must be exercised within seven (7) years after recordation of this Residential Declaration. The terms and conditions of the Option to Withdraw shall be as follows:

3.3.5.1 The real property subject to this Option to Withdraw consists of the Units and the Garage Units.

3.3.5.2 The Option to Withdraw may be exercised as to some or all of the Units and the Garage Units which have not been conveyed by an Original Deed and in any order and at different times.

3.3.5.3 Each Unit Owner, by acceptance of an Original Deed or otherwise acquiring title to a Unit and a Garage Unit, shall be deemed to have consented to all provisions of this Section 3.3.5.

3.3.5.4 A withdrawal of a Unit and/or Garage Unit pursuant to this Section 3.3.5 shall be deemed to have occurred at the time of the recordation of an amendment to this Residential Declaration and the Condominium Plat, if necessary, executed by Project Owner, containing the legal description of the Unit(s) and Garage Unit(s) being withdrawn. After the recording of such amendment to this Residential Declaration reflecting Project Owner's exercise of the Option to Withdraw, title to each such withdrawn Unit and/or Garage Unit shall be vested in and held by Project Owner and none of the Unit Owners, Mortgagees, or the



Residential Association shall have any claim or title to or interest in such withdrawn Unit and/or Garage Unit. Upon any such withdrawal of a Unit and/or Garage Unit, and at all times thereafter, this Residential Declaration shall no longer govern the use, enjoyment, repair, maintenance, restoration, and improvement of the Unit or Garage Unit so withdrawn.

3.3.5.5 No provision of this Section 3.3.5 shall be amended without the prior written consent of Project Owner, so long as Project Owner owns any Unit or Garage Unit.

3.3.5.6 Project Owner shall have no right to withdraw any Unit(s) or Garage Unit(s) which are not owned by Project Owner or an affiliate of Project Owner.

3.3.5.7 Any Unit(s) or Garage Unit(s) which is or are withdrawn by Project Owner may be annexed and again made subject to this Residential Declaration or made subject to any other residential declaration applicable to any portion of the Project.

3.3.5.8 The Percentage Ownership Interests set forth on Exhibit C for all Units shall be reallocated based upon square footage at the time Project Owner records an amendment to this Residential Declaration reflecting Project Owner's exercise of its Option to Withdraw in accordance with the provisions set forth in this Residential Declaration.

3.3.6 Operation of Project; Project Services. In connection with Project Owner's management and operation of the Project, the Residential Association and each Unit Owner agree and acknowledge as follows:

3.3.6.1 Project Owner and their respective successors, assigns, agents, employees, contractors, subcontractors and other authorized personnel, reserve the exclusive right, and are hereby authorized to, manage and operate the Project in accordance with the Project Standard. Each Unit Owner, by acceptance of an Original Deed or otherwise acquiring title to a Unit and/or a Garage Unit, acknowledges and agrees that Project Owner shall determine the Project Standard in their sole and absolute discretion and that each Unit Owner benefits from and consents to the operation of the Project in accordance with the Project Standard.

3.3.6.2 Project Owner may, from time-to-time, and in its sole and absolute discretion, change the Project Services provided to Unit Owners, guests, and Occupants of the Units, without the consent or approval of the Residential Association or the Unit Owners.

3.3.6.3 Unit Owners, upon acceptance of an Original Deed or otherwise acquiring title to a Unit and/or a Garage Unit, shall execute and deliver a Project Services Agreement for the provision of Project Services to such Unit. The



provision of Project Services will at all times be subject to and governed by such Project Services Agreement.

3.4 Residential Association Easements.

3.4.1 Grant of Easement to the Residential Association. The Residential Association, for itself, its successors and assigns, and its and their agents, employees, contractors, subcontractors, and other authorized personnel, shall have the right and is hereby granted, for so long as the Residential Association or its successors and assigns shall be required under this Residential Declaration to manage and maintain all or any portions of the Residential Parcel (excluding the Units and Garage Units) and/or perform its obligations under this Residential Declaration, a non-exclusive easement in gross in, over, and through the Residential Parcel and the Common Elements (including each Unit) for the management, operation, repair, and maintenance of the Residential Parcel and the Common Elements that the Residential Association is responsible for and/or the performance of the Residential Association's obligations under this Residential Declaration; provided, however, that use of such easement shall not: (A) unreasonably interfere with or diminish the rights of Unit Owners, Permitted Users, or Project Owner to occupy the Units and use the Garage Units; (B) unreasonably interfere with or diminish the rights of Unit Owners to use the applicable portions of the Residential Parcel and the Common Elements, or (C) interfere with or diminish the rights of Project Owner under this Residential Declaration and the Master Declaration. In amplification and not in limitation thereof, the Residential Association and its respective successors and assigns shall have the right at any reasonably necessary time, whether or not in the presence of the Unit Owner thereof, to enter upon any Unit and Garage Unit for the purpose of: (1) making emergency repairs therein; (2) abating any nuisance or any dangerous, unauthorized, prohibited, or unlawful activity being conducted or maintained in such Unit or Garage Unit; (3) protecting property rights and welfare of any Unit Owner or Permitted User; or (4) for any other purpose reasonably related to the performance by the Residential Association of its duties and obligations under the terms of this Residential Declaration. Such right of entry shall be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the possession, use, and enjoyment of the rightful occupant of such Unit and Garage Unit and shall be preceded by reasonable notice to such occupant (and in the case of a Unit owned by the Project Owner, the Project Owner and the Project Manager, if applicable) in the event of entry into a Unit, whenever the circumstances permit; provided, however, the use of such easements shall not unreasonably interfere with the rights of Unit Owners to use and occupy their respective Units, Garage Units, or use the applicable portions of the Residential Parcel and the Common Elements. The provisions of this Section 3.4.1 relating to Units and Garage Units owned by the Project Owner shall not be amended or revised without the prior written consent of the Project Owner.

3.4.2 Easements Granted by the Residential Association. The Residential Association shall not grant any easement, license, or other use rights within the Residential Parcel or any portions of the Common Elements that the Residential Association controls without the express written consent of Project Owner, which consent may be withheld in the Project Owner's sole and absolute discretion.

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3.5 Utility Easement to Unit Owners. To the extent not covered and controlled by the Master Declaration, wherever sanitary sewer connections or lines and/or water connections or lines or cable television, electricity, gas or telephone lines are installed within the Residential Parcel or any portions of the Common Elements that the Residential Association controls, which connections or lines serve more than one Unit, each Unit Owner served by such connections or lines shall have a non-exclusive easement for, and be entitled to the full use and enjoyment of, such portions of such connections or lines as may serve or be needed to serve such Unit Owner's Unit. In the event of a dispute with regard to such easement or with respect to the sharing of the cost thereof, then upon written request of one of the Unit Owners addressed to the Residential Association the matter shall be submitted to the Residential Association Board, which shall decide the dispute in a manner consistent and in all cases in compliance with the provisions of the Master Declaration and this Residential Declaration, and the decision of the Residential Association Board made in accordance with such standard shall be final and conclusive on the parties involved in the dispute.

3.6 Easements for Encroachments. Each Unit and Garage Unit and all portions thereof are subject to easements hereby created for encroachments between the Units, the Garage Units, and the Project as follows:

3.6.1 In favor of Project Owner so that it shall have no legal liability when any part of the Project encroaches upon a Unit or a Garage Unit;

3.6.2 In favor of each Unit Owner so that the Unit Owner shall have no legal liability when any part of such Unit Owner's Unit or Garage Unit encroaches upon the Project or upon another Unit or Garage Unit; and

3.6.3 In favor of Project Owner, each Unit Owner, and the Residential Association for the maintenance and repair of such encroachments.

Encroachments referred to in this Section 3.6 include, but are not limited to, encroachments caused by error or variance from the original plans in the construction of the Project or any Unit or Garage Unit constructed on the Project, by error in the Condominium Plat, by settling, rising or shifting of the earth, or by changes in position caused by repair of any part of the Project. Such encroachments shall also include encroachments caused by reconstruction of the Project provided such reconstruction is done in substantial conformity with the location of the Project prior to such reconstruction. Such encroachments shall not be considered to be encumbrances upon any part of the Units or Garage Units.

3.7 Covenants Running With the Land. Each of the easements provided for in this Residential Declaration shall be deemed to be established upon the recordation of this Residential Declaration, and shall thenceforth be deemed to be covenants running with the Units and the Garage Units for the use and benefit of the Units, the Garage Units, and the Unit Owners thereof, whether or not such easements are set forth in the Original Deeds to the Units and the Garage Units or any other subsequent conveyance of a Unit and a Garage Unit. Each easement set forth herein shall survive the termination of this Residential Declaration.



3.8 Transfer of Interest. No Unit Owner may sell, assign, transfer, hypothecate, or encumber less than all of his or her Unit and Garage Unit; provided, however, that nothing herein contained shall: (i) limit the right of Project Owner and its successors and assigns to sell Units and Garage Units as contemplated herein; or (ii) restrict the manner in which title to the Units and/or Garage Units may lawfully be held under Utah law (e.g., joint tenants, tenants-in-common, or the like). Except as provided under clause (i) above, any sale, assignment, transfer, hypothecation, or encumbrance by any Unit Owner of less than all of his or her interest in his or her Unit and Garage Unit shall be null, void, and of no effect. The transfer of any Unit and Garage Unit shall operate to transfer to the new owner of the Unit and Garage Unit the interest of the prior Unit Owner in all funds in the hands of the Residential Association even though not expressly mentioned or described in the instrument of transfer and without further instrument of transfer.

3.9 Separate Mortgages. Each Unit Owner shall have the right to mortgage or otherwise to encumber all, but not less than all, of such Unit Owner's Unit and Garage Unit. Subject to the provisions of ARTICLE VII of this Residential Declaration, any Mortgage shall be subordinate to all of the provisions of the Governing Instruments and, in the event of foreclosure, the provisions of the Governing Instruments shall be binding upon any Unit Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure or otherwise. Notwithstanding any other provision of the Governing Instruments, no breach of the provisions herein contained, nor the enforcement of any lien created pursuant to the provisions hereof, shall impair, defeat, or render invalid the priority of the lien of any First Mortgage encumbering a Unit and a Garage Unit.

3.10 Subordination and Partition of Tenancy-in-Common Attributes.

3.10.1 Subordination. It is intended that this Residential Declaration and all documents promulgated hereunder and, to the extent applicable, the Master Declaration and all documents promulgated thereunder, shall govern all rights with respect to the use, possession, enjoyment, management, and disposition of the Units and the Garage Units. Accordingly, all rights with respect to the use, possession, enjoyment, management, or disposition of a Unit or Garage Unit which a Unit Owner might otherwise have as a tenant-in-common (including, but not limited to, any common law or statutory right jointly to use, possess or manage any commonly owned portions of the Residential Parcel and/or the Common Elements) are hereby unconditionally and irrevocably subordinated to this Residential Declaration and any documents promulgated hereunder, and to the Master Declaration and all documents promulgated thereunder, for so long as this Residential Declaration, any documents promulgated hereunder, or the Master Declaration and all documents promulgated thereunder, respectively, shall remain in effect; provided, however, that in the event that an election to terminate this Residential Declaration is made pursuant to Section 15.2 of this Residential Declaration, a Unit Owner shall have the rights specified in such Section 15.2.

3.10.2 Partition. Except as provided in Section 15.2 of this Residential Declaration, no Unit Owner or other person or entity acquiring any right, lien or interest in the Residential Parcel shall seek or obtain, through any legal procedures, judicial partition of the Residential Parcel or the sale thereof in lieu of partition. If, however, any Unit and Garage Unit is owned by two (2) or more persons as tenants-in-common or as joint tenants



or as husband and wife, nothing herein contained shall prohibit a judicial sale of such Unit in lieu of partition as between such interest holders.

3.11 Protection of Interest. Except as provided in Section 3.9 of this Residential Declaration, no Unit Owner shall permit such Unit Owner's Unit and Garage Unit to be subject to any lien (other than the liens of current real property taxes), claim or charge, the enforcement of which may result in a sale or threatened sale of the Unit and Garage Unit of any other Unit Owner (or any part thereof) or in any interference in the use or enjoyment thereof by any other Unit Owner. In the event of a threatened sale of all or any applicable portions of the Residential Parcel or the Unit and Garage Unit of any such other Unit Owner (or any part thereof), or should the use and enjoyment of any portion thereof by such other Unit Owner be threatened by reason of any lien, claim, or charge against the Unit and Garage Unit of any other Unit Owner (the "Defaulting Unit Owner"), or should proceedings be instituted to effect any such sale or the foreclosure of any such lien, claim, or charge, then any Unit Owner other than the Defaulting Unit Owner (the "Curing Unit Owner") acting on his or her own behalf or through the Residential Association, or the Residential Association acting on behalf of any one or more Unit Owners, (in each case if promptly indemnified to the acting party's satisfaction) may, but shall not be required to, pay or compromise the lien, claim, or charge without inquiry into the proper amount or validity thereof and, in such event, the Defaulting Unit Owner shall forthwith reimburse the Curing Unit Owner or the Residential Association, as applicable, for the amount so paid or expended by the Curing Unit Owner or the Residential Association, as applicable, in paying or compromising the lien, claim, or charge, together with such reasonable attorneys' fees and related costs as the Curing Unit Owner or the Residential Association may have incurred. No Unit Owner shall permit his or her interest in any funds from time-to-time in possession of the Residential Association to be subjected to any attachment, lien, claim, or charge or other legal process, and each Unit Owner shall promptly restore any funds held by the Residential Association with respect to his or her Unit and Garage Unit to the extent depleted by the reason of the assertion of any such attachment, lien, claim, charge, or other legal process and shall reimburse the Residential Association for all reasonable attorneys' fees or other costs incurred in respect thereof.

Notwithstanding the foregoing, in the event a lien against two or more Units and/or Garage Units becomes effective, each Unit Owner may remove his or her Unit and Garage Unit and the Percentage Ownership Interests appurtenant to such Unit from such lien by payment of the fractional or proportional amount attributable to the Unit and Garage Unit to be released. Such payment shall be computed by reference to the respective Percentage Ownership Interests of the Units subject to such lien. Subsequent to any such payment, or other discharge or satisfaction for a given Unit subject to such lien, the Unit and Garage Unit and the Percentage Ownership Interests appurtenant thereto with respect to which such payment, discharge or satisfaction is made shall be free and clear of the lien so paid, satisfied, or discharged. Such payment, satisfaction, or discharge shall not prevent the lienor from proceeding to enforce his rights against any other Unit and Garage Unit and the Percentage Ownership Interests appurtenant thereto for which such payment, discharge, or satisfaction has not been made.

3.12 Compliance with Laws. No Unit Owner or Permitted User shall permit anything to be done or kept in such Unit Owner's Unit and Garage Unit or portions thereof or within any other portion of the Residential Parcel which violates any applicable law, ordinance, statute, rule or regulation of any local, county, state or federal government or agency thereof.

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3.13 No Increased Insurance. Nothing shall be done or kept in any Unit or Garage Unit or within any other portion of the Residential Parcel which will increase the rate of insurance on the Residential Association without the prior written consent of the Residential Association Board. No Unit Owner shall permit anything to be done or kept in their Unit or Garage Unit, or do or place anything within the Residential Parcel, which would result in the cancellation of insurance of the Residential Association.

3.14 Antennae and Exterior Appliances. Except to the extent otherwise permitted by applicable law, notwithstanding the prohibition stated in this Section 3.14, no Unit Owner shall erect, attach, or cause to be erected or attached, any item, including but not limited to towers, antennae, aerials, dishes, reflectors, or other facilities for the reception or transmission of radio or television broadcasts or other means of communication, or wiring for electrical or telephone installation, television antennae, security systems, machines, air conditioning units or appliances, on the exterior of, or that protrude through the walls or roof of, the Project without the prior written consent of the Project Owner.

3.15 Domestic Animals. The Master Declaration and the Project Rules and Regulations may regulate the access to and use of any part of the Project Property by pets or other animals, and each Unit Owner shall comply and cause its Permitted Users and Occupants to comply with any of the restrictions and limitations set forth in the Master Declaration and the Project Rules and Regulations. The Residential Association rules may further limit or restrict the keeping of such animals. Both Project Owner and the Residential Association shall specifically have the power to prohibit the keeping or maintenance of any animal within the Residential Parcel which is deemed by Project Owner or the Residential Association to constitute a nuisance to any other occupant. Each person bringing or keeping an animal within the Project shall be absolutely liable to the Project Owner and other Unit Owners and occupants for any damage to persons or property caused by any animal brought upon or kept upon the Project by such person or by members of its family or its invitees. Each Unit Owner shall clean up after such animals that have deposited droppings or otherwise used any portion of the Project and each Unit Owner shall use that designated portion of the Project for a dog wash (if any and as permitted and provided for in the Master Declaration) in order to clean such animals. Animals belonging to Unit Owners or invitees or occupants of any Unit Owner must be kept within an enclosure or on a leash held by a person capable of controlling the animal when outside the applicable Unit. The Project Owner shall at all times have the right to amend the Master Declaration and any Project Rules and Regulations regarding animals and the use and operation of any dog wash and may terminate the right to bring animals to the Residential Parcel.

3.16 Waterbeds and Aquariums. No waterbed and no aquarium or other container holding thirty (30) or more gallons of water shall be permitted in any Unit (excluding, however, a water heater professionally installed and servicing a particular Unit). Each Unit Owner acknowledges that substantial damage to other Units, the Residential Parcel, the Common Elements, and/or the Project may occur as a result of a violation of this Section 3.16.

3.17 Legal Description of a Unit and Garage Unit. Any legal description substantially in the form set forth below or which is otherwise sufficient to identify a particular Unit and the Garage Unit specifically designated for and assigned to such Unit shall be sufficient for all purposes to sell, convey, transfer, and encumber or otherwise affect such Unit and Garage Unit:



Unit No. _____ and Garage Unit No. _____ of the Royal Holladay Hills Block D Condominium, according to the Condominium Plat recorded in the Office of the Salt Lake County Recorder on _____, 2022, as Entry No. _____ (“Condominium Plat”), and the Declaration of Covenants, Conditions, and Restrictions for Residential Condominiums recorded in the Office of the Salt Lake County Recorder on _____, 2022, as Entry No. _____, in Book _____ at Page _____ (“Residential Declaration”), and as further defined in and made subject to that certain Declaration of Easements, Covenants, Conditions, and Restrictions for Commercial and Rental Project (Block D) recorded in the Office of the Salt Lake County Recorder on _____, 2022, as Entry No. _____, in Book _____ at Page _____ (“Master Declaration”), together with the undivided interests in any applicable Common Elements (as this term is defined in the Residential Declaration) or other common areas and facilities appurtenant to such Unit and the non-exclusive right to use the limited common areas and facilities appurtenant to such Unit (including, any applicable Balcony Areas appurtenant to such Unit), as provided in the Residential Declaration, Condominium Plat, and the Master Declaration.

Any conveyance of a Unit and Garage Unit shall include the items set forth in Section 2.4 above.

3.18 Insurance. Each Unit Owner shall have the obligation and duty to obtain, maintain, and pay the cost of insurance in accordance with Section 11.2 below.

ARTICLE IV THE RESIDENTIAL ASSOCIATION

4.1 Membership in Residential Association. Each Unit Owner shall be a Member of the Residential Association and shall remain a Member of the Residential Association until such Unit Owner ceases to be a Unit Owner.

4.2 Transfer of Membership in the Residential Association. The membership of each Unit Owner in the Residential Association is appurtenant to and inseparable from his or her ownership of a Unit and Garage Unit and shall be automatically transferred upon any effective assignment or transfer of the ownership of his or her or her entire Unit and Garage Unit to any assignee or transferee and, except with respect to the automatic transfer described above, such membership shall be non-transferable whether by gift, bequest, or otherwise.

4.3 Voting and Types of Membership in the Residential Association. Voting and types of membership in the Residential Association shall be in accordance with the provisions of the Residential Articles and the Residential Bylaws. The voting rights appurtenant to each Unit and Garage Unit shall vest upon execution and recording of this Residential Declaration.

4.4 Board of Directors. The Residential Association Board shall consist of not less than three (3) natural persons, to be initially appointed by Project Owner and subsequently elected



in accordance with the Residential Bylaws. The initial Residential Association Board shall consist of three (3) persons.

4.5 Period of Project Owner Control. There is hereby established a Period of Project Owner Control of the Residential Association, as described in the Master Definitions, during which period Project Owner or persons designated by it shall have the authority to appoint and remove the Residential Association officers and members of the Residential Association Board.

ARTICLE V MANAGEMENT

5.1 Allocation of Maintenance and Repair Obligations.

5.1.1 Unit Owners' Maintenance Obligations. Each Unit Owner shall be responsible for the maintenance of his or her own Unit and Garage Unit, including without limitation, as set forth in Section 4.2 of the Master Declaration.

5.1.2 The Residential Association's Obligations. The Residential Association shall have the primary obligation and liability to administer to the affairs of the Unit Owners as provided herein and to maintain and repair the Residential Parcel (excluding the Units and Garage Units).

5.1.3 Items Comprising a Unit or Contained Therein or Servicing Such Unit. For avoidance of doubt, the following is intended to clarify what comprises a Unit and a Garage Unit or what is contained in or what exclusively services such Unit and Garage Unit: First, all items that are included within the definitions of Unit and Garage Unit shall be deemed to comprise a Unit and Garage Unit, respectively, and all items that are excepted from such definition of Unit and Garage Unit (e.g., (1) the bearing walls, windows and window frames, exterior doors and door frames, columns, exterior floors, roofs, railings, fences, foundation slabs, exterior wall surfaces and central services, pipes, ducts, chutes, and flues, conduits, wires and other utility installations wherever located within each such individual air space unit, and (2) all balconies and patios contiguous and related to each such individual air space unit (including, the Balcony Areas appurtenant to such Unit)), shall not be deemed to comprise a Unit and/or Garage Unit). Second, all F&E and all personal property and improvements that are located entirely or partially within a Unit and/or Garage Unit (for example, an exhaust fan located in a bathroom of a Unit, the cover of which is within the Unit but the motor of which extends into the attic space above the ceiling of the Unit, is deemed to be within the Unit in which it is located) shall be deemed to be contained in such Unit and/or Garage Unit. Third, all equipment located within the walls, floors, or ceilings immediately contiguous to a Unit and/or Garage Unit and exclusively serving such Unit and/or Garage Unit shall be deemed to exclusively service such Unit and/or Garage Unit. In furtherance of the foregoing, all of the following shall expressly not be deemed to comprise or be contained in or exclusively service a Unit and/or Garage Unit:

5.1.3.1 all areas that do not and equipment that does not exclusively serve a single Unit and/or Garage Unit (e.g., multiple fan cooling unit, hot water



circulating pump, fire protection system, roofs, elevators, hallways, fire escape stairs, railings and fences, foundations and slabs, each of which serves more than one Unit and/or Garage Unit);

5.1.3.2 all items not within a Unit and/or Garage Unit which are part of the physical structure that creates and/or supports a Unit and/or Garage Unit (e.g., studs, beams, fasteners, connectors, nails, screws, nuts, bolts, junction boxes, insulation, exterior siding, pipes, ducts, chutes, flues, conduits, sub-floors, ceilings and drywall, exterior doors and windows); and

5.1.3.3 all items which are part of a utility distribution system (e.g., water lines and pipes; sewer lines, pipes, ducts and vents; electrical lines and wiring, connectors and boxes; and gas lines). For clarification, the items in this category are part of a system that delivers utilities to a Unit and/or Garage Unit, but do not include the fixtures or other items designed to operate when the utilities are delivered through such system (e.g., an exhaust fan or light fixture).

As an example of the foregoing repair and maintenance obligations, if (subsequent to any applicable warranty period) the exhaust fan referred to above breaks, the Unit Owner shall be responsible for its repair. If, however, the exhaust fan fails to operate because of a faulty wire located within the walls of the Unit and/or Garage Unit, then the Unit Owner will not be responsible for the repair (because, in fact, it is not the exhaust fan that is faulty but rather the wire delivering electrical current to such exhaust fan that is faulty (in accordance with Section 5.1.3.3) and because such faulty wire is not within the Unit and/or Garage Unit). Notwithstanding the foregoing, all items not deemed to “comprise” or be “contained” in a Unit and/or Garage Unit under the foregoing provisions that require repair as a result of prior alterations or other actions by a Unit Owner (or a predecessor Unit Owner) or such Unit Owner’s guests, Occupants, or Permitted Users shall also be the responsibility of such Unit Owner to repair (e.g., if a Unit Owner is installing shelving in his or her Unit and/or Garage Unit and in so doing damages electrical wires within the wall of such Unit and/or Garage Unit, if a Unit Owner removes or modifies a water line within the walls of his or her Unit and/or Garage Unit and in so doing damages such water lines, or if a Unit Owner causes the plumbing to back up, then such Unit Owner shall be responsible for repairing the damaged electrical wires, repairing the altered water line (if it ever requires repair), or cleaning out the plumbing).

5.2 Specific Powers and Duties of the Residential Association. The Residential Association, acting alone (through the Residential Association Board, its officers, or other duly authorized representatives) may, subject to the provisions of the Governing Instruments, exercise any and all rights and powers herein enumerated and, except as specifically limited herein, all the rights and powers of a non-profit corporation under the laws of the State of Utah. The following powers and duties are in amplification and not limitation of the foregoing powers and duties:

5.2.1 Bank Accounts. The Residential Association shall have the power and duty to establish and maintain the Residential Association General Account and a Residential Association Reserve Account, and to deposit therein all funds collected by the Residential Association from the Residential Association members in connection with its rights and duties hereunder as follows:



5.2.1.1 All funds shall initially be deposited in the Residential Association General Account. Funds deposited in such Residential Association General Account may be used by the Residential Association only for the purposes for which such funds have been collected.

5.2.1.2 Within ten (10) days after initial deposit in the Residential Association General Account after collection, all amounts collected for Residential Reserve Expenses shall be deposited in a Residential Association Reserve Account. The Residential Association shall keep accurate books and records reflecting the amount in such Residential Association Reserve Account. Funds deposited in such Residential Association Reserve Account shall be held in trust and, except in an emergency, may be used by the Residential Association only for the specific purposes for which such funds have been collected. Funds held in such Residential Association Reserve Account and used in an emergency shall be replaced in such Residential Association Reserve Account as soon as practicable after the date upon which emergency arose but in no event later than the end of the Fiscal Year immediately following the Fiscal Year in which such emergency occurred. Interest, if any, earned on Residential Association Reserve Account funds shall be accumulated therein and shall be used only for payment of Residential Reserve Expenses and any taxes incurred by the Residential Association as a result of the earning of such interest.

5.2.2 Delegation – Employment of Agents. The Residential Association shall have the power and duty to delegate the authority and responsibilities of the Residential Association hereunder to one or more agents, including, without limitation, the Residential Association Manager as provided for in Section 5.3 of this Residential Declaration, and the power to employ the services of any person or corporation as Residential Association Manager (in accordance with Section 5.3), or other employees as may be directed by the Residential Association Board, to manage, conduct, and perform the business, obligations and duties of the Residential Association.

5.2.3 Budgets and Financial Statements. The Residential Association shall have the power and duty to cause to be regularly prepared financial statements for the Residential Association and copies thereof to be distributed to all Residential Association members as follows:

5.2.3.1 A Residential Association Budget shall be distributed to Unit Owners not less than thirty (30) days before the beginning of each Fiscal Year, except the first Fiscal Year with respect to which the Residential Association Budget shall be distributed as soon as reasonably possible. The Residential Association Budget shall contain at least the following information:

- (a) Estimated revenue and expenses of the Residential Association on an accrual basis or any other method as determined by the Residential Association or its accountants; and



(b) A summary of the total cash reserves of the Residential Association currently available for replacement or major repair of any common elements, common facilities, or personal property owned by the Residential Association and for contingencies.

5.2.3.2 A Residential Association Annual Report shall be distributed within one hundred twenty (120) days after the end of each Fiscal Year. The Residential Association Annual Report may be prepared by a licensed certified public accountant. If the Residential Association Annual Report is not prepared by such a licensed certified public accountant, the Residential Association Annual Report shall be prepared by the Residential Association Manager or by an officer of the Residential Association and shall be accompanied by the certificate of the person preparing the Residential Association Annual Report that the Residential Association Annual Report was prepared without audit from the books and records of the Residential Association.

In lieu of the distribution of the Residential Association Budget and the Residential Association Annual Report, the Residential Association Board may elect to distribute a summary of the Residential Association Budget and the Residential Association Annual Report to each Residential Association Member with a written notice, in 10-point bold print type on the front page of the summary, that the Residential Association Budget and the Residential Association Annual Report are available at the business office of the Residential Association and that copies will be provided upon a Residential Association Member's request at the expense of the Residential Association. Any such summary requested shall be mailed to the requesting Member of the Residential Association by first-class United States Mail at the expense of the Residential Association.

5.2.4 Inspection of Books and Records.

5.2.4.1 The Residential Association shall have the power and duty to open, at any reasonable time during usual business hours, the books and records of the Residential Association for inspection by any Member of the Residential Association upon the written demand by such Member of the Residential Association; provided, however, that the Residential Association shall be obligated to open its books and records for inspection by a Member of the Residential Association only if the Member of the Residential Association requests such inspection for a purpose reasonably related to the Member's interests as a Residential Association Member. The inspection may be made in person or by an agent or attorney and shall include the right to copy and make extracts.

5.2.4.2 The Residential Association Board shall have the power and duty to establish reasonable rules with respect to: (A) notice to be given to the custodian of records by the person desiring to make the inspection; (B) hours and days of the week when such an inspection may be made; and (C) payment of the cost of reproducing copies of documents requested by a Member of the Residential Association or a Mortgagee.



5.2.4.3 Each member of the Residential Association Board shall have the absolute right at any time to inspect all books, records, and documents of the Residential Association and the physical properties owned or controlled by the Residential Association. The right of inspection by a member of the Residential Association Board includes the right to make extracts and copies of documents.

5.2.5 Insurance – Residential Association.

5.2.5.1 The Residential Association shall have the power and duty to obtain and pay the cost of insurance in accordance with ARTICLE XI.

5.2.5.2 The Residential Association shall, as soon as reasonably practical, notify its Members by first-class mail if any of the insurance policies required hereunder have lapsed, been canceled, and are not immediately renewed, restored, or replaced. If the Residential Association receives any notice of non-renewal of such a policy, the Residential Association shall immediately notify its Members if replacement coverage will not be in effect by the date the existing coverage will lapse.

5.2.6 Levy and Collection of Residential Assessments and Other Charges.

5.2.6.1 Residential Association Assessment. The Residential Association shall have the power and duty to determine, levy, collect and enforce Residential Assessments against the Unit Owners in the manner provided in ARTICLE VI and ARTICLE VII hereof in order to pay the Residential Basic Expenses and do all things necessary to enforce each Unit Owner's obligations hereunder.

5.2.6.2 Master Declaration Assessments. In the event that the Residential Association fails to fulfill its obligations under Section 5.2.6.1 as to all or any portion of the Master Declaration Assessments, then the Project Owner shall have the power and duty to determine, levy, collect and enforce such amounts against the Unit Owners in the manner provided in ARTICLE VI and ARTICLE VII hereof and in the Master Declaration in order to cause Unit Owners to pay such amounts and do all things necessary to enforce each Unit Owner's obligations hereunder in accordance with Section 57-8-44(6) of the Act, except that any lien of the Project Owner shall have priority over any lien of the Residential Association.

5.2.7 Maintenance and Repair. The Residential Association shall have the power and duty to: (i) repair and maintain the Residential Amenities; (ii) establish reserves for anticipated costs, including the costs of acquisition and replacement, of the Residential Amenities; and (iii) acquire and pay for materials, supplies, furniture, furnishings, labor, or services which the Residential Association deems necessary or proper for the management, operation, maintenance, and repair of the Residential Amenities. The Residential Association may delegate any or all of its duties under this Section 5.2.7 to Project Owner with Project Owner's written consent.



5.2.8 Minutes, Agenda and Policies. The Residential Association shall have the power and duty to provide each Member of the Residential Association with a copy of the minutes of Residential Association Board meetings in accordance with the Residential Bylaws.

5.2.9 Rules and Regulations. The Residential Association shall have the power and duty to adopt, publish, and enforce, from time-to-time, rules relating to the possession, use, and enjoyment of the Residential Amenities which rules shall be consistent with the provisions of the Governing Instruments and shall not conflict with any Project Rules and Regulations.

5.2.10 Statements of Status: Condominiums.

5.2.10.1 The Residential Association shall have the power and duty to issue a Statement of Status within ten (10) days of the Residential Association's receipt of a written request therefor by any Unit Owner, Mortgagee, prospective Mortgagee, purchaser, or other prospective transferee of a Unit and Garage Unit. Such Statement of Status shall be binding upon the Residential Association in favor of any person who may rely thereon in good faith.

5.2.10.2 The Residential Association shall have the power and duty to provide to a Unit Owner a copy of this Residential Declaration, the Residential Articles, and the Residential Bylaws, within ten (10) days of the Residential Association's receipt of a written request therefor by any Unit Owner.

5.2.10.3 The Residential Association shall have the power to charge a fee for providing the Statement of Status or any documents so requested by a Unit Owner, which fee shall not exceed the reasonable cost of preparation and/or reproduction thereof.

5.2.11 Taxes and Assessments. The Residential Association shall have the power and duty to pay the Taxes attributable to the Residential Parcel (other than Taxes assessed against a particular Unit and/or Garage Unit that are to be paid by the related Unit Owner) and shall have the power to discharge, contest, or protest liens or charges affecting the Residential Parcel (other than liens or charges assessed against a particular Unit and/or Garage Unit that are to be paid by the related Unit Owner).

5.2.12 Utilities. The Residential Association shall have the power and duty to pay the charges for utility services provided to the Residential Association and the Units and Garage Units, including power, water, sewer, internet services, and cable television (whether payable directly to the utility company in question or as a reimbursement to Project Owner pursuant to the Master Declaration). No changes to the Residential Association's cable television provider or plan and the internet provider or plan shall be made without the prior written consent of the Project Owner and the Residential Association.



5.2.13 Professional Advisors. The Residential Association shall have the power to retain and pay the cost of professional advisors necessary or proper in the operation and management of the Residential Parcel, the maintenance and repair of the Residential Parcel, and the enforcement of this Residential Declaration, the Residential Articles, and the Residential Bylaws, including, but not limited to, architects, planners, lawyers, and accountants.

5.2.14 Right of Entry. The Residential Association shall have the power to enter any Unit and/or Garage Unit, at any reasonable time and whether or not in the presence of the occupant, for the purposes and with the limitations set forth in Section 3.4.1.

5.2.15 Borrowing of Money. The Residential Association shall have the power to borrow and repay money for the purpose of performing its obligations under Section 5.2.7, and to encumber the Residential Parcel (excluding the Units and Garage Units) as security for the repayment of such borrowed money.

5.2.16 Services. The Residential Association shall have the power to contract, directly or through the Residential Association Manager, or otherwise provide for all services necessary or convenient to the management, maintenance, and operation of the Residential Parcel, including, without limitation, cable television and internet services; provided, however, that the Residential Association shall not contract for such services if the same are contracted for and provided by Project Owner or Project Manager in accordance with this Residential Declaration, the Master Declaration, or the Project Services Agreement.

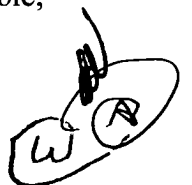
5.2.17 Designate Officers. Subject to the express terms and conditions of this Residential Declaration, the Residential Association shall have the power to select, appoint, and remove the officers, agents, and employees of the Residential Association, prescribe such powers and duties for them as are not inconsistent with law, the Residential Articles, the Residential Bylaws, or this Residential Declaration, and, subject to the provisions of the Residential Bylaws, fix their compensation.

5.2.18 Reserves. The Residential Association shall have the power to establish, maintain, and expend reserve funds for replacements relating to the Residential Parcel.

5.2.19 Power to Levy and Assess Fines, Discipline. The Residential Association shall have the power to levy, collect, enforce, and assess fines against any Unit Owner who violates, or whose guests, Occupants, or other Permitted Users violate, this Residential Declaration in accordance with ARTICLE VII and the Act.

5.2.20 Litigation. The Residential Association shall have the power to prosecute or defend, in the name of the Residential Association, any action affecting or relating to the Residential Association and any action in which all or substantially all of the Unit Owners have an interest.

5.2.21 Other Necessary Acts. The Residential Association shall have the power to do all other things or acts deemed by the Residential Association to be necessary, desirable,



or appropriate for the management, operation, repair, and maintenance of the Residential Parcel and/or the Residential Amenities.

5.3 Authority and Duty to Engage Residential Association Manager. The Residential Association shall have the authority to engage and the obligation to use commercially reasonable efforts to engage and maintain a reputable firm as the Residential Association Manager (which may be the Project Manager), to manage, conduct, and perform the business, obligations, and duties of the Residential Association pursuant to a Residential Association Management Agreement. The Residential Association Manager shall have the right of ingress and egress over such portions of the Residential Parcel and/or the Residential Amenities as are necessary for the performance of such business, duties, and obligations.

5.4 Limitation on Powers of the Residential Association Manager. The Residential Association Manager shall not, without having first obtained the consent of a majority of Non-Project Owners: (a) enter into a contract with a third-person or entity whereby such person or entity will furnish goods or services for the management, operation, maintenance, and repair of the Residential Parcel and/or the Residential Amenities, for a term longer than one (1) year, except for: (i) a contract with a public utility company if the rates charged for the materials or services are regulated by the Utah Public Service Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; or (ii) a prepaid casualty and/or liability insurance policy not to exceed three (3) years duration provided that the policy permits pro rata cancellation by the insured; (b) incur aggregate expenditures for capital improvements to the Residential Parcel and/or the Residential Amenities in any Fiscal Year in excess of available reserves; (c) during any Fiscal Year, sell any property of the Residential Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses for the Residential Association for that Fiscal Year; and (d) pay compensation to members of the Residential Association Board or to the officers of the Residential Association for services performed in the conduct of the Residential Association's business; provided, however, that the members of the Residential Association Board or officers of the Residential Association may be reimbursed for reasonable expenses incurred in carrying on the business of the Residential Association.

5.5 Limited Liability – Residential Association Manager and Residential Association. Neither the Residential Association nor the Residential Association Manager shall be responsible for the acts, omissions, or conduct of any Unit Owner or guests, Occupants, or Permitted Users of the Unit Owner, or for the breach of any of the obligations of any Unit Owner or guests, Occupants, or Permitted Users of the Unit Owner. Notwithstanding the duty of the Residential Association to maintain and repair the Residential Parcel and the Residential Amenities, and except to the extent covered by insurance, the Residential Association shall not be liable to Unit Owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the Residential Parcel and the Residential Amenities to be maintained and repaired by the Residential Association or caused by natural elements or other Unit Owners or persons. All users of the Residential Parcel and the Residential Amenities shall use the Residential Parcel and the Residential Amenities at their own risk.

5.6 Residential Association – Personal Liability, Indemnification. No director or officer of the Residential Association (including, no member of the Residential Association Board)



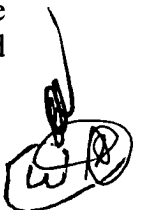
shall be personally liable to any Unit Owner, or to any other party, including the Residential Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Residential Association, the Residential Association Board, or any other representative or employee of the Residential Association or any director or officer of the Residential Association, provided that such person has, upon the basis of such information as may be possessed by him or her, acted in good faith, and without willful or intentional misconduct. The Residential Association hereby agrees to indemnify any director or officer of the Residential Association (including, each member of the Residential Association Board) against any liability for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence by such director or officer in representing the Residential Association, provided that such person has, upon the basis of such information as may be possessed by him or her, acted in good faith, and without willful or intentional misconduct.

ARTICLE VI RESIDENTIAL ASSESSMENTS AND PERSONAL CHARGES

6.1 Creation of Personal Obligations For Residential Assessments. From and after the date of the closing of escrow for the sale of the first Unit and Garage Unit, Project Owner, for each Unit and Garage Unit owned by Project Owner, hereby covenants, and each Unit Owner accepting the conveyance of a Unit and Garage Unit, whether or not it shall be so expressed in the Original Deed, shall be deemed to have covenanted and agreed for each Unit and Garage Unit owned, to pay the Residential Assessments which shall be established, made, and collected as hereinafter provided. Subject to Section 6.5, each Unit Owner, including Project Owner, for each Unit and Garage Unit which it owns, shall be liable for a proportionate share of the Residential Assessments, such share being the same as the Percentage Ownership Interest appurtenant to the applicable Unit. Project Owner may, to the extent permitted by law, in lieu of payment of the Residential Assessments, enter into a Subsidy Agreement with the Residential Association with respect to any Units and Garage Unit owned by Project Owner, requiring Project Owner to pay monies which are sufficient, together with the Residential Association Assessments paid by all other Unit Owners, to enable the Residential Association to timely pay the Residential Basic Expenses as they become due and payable. Residential Assessments, together with interest thereon and costs and reasonable attorneys' fees shall be the personal obligation of each Unit Owner at the time each Residential Assessment becomes due and payable and shall be a lien and charge upon the Unit and Garage Unit against which such Residential Assessment is made. The personal obligation for delinquent Residential Assessments shall pass to a successor-in-title to a Mortgagee and to all other successors-in-title except for a Mortgagee or Project Owner, or an affiliate of Project Owner, with respect to any Unit and Garage Unit that Project Owner, or such affiliate, reacquires after the initial conveyance of such Unit and Garage Unit by Project Owner. No Unit Owner may waive or otherwise avoid liability for the Residential Assessments by non-use of his or her Unit and/or Garage Unit or any part thereof or any abandonment thereof.

6.2 Purpose of Residential Assessments. Residential Assessments shall be used exclusively to fund the Residential Basic Expenses and any other costs and expenses of the Residential Association.

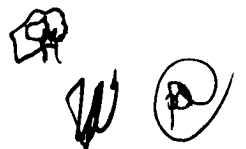
6.3 Limitation on Residential Association Assessment. The aggregate of the Residential Association Assessments (not including real property taxes levied against or to be paid



by the Unit Owners of any Unit and Garage Unit) for any applicable Fiscal Year subsequent to the first full Fiscal Year shall not exceed one hundred twenty-five percent (125%) of the aggregate Residential Association Assessments (not including real property taxes levied against or to be paid by the Unit Owners of any Unit and Garage Unit) for the preceding Fiscal Year (without regard to any increase or decrease as set forth in Section 6.4 of this Residential Declaration), without the consent of a majority of the voting power of Unit Owners other than Project Owner.

6.4 Reduction of Residential Association Budget. Each Unit Owner hereby agrees that in the event the Residential Association Board shall determine at any time during the Fiscal Year that the amount the Residential Association Budget is, or will be, in excess of the amounts needed to meet the Residential Basic Expenses (other than Residential Reserve Expenses) for such Fiscal Year, the Residential Association Board shall have the authority, exercisable in its sole and absolute discretion, to cause to be prepared an estimate of the amount of such excess, which excess shall then be subtracted from the previously approved amount of the Residential Association Budget for the Fiscal Year to which such excess is applicable, provided, however, that the Residential Association Board may choose, at its sole and absolute discretion, to pay such excess into the Residential Association Reserve Account or apply such excess to future Residential Basic Expenses. The Residential Basic Expenses reflected in the reduced amount of the Residential Association Budget shall then be allocated among the Unit Owners in the same manner as provided in Section 5.2.6 of this Residential Declaration. Except as may be determined by the Unit Owners on an annual basis: (i) no Unit Owner shall, by reason of such reduction, be entitled to a refund of all or any portion of any Residential Association Assessment previously paid; and (ii) each Unit Owner hereby agrees that any amount assessed and collected in excess of the amount required to meet the Residential Basic Expenses (other than Residential Reserve Expenses) shall be applied to reduce the amount assessed to meet the Residential Basic Expenses for the next succeeding Fiscal Year or to the Residential Association Reserve Account, as determined by the Residential Association Board. Any reduction in the amount of the Residential Association Budget, as provided herein, shall not relieve any Unit Owner from his or her obligation to pay any past-due Residential Association Assessment.

6.5 Residential Association Assessment. During the Fixed Period (as defined in the Master Declaration) each Unit Owner, including Project Owner, for each Unit and Garage Unit which it owns, shall pay annually as its Residential Association Assessment: (i) Five Thousand Two Hundred Fifty Dollars (\$5,250.00), (ii) Zero and 933/1000 Dollars (\$0.933) per square foot (which Unit square footage is set forth in the attached Exhibit C), (iii) its proportionate share, such share being the same as the Percentage Ownership Interest appurtenant to the applicable Unit, of the Tax Assessment and costs of insurance obtained by the Residential Association or Master Association pursuant to ARTICLE XI, plus (iv) One Hundred Eighty Dollars (\$180.00) per parking stall in its Garage Unit. The Residential Association may increase the amounts set forth in the aforementioned (i), (ii) and (iv) annually at the beginning of each Fiscal Year by the CPI Escalation percentage. In no event shall a negative CPI Escalation result in a decrease below the then applicable Residential Association Assessment amount. After the Fixed Period, each Unit Owner, including Project Owner, for each Unit and Garage Unit which it owns, shall be liable for a proportionate share of the Residential Association Assessment, such share being the same as the Percentage Ownership Interest appurtenant to the applicable Unit. The Residential Association Assessment shall commence as to each Unit and Garage Unit on the date of the closing of escrow



for the sale of the first Unit and Garage Unit. The initial Residential Association Assessment for each Unit and Garage Unit acquired by a Non-Project Owner may be prorated between Project Owner and such Non-Project Owner as more particularly provided in the Purchase Agreement for such Unit and Garage Unit.

6.6 Payment of Residential Association Assessment and Taxes. The Residential Association Assessment and Taxes shall be paid as follows:

6.6.1 Residential Association Assessment. The Residential Association Assessment shall be paid as follows:

6.6.1.1 For any Fiscal Year in which a Non-Project Owner acquires a Unit and Garage Unit, the Project Owner and such Non-Project Owner shall pay the Residential Association Assessment against such Unit and Garage Unit in the manner provided in the Purchase Agreement for such Unit and Garage Unit.

6.6.1.2 For each Fiscal Year thereafter, each Non-Project Owner shall pay to the Residential Association the Residential Association Assessment with respect to each Unit and Garage Unit which such Non-Project Owner owns, either: (A) in one lump sum due on or before the date determined by the Residential Association Board; or (B) in installments payable no more frequently than monthly, as determined by the Residential Association Board. Whether such Residential Association Assessment is paid through the method provided in (A) or (B) of the foregoing sentence shall be at the Residential Association Board's sole and absolute discretion.

6.6.1.3 For each Fiscal Year in which there is no Subsidy Agreement, Project Owner shall pay the Residential Association Assessment with respect to each Unit and Garage Unit owned by Project Owner to the Residential Association in installments payable no more frequently than monthly, as determined by the Residential Association Board, commencing on January 1 of each Fiscal Year and continuing on the first day of each month thereafter until paid; provided, however, that for any Fiscal Year in which a Non-Project Owner acquires such a Unit and Garage Unit, the Project Owner and such Non-Project Owner shall pay the Residential Association Assessment against such Unit and Garage Unit for such Fiscal Year in the manner provided in the Purchase Agreement for such Unit and Garage Unit.

6.6.1.4 That portion of the Residential Association Assessment which is attributable to: (A) reserve expenses shall be paid by the Residential Association to the Project Owner pursuant to the Master Declaration; and (B) Residential Reserve Expenses shall be deposited by the Residential Association in a Residential Association Reserve Account as determined by the Residential Association Board.

6.6.2 Taxes. The Taxes shall be paid as follows:



6.6.2.1 For any Tax Year in which a Non-Project Owner acquires a Unit and Garage Unit, the Taxes attributable to such Unit and Garage Unit shall be payable by the Project Owner and Non-Project Owner in the manner provided in the Purchase Agreement for such Unit and Garage Unit, and for each Tax Year thereafter, the Taxes for such Unit and Garage Unit shall be payable by the Non-Project Owner before delinquency;

6.6.2.2 For each Tax Year, the Taxes attributable to each Unit and Garage Unit owned by Project Owner shall be payable by Project Owner before delinquency, provided, however, that for any Fiscal Year in which a Non-Project Owner acquires such a Unit and Garage Unit, the Project Owner and such Non-Project Owner shall pay the Taxes for such Fiscal Year attributable to such Unit and Garage Unit in the manner provided in the Purchase Agreement for such Unit and Garage Unit; and

6.6.2.3 The Residential Association shall be responsible for the payment of its share of any Tax Assessment separately assessed and billed to the Project Owner by the County pursuant to the Master Declaration.

6.7 Special Assessments. If the Residential Association Assessments collected or to be collected for a particular Fiscal Year are, or will be, inadequate to meet all expenses incurred by the Residential Association (other than for items constituting Personal Charges) for any reason, including, without limitation, nonpayment by any Unit Owner of any Residential Assessment on a current basis, the Residential Association shall immediately determine the approximate amount of such inadequacy, prepare and distribute a supplemental Residential Association Budget and levy against each Unit and Garage Unit in accordance with the method for determining the Residential Association Assessment, a Special Assessment. Any Special Assessment shall be payable in one lump sum or periodically, as determined by the Residential Association. Notwithstanding the foregoing, a Special Assessment against a Unit Owner or Unit Owners may not be imposed without the prior approval of a majority of the Non-Project Owners, except for Special Assessments: (i) for payment of the portion of the Master Declaration Assessments to be paid by the Residential Association in accordance with the Master Declaration; (ii) for the repair or rebuilding of a Unit and Garage Unit which does not exceed ten percent (10%) of the budgeted gross expenses of the Residential Association for the Fiscal Year in which the Special Assessment is levied; or (iii) against a Unit Owner or Unit Owners for the purpose of reimbursing the Residential Association for costs incurred in bringing such Unit Owner or Unit Owners into compliance with provisions of the Governing Instruments.

6.8 Personal Charges.

6.8.1 Personal Charges are not Residential Assessments and the remedies available to the Residential Association against any Unit Owner for nonpayment of such Unit Owner's Personal Charges are those remedies provided in Section 7.1 of this Residential Declaration.

6.8.2 Personal Charges shall be paid by each Unit Owner to whom such Personal Charge relates.

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**ARTICLE VII
ENFORCEMENT OF RESTRICTIONS**

7.1 In General.

7.1.1 In the event that any Unit Owner or the guests, Occupants, and/or Permitted Users of any Unit Owner should fail to comply with any of the provisions of the Governing Instruments, the Residential Association, the Project Owner, the Project Manager, or any other Unit Owner(s) having the benefit of such provision, shall have full power and authority to enforce compliance with such Governing Instruments in any manner provided for therein, by law or in equity, including, without limitation, the right to enforce such Governing Instruments, by bringing an action for damages, an action to enjoin the violation or specifically enforce the provisions of such Governing Instruments, and with respect to any enforcement by the Residential Association, the Project Owner or Project Manager, to enforce the liens provided for herein and any statutory lien provided by law, including the foreclosure of any such lien and the appointment of a receiver for a Unit Owner and the right to take possession of the Unit and Garage Unit of any Unit Owner in any lawful manner. In the event the Residential Association, the Project Owner, Project Manager, or any Unit Owner(s) shall employ an attorney to enforce, pursuant to this Section 7.1.1, the provisions of the Governing Instruments against any Unit Owner or the guests, Occupants, and/or Permitted Users of any Unit Owner, the prevailing party shall be entitled to recover from the Unit Owner or such guests, Occupants, and/or Permitted Users of any Unit Owner violating any such provisions reasonable attorneys' fees and costs in addition to any other amounts due as provided for herein.

7.1.2 All sums payable hereunder by a Unit Owner or the guests, Occupants, and/or Permitted Users of any Unit Owner which become Delinquent shall bear interest at the Agreed Rate commencing on the date such payment becomes Delinquent or, if advanced or incurred by the Residential Association, or any other Unit Owner or the guests, Occupants, and/or Permitted Users of any Unit Owner pursuant to authorization contained in this Residential Declaration, commencing thirty (30) days after repayment is requested.

7.1.3 Each Unit Owner or the guests, Occupants, and/or Permitted Users of any Unit Owner who becomes Delinquent in the payment of any amount due the Residential Association or the Project Owner shall pay to the Residential Association or the Project Owner, as the case may be, a late charge of five percent (5%) of the delinquent amount, or such other amount as may be determined by the Residential Association Board or the Project Owner, as the case may be, from time-to-time, for each payment which is Delinquent.

7.1.4 All enforcement powers of the Residential Association or the Project Owner shall be cumulative. Each Unit Owner accepting the conveyance of, and each guest, Occupant, and/or Permitted User occupying, a Unit and Garage Unit shall be deemed to have covenanted and agreed that the Residential Association and the Project Owner shall have all of the rights, powers, and remedies set forth in this Article VII and elsewhere in this Residential Declaration.



7.2 Certain Specific Enforcement Powers. In amplification of, and not in limitation of, the general powers specified in Section 7.1 of this Residential Declaration, the Residential Association shall have the following rights and powers (and the Project Owner shall have such rights and powers in connection with Section 5.2.6.2):

7.2.1 Enforcement by Lien. Subject to the provisions of Section 7.3 of this Residential Declaration, there shall be a lien upon the applicable Unit and Garage Unit for all unpaid Residential Assessments, together with late fees, interest, and costs (including attorneys' fees) charged pursuant to this Residential Declaration and the Act. The lien for unpaid Residential Assessments and related charges shall be effective upon recordation in the Office of the County Recorder of a written notice of lien by the Residential Association Board or the Residential Association Manager. The written notice of lien shall set forth the amount of the Residential Assessment, the date(s) due, the amount remaining unpaid, the name of the Unit Owner of the Unit and Garage Unit and a description of the Unit and Garage Unit. No notice of lien shall be recorded until there is a delinquency in payment of the Residential Assessment. Such lien may be enforced by sale or foreclosure conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law. In any such foreclosure, the Unit 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 Unit Owner shall also be required to pay to the Residential Association any Residential Assessments against the Unit and Garage Unit which shall become due during the period of foreclosure, and all such Residential Assessments shall be secured by the lien being foreclosed. The Residential Association Board shall have the right and power on behalf of the Residential Association to bid in at any foreclosure sale and to hold, lease, mortgage, or convey the subject Unit and Garage Unit in the name of the Residential Association. In furtherance of such foreclosure rights, the Residential Association may bring an action at law against the Unit Owner personally obligated to pay the same or the Residential Association may foreclose the lien in accordance with the provisions of the Act. The Project Owner, the Residential Association, and each Unit Owner hereby appoint Cottonwood Title Insurance Agency, Inc., a Utah corporation, as trustee for the purpose of exercising the power of sale in connection with any non-judicial foreclosures of the Units and Garage Units as provided in the Act; provided, however, the Residential Association reserves the right to substitute and appoint a successor trustee as provided for in the Act. Each Unit Owner hereby conveys all of its right, title, and interest in its particular Unit and Garage Unit to such trustee, in trust, with a power of sale, for the sole purpose of securing each Unit Owner's obligations under this Residential Declaration, including, but not limited to, the obligation to pay all Residential Assessments. The Residential Association may, through its duly authorized agents, bid on the Unit and Garage Unit at any foreclosure sale and acquire, hold, lease, mortgage, and convey the same. The lien procedures described herein do not prohibit actions to recover sums for which the Act creates a lien or prohibits the Residential Association from taking a deed in lieu of foreclosure. The Residential Association and each Unit Owner acknowledge and agree that a lender holding a first position lien on the Building or the Project Property, or a subsequent purchaser succeeding to the rights of such lender, may, if the lender's loan documents so allow, succeed to all of the right, title, and interest of the

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Project Owner, as “Declarant” or “Project Owner” under this Residential Declaration by recording a certificate in the Office of the County Recorder stating that such lender or subsequent purchaser has so elected. The certificate shall conclusively establish that such lender or subsequent purchaser, and any person claiming by or through them, is the “Declarant” or the “Project Owner” for purposes of this Residential Declaration, as applicable. The recording of such certificate shall not require the consent, approval, or joinder of the Residential Association or any Unit Owners.

The proceeds of any foreclosure, trustee’s, or judgment sale provided for in this Residential Declaration shall first be paid to discharge court costs, court reporter charges, reasonable attorneys’ fees, title costs and costs of the sale, and all other expenses of the proceedings and sale, and the balance of the proceeds, after satisfaction of all charges, monetary penalties and unpaid Residential Assessments hereunder or any liens, and subject to the rights of any Mortgagee, shall be paid to the defaulting Unit Owner. The purchaser at any such sale shall obtain title to the Unit and Garage Unit after the expiration of any applicable period of redemption free from the sums or performance claimed, except as stated in this Section 7.2, but otherwise subject to the provisions of the Governing Instruments, and no such sale or transfer shall relieve such Unit and Garage Unit or the purchaser thereof from liability for any Residential Assessments, Taxes, other payments or performance thereafter becoming due or from the lien therefor as provided for in this Section 7.2. All sums assessed hereunder but still unpaid shall remain the obligation of and shall be payable by the person foreclosed upon; but if such sum should prove uncollectible, then it shall be deemed to be a Residential Basic Expense, collectable from all of the other Unit Owners, including the purchaser thereof at foreclosure, and shall be shared among such Unit Owners in the same manner as other Residential Basic Expenses are shared. Upon the timely curing of any default for which a notice of default or claim of lien was filed by the Residential Association, the officers of the Residential Association are hereby authorized to record an appropriate release of such lien in the Office of the County Recorder.

In addition to the foregoing, after providing notice and an opportunity to cure in accordance with Section 57-8-37 of the Act, the Residential Association and the Project Owner may assess fines in accordance with and up to the maximum amount allowable under Section 57-8-37 of the Act.

7.3 Subordination to Certain Encumbrances. The lien in favor of the Residential Association as provided for in this Article VII shall be prior to all encumbrances made by a Unit Owner or imposed by legal process upon any Unit Owner except: (i) taxes, bonds, assessments, and other levies which by law are prior thereto; (ii) the lien of any First Mortgage whether the notice of lien is recorded prior or subsequent to any such First Mortgage, and (iii) the lien of the Project Owner in connection with Section 5.2.6.2. The sale or transfer of any Unit and Garage Unit, including foreclosure of a First Mortgage, shall not defeat or affect the lien provided for herein. No such sale or transfer shall relieve such Unit and Garage Unit or the purchaser thereof from liability for any Residential Assessment(s) thereafter becoming due or from the lien thereof.

7.4 Waiver of Homestead Exemption. Each Unit Owner hereby agrees that neither Project Owner’s nor any Residential Association’s rights or remedies nor any Unit Owner’s obligations under the terms of any of the Governing Instruments shall be released, diminished,



impaired, reduced, or affected by, and the liability of each Unit Owner under the Governing Instruments shall be absolute and unconditional irrespective of, any homestead exemption or any other exemption under applicable law. Each Unit Owner hereby expressly waives all homestead exemption rights and rights under any other exemption under applicable law against the obligations of each Unit Owner pursuant to the Governing Instruments.

ARTICLE VIII RESIDENTIAL ASSOCIATION AS ATTORNEY-IN-FACT

8.1 Appointment. Each and every Unit Owner hereby irrevocably constitutes and appoints the Residential Association as such Unit Owner's true and lawful attorney-in-fact in such Unit Owner's name, place, and stead for the purpose of dealing with the Residential Parcel upon its damage, destruction, or condemnation as provided below in ARTICLE IX. In addition, the Residential Association, or any insurance trustee or substitute insurance trustee designated by the Residential Association, is hereby appointed as attorney-in-fact under this Residential Declaration for the purpose of purchasing and maintaining insurance under ARTICLE XI, including: (i) the collection and appropriate disposition of the proceeds of such insurance; (ii) the negotiation of claims and the execution of releases of liability; (iii) the execution of all documents; and (iv) the performance of all other acts necessary to accomplish such purpose. The Residential Association, or any insurance trustee, shall hold or otherwise properly dispose of any insurance proceeds in trust for the Unit Owners and their Mortgagees, as their interests may appear. Acceptance by a grantee of an Original Deed or other instrument of conveyance from Project Owner or from any Unit Owner shall constitute appointment of the attorneys-in-fact as provided above. If the Residential Association Board fails to so approve any exercise of authority as attorney-in-fact, the Residential Association shall have such authority as it may have pursuant to the Act. Each Unit Owner's appointment of the Residential Association as attorney-in-fact as provided in this Article VIII is a power coupled with an interest, and no further document or instrument is necessary to evidence the Residential Association's appointment.

8.2 General Authority. As attorney-in-fact, the Residential Association shall have full and complete authority, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Unit Owner which may be necessary or appropriate to exercise the powers granted to the Residential Association as attorney-in-fact.

ARTICLE IX DAMAGE, DESTRUCTION, OR CONDEMNATION

9.1 In General. In the event of any damage or destruction other than by normal wear and tear, whether resulting from an insured or uninsured casualty, to all or any portion of the Residential Parcel or other personal property owned by the Residential Association, the Residential Association shall promptly cause such to be repaired, restored, or replaced as near as may be possible to its condition immediately prior to such damage or destruction. The Residential Association Board may levy a Repair Assessment on all of the Unit Owners in accordance with the method set forth below for the amount required to make up any deficiencies between the total insurance proceeds and the contract price for such repair (the "Shortfall"):



9.1.1 Shortfall Per Unit. For each Unit and Garage Unit, the Repair Assessment and any Shortfall against such Unit and Garage Unit shall be based upon the Percentage Ownership Interest appurtenant to such Unit.

9.1.2 Exceptions. Notwithstanding Section 9.1.1 above, if the loss, damage, or destruction was caused by the intentional or negligent act, or failure to act, of any Unit Owner or such Unit Owner's guests, Occupants, or Permitted Users, the cost of such repair shall be a Personal Charge of, and be paid by, such Unit Owner as provided in Section 6.8 of this Residential Declaration to the extent such loss, damage, or destruction is not covered by insurance. All insurance monies recovered on account of such damage or destruction, less the cost, if any, of such recovery, shall be applied to the payment of the cost of repairing, and shall be paid out from time-to-time by the Residential Association Board as such work progresses.

9.2 Taking of All of Personal Property of Residential Association. In the event all the personal property owned by the Residential Association is taken under the power of eminent domain, that portion of the condemnation award which is actually paid to the Residential Association on account of the taking of such personal property shall be divided among and distributed to the Unit Owners (subject to rights of Mortgagees). The proportionate interest of each Unit Owner in such condemnation award proceeds shall be equal to the Percentage Ownership Interest appurtenant to such Unit Owner's Unit.

9.3 Partial Taking of Personal Property of Residential Association. In the event of a partial taking of personal property owned by the Residential Association, all condemnation awards shall be paid to the Residential Association. The Residential Association shall use all amounts awarded to it on account of such taking to repair or restore the remaining personal property owned by the Residential Association as nearly as may be possible to its condition immediately prior to such taking, or if that is not reasonably possible, to acquire and improve other personal property to replace the property or portions of the personal property which were taken; provided, however, that the Residential Association shall not be obligated to replace such personal property if seventy-five percent (75%) or more of the voting power of the Residential Association elects to distribute the condemnation award rather than make such replacement, in which case it shall be disbursed to each Unit Owner (subject to the rights of Mortgagees). If the Residential Association members do not elect, within sixty (60) days after the taking of the personal property, to distribute the condemnation award, the Residential Association Board shall proceed with such repair and restoration and the acquisition and improvement of new personal property, and may levy a Special Assessment on the Unit Owners in accordance with Section 6.7 to raise any funds needed for such purpose in excess of the condemnation award. If the Residential Association members do not approve such Special Assessment, if such approval is required, the Residential Association Board shall perform such repair and restoration work and make such acquisitions as are possible with the available funds.

9.4 Taking of Units and/or Garage Units. In the event of a taking of some or all of the Units and/or Garage Units, those Unit Owners whose Units and/or Garage Units are taken shall be entitled to retain (subject to the rights of Mortgagees and any unpaid Residential Assessments) the award made to them for such taking, and any such award shall be paid only to such Unit Owners. The Residential Association shall, within ninety (90) days after the taking, cause an amended

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Condominium Plat to be prepared depicting the new configuration of the Units and/or Garage Units and the revised number of Units and/or Garage Units, and shall prepare an amendment to this Residential Declaration to be executed by all Unit Owners, Mortgagees, and other persons or entities required by law to execute such documents, and record such amendments in the Office of the County Recorder, and all Unit Owners and Mortgagees hereby agree, and such other persons or entities are deemed to agree, to execute all such documents. Upon the taking of a Unit and/or Garage Unit, the Percentage Ownership Interests appurtenant to the remaining Units shall be reallocated in accordance with Section 57-8-32.5 of the Act.

9.5 No Limitation of Remedies. Nothing contained in this Article IX shall be deemed to limit the right of a Unit Owner to pursue all available legal remedies and obtain all compensation from and against any applicable condemnation authorities (but not against the Project Owner or Residential Association) to which such Unit Owner may be entitled by reason of the taking of or damage to his or her Unit and/or Garage Unit.

9.6 Damage/Destruction of Building; Project Owner's Right to Purchase; Casualty Purchase Right. The Residential Association and each Unit Owner acknowledge and agree that, in the event of a casualty event causing damage or destruction to the Insured Property (as defined in the Master Declaration), the determination to reconstruct, repair, or restore the Insured Property shall be governed by and be subject to Article 10 of the Master Declaration. Pursuant to Section 10.1 of the Master Declaration, Project Owner may have the right to purchase the Residential Parcel, including the Units and Garage Units, in the event of an event of such damage or destruction to the Insured Property under Article 10 of the Master Declaration.

ARTICLE X PROTECTION OF MORTGAGEES

10.1 Conflict. The provisions and requirements of this ARTICLE X and any other provisions and requirements of this Residential Declaration relating to the rights of Mortgagees: (i) shall prevail over any conflicting provisions of this Residential Declaration, the Residential Articles, or the Residential Bylaws; and (ii) are in addition to any other provisions of this Residential Declaration.

10.2 Application of Residential Assessments. No Mortgagee shall be liable for the payment of Residential Assessments against any Unit and/or Garage Unit, except those accruing after such Mortgagee obtains title to such Unit and/or Garage Unit pursuant to its remedies under its Mortgage.

10.3 Subordination of Residential Assessment Lien. The lien of any Residential Assessment created under this Residential Declaration which arises before the time at which a Mortgagee obtains title to the mortgaged property shall be subordinate to the lien of the First Mortgage held by the Mortgagee. However, the sale or transfer of title to property by deed, assignment, or conveyance in lieu of foreclosure, or any other voluntary conveyance of title, shall not relieve: (i) a Unit Owner or its grantee or other successors and assigns (whether as a result of a foreclosure or deed-in-lieu of foreclosure or otherwise, but specifically excluding any Mortgagee itself or Project Owner, or an affiliate of Project Owner, with respect to any Unit and/or Garage Unit, or such affiliate, reacquires after the initial conveyance of such Unit and/or Garage Unit by



Project Owner) from liability from any charges or assessments hereunder which become due and payable before such sale or transfer; or (ii) Unit Owner or its grantee or other successors and assigns from liability from any charges or assessments hereunder which thereafter become due and payable, as the case may be.

10.4 Limitation of Enforcement Against Mortgagees. No violation of this Residential Declaration by a Unit Owner or enforcement of this Residential Declaration against a Unit Owner shall impair, defeat, or render invalid the lien of any Mortgage against the Unit Owner's Unit, Garage Unit, or other applicable property, but this Residential Declaration shall be enforceable against any Unit Owner whose title is acquired by foreclosure, trustee's sale, voluntary conveyance, or otherwise.

10.5 Notice by Mortgagees. All persons and entities holding a Mortgage affecting any portion of the Residential Parcel shall give written notice to the Residential Association Board of the nature of their interests in the Residential Parcel, as well as the recording information pertaining to all deeds of trust, mortgages, and other security instruments encumbering property in the Residential Parcel, and the amount of indebtedness secured by any such deed of trust, mortgage, or security instrument. Any person who has not given the notice required by this Section 10.5 shall not be entitled to the rights of a Mortgagee accorded by this Residential Declaration.

10.6 Notice. All Mortgagees are entitled, upon written request and after furnishing their addresses in writing to the Residential Association Manager, to receive written notice from the Residential Association Manager of any default by a Unit Owner under this Residential Declaration which is not cured within thirty (30) days after written notice of such default is given by the Residential Association or the Residential Association Manager to the defaulting Unit Owner(s).

ARTICLE XI INSURANCE

11.1 Residential Association. The Residential Association shall have the power and duty to obtain and pay the cost of:

11.1.1 Damage to Property. On and after the Starting Date, insurance against loss or damage to the Residential Parcel, against loss or damage by fire, lightning, windstorm, and all other risks covered by the usual Special Form policy form, all in an amount not less than one hundred percent (100%) of the full replacement cost thereof, as determined annually. The policy shall not contain a coinsurance provision or shall be amended with a waiver of coinsurance or the Agreed Value endorsement. The deductible shall not exceed Ten Thousand Dollars (\$10,000).

11.1.2 General Liability Insurance. Commercial General Liability insurance providing coverage against claims brought by third-parties against the Residential Association, its officers, directors, members, managers, or employees for (a) death or bodily injury, (b) property damage, (c) personal and advertising injury, (d) contractual liability, and (e) products/completed operations liability, with minimum limits of Two



Million Dollars (\$2,000,000) per each occurrence with a general aggregate limit of not less than Four Million Dollars (\$4,000,000).

11.1.3 Business Auto Liability Insurance. Business Auto Liability policy providing coverage against claims for bodily injury and property damage brought by third-parties against the Residential Association, its officers, directors, members, managers, or employees and shall include all owned, non-owned and hired vehicles for combined single limit of not less than One Million Dollars (\$1,000,000) each accident.

11.1.4 Workers' Compensation Insurance. The Residential Association shall obtain and maintain workers' compensation insurance and Employer's Liability Insurance in amounts not less than One Million Dollars (\$1,000,000) per accident/disease for employees, if any, of the Residential Association to the extent required by applicable law. The Residential Association shall require any independent contractor who performs any service for the Residential Association to carry statutory workers compensation coverage and Employer's Liability Insurance in the same amounts as shown above. Such independent contractor's insurance policy shall provide a waiver of subrogation in favor of the Residential Association, its officers, directors, members, managers, or employees.

11.1.5 Directors' and Officers' Liability Insurance. The Residential Association shall obtain and maintain directors' and officers' liability insurance for officers and directors of the Residential Association containing such terms and conditions as are normally and customarily carried for directors and officers of a mixed-use and residential condominium development in the City. The limits of such insurance shall be not less than Two Million Dollars (\$2,000,000).

11.1.6 Commercial Crime Insurance. The Residential Association shall obtain and maintain a commercial crime policy to include employee theft or forgery, loss of money and securities inside and outside the premises, money orders, and counterfeit currency, forgery, computer, and funds transfer fraud in amounts not less than One Hundred Thousand Dollars (\$100,000) for each specified coverage section. The policy shall insure against loss by reason of the acts of the Residential Association's Board, officers and employees of the Residential Association, and any managing agent and its employees, whether or not such persons are directly compensated for their services.

11.1.7 Other Residential Association Insurance. The Residential Association shall obtain and maintain such other insurance, as the Residential Association Board, in its sole and absolute discretion, considers necessary or advisable, or as is required by applicable laws.

11.1.8 General Requirements. All insurance policies obtained by the Residential Association hereunder shall comply with all requirements imposed under the Master Declaration and, in addition, all liability policies obtained by the Residential Association shall name all Unit Owners (as a class), Project Owner (individually), the Residential Association Manager (individually), and any holder of a first-priority Mortgage encumbering the Building or the Project Property that Project Owner designates by written notice to the Residential Association, as additional insureds, in each case as their interests



may appear. Each liability insurance policy shall contain appropriate waivers of subrogation against Project Owner and any Unit Owner or member of such owner's household, and a provision that no act or omission by a Unit Owner, unless acting within the scope of his or her authority on behalf of the Residential Association, will void such policy or operate as a condition to recovery by any other person under such policy. A Unit Owner shall provide documentation (and any supplemental documentation requested by the Residential Association) evidencing the actual costs of any fixture, improvement, or betterment installed at anytime to a Unit or Garage Unit, including a floor covering, cabinet, light fixture, electrical fixture, heating or plumbing fixture, paint, wall covering, window, and any other item permanently part of or affixed to a Unit or Garage Unit.

11.1.9 Insurance Obtained by Project Owner. Because the Building and all structural and mechanical systems that do not comprise part of the Units and Garage Units are owned by the Project Owner (or the Declarant), the Master Association (as defined in the Master Declaration), the Residential Association, and each Unit Owner, as applicable, by accepting an Original Deed or otherwise acquiring title to a Unit and a Garage Unit, acknowledge that the insurance against loss or damage to the Building by fire or other hazards required to be obtained and maintained by the Residential Association under the Act is, pursuant to the Master Declaration, being obtained and maintained by the Project Owner (or the Declarant) in accordance with the Master Declaration. In the event the Project Owner fails to provide such insurance as provided in the Master Declaration, the Residential Association shall obtain and maintain such insurance.

11.2 Unit Owners. Each Unit Owner shall have the obligation and duty to obtain, maintain, and pay the cost of the insurance policies described below. All liability insurance policies obtained by a Unit Owner hereunder shall name the Residential Association as an additional insured and any Mortgagee under a First Mortgage encumbering such Unit Owner's Unit and Garage Unit as an additional insured, as their interests may appear.

11.2.1 Damage to Owner Personal Property. On and after the Starting Date, insurance against loss or damage to any personal property or F&E contained in the Unit Owner's Unit and Garage Unit by fire and other risks and hazards customarily covered by an insurance policy written on a Special Form basis.

11.2.2 Burglary and Theft – Personal Property. On and after the Starting Date, insurance against hazards such as burglary and theft covering all personal property and F&E contained within a Unit Owner's Unit and Garage Unit.

11.2.3 Liability Insurance. On and after the Starting Date, each Unit Owner, at his or her sole expense, shall cause to be obtained and continually maintained comprehensive public liability insurance against claims for personal injury, bodily injury, death, and property damage occasioned by accidents occurring in his or her Unit and Garage Unit in such amounts as such Unit Owner deems appropriate.

**ARTICLE XII
INTENTIONALLY OMITTED**

ARTICLE XIII
BINDING ARBITRATION FOR ENFORCEMENT
OF RESIDENTIAL ASSOCIATION GOVERNING INSTRUMENTS

13.1 OPT-OUT RIGHT. IF A UNIT OWNER DOES NOT WANT THE FOLLOWING ARBITRATION PROVISION TO APPLY, SUCH OWNER MUST SEND A SIGNED LETTER TO THE RESIDENTIAL ASSOCIATION, ATTENTION: ARBITRATION OPT-OUT, POSTMARKED WITHIN THIRTY (30) DAYS OF THE DATE THE ORIGINAL DEED OF CONVEYANCE TRANSFERRING THE UNIT AND GARAGE UNIT IS RECORDED IN THE OFFICE OF THE COUNTY RECORDER, STATING THAT THE UNIT OWNER DOES NOT WANT ARBITRATION TO APPLY TO THE MATTERS DESCRIBED IN THIS ARTICLE XIII. ANY DECISION TO OPT OUT OF THIS ARBITRATION PROVISION WILL NOT RESULT IN AN OPT-OUT FROM ANY PRIOR ARBITRATION PROVISION IN ANY OTHER RESIDENTIAL ASSOCIATION GOVERNING INSTRUMENT AND WILL NOT BE A FACTOR IN PROJECT OWNER'S DECISION OF WHETHER OR NOT TO CONVEY, TRANSFER, OR SELL THE UNIT AND GARAGE UNIT TO SUCH UNIT OWNER.

13.2 Arbitration Terms Defined. Capitalized words, phrases, or terms used in this Article XIII ("Arbitration Provision") that are not defined in this ARTICLE XIII shall have the meanings set forth in the Master Definitions attached hereto as Exhibit D.

13.3 Claims by Bound Parties. Subject to a Unit Owner's right to opt out of this Arbitration Provision, each Bound Party agrees that, upon the election of any Bound Party asserting or defending a Claim (other than an Exempt Claim), such Claim shall be resolved by binding individual (and not class) arbitration. A notice of an election to arbitrate a Claim may be given after a lawsuit begins and may be given in papers filed in the lawsuit. Any arbitration will be conducted in accordance with this Arbitration Provision and, to the extent consistent with this Arbitration Provision, the rules of the Administrator in effect at the time the Claim is filed.

13.4 Arbitration Fees. If a Unit Owner cannot obtain a waiver of any arbitration fees, the Institutional Parties will consider in good faith any request a Unit Owner submits for them to pay fees for such Unit Owner. In any event, if applicable law requires an Institutional Party to pay or reimburse a Unit Owner for any such fees, such law will control. Each Bound Party shall bear the costs and expenses of that Bound Party's attorneys, experts, and witnesses, regardless of which Bound Party prevails in the arbitration, unless applicable law and/or this Arbitration Provision gives a Bound Party the right to recover any of those costs and expenses from any other Bound Party.

13.5 Governing Law. The Bound Parties contract, agree, and acknowledge that this Arbitration Provision shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (the "FAA") and not state arbitration laws. The arbitrator shall be obligated to follow applicable substantive laws, statutes of limitations, and privilege rules related to any dispute. Subject to the provisions of this Section 13.5, the arbitrator shall award the remedies, if any, that would be available in an individual court proceeding if arbitration had not been elected. This includes, without limitation, compensatory and statutory damages; declaratory, injunctive, and other equitable relief; and attorneys' fees and costs. In no event whatsoever shall a Bound Party be liable to another Bound Party for, and each Bound Party waives, releases, and covenants not to sue



or make demand for any consequential damages or punitive damages. In addition to the rights of a Bound Party to obtain information under the Administrator's rules, a Bound Party may ask the arbitrator for more information from any other Bound Party.

13.6 Appeal of Arbitrator's Decision. Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's decision will be final and binding, except for any appeal right under the FAA. However, for Claims involving more than One Hundred Thousand Dollars (\$100,000), any Bound Party may appeal the award to a three-arbitrator panel appointed by the Administrator, which will reconsider from the start any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any further appeal right under the FAA. Unless applicable law provides otherwise, the appealing Bound Party will pay the costs and expenses of pursuing the appeal, regardless of its outcome. However, the Institutional Parties to such an appeal will consider in good faith any reasonable written request for them to bear such costs and expenses if the Unit Owner is the appealing Bound Party.

13.7 Binding Individual Arbitration. IF A BOUND PARTY ELECTS TO ARBITRATE A CLAIM: (i) NO BOUND PARTY WILL HAVE THE RIGHT TO PURSUE THAT CLAIM IN COURT OR HAVE A JURY DECIDE THE CLAIM; (ii) NO BOUND PARTY MAY PARTICIPATE IN A CLASS ACTION IN COURT OR IN CLASS-WIDE ARBITRATION, EITHER AS A REPRESENTATIVE, CLASS MEMBER, OR OTHERWISE; (iii) NO BOUND PARTY MAY PARTICIPATE IN A PRIVATE ATTORNEY GENERAL PROCEEDING IN COURT OR IN THE ARBITRATION; AND (iv) THE ARBITRATOR SHALL HAVE NO AUTHORITY TO CONDUCT A CLASS-WIDE ARBITRATION OR PRIVATE ATTORNEY GENERAL ARBITRATION. Notwithstanding any language in this Arbitration Provision to the contrary, any dispute about the validity or effect of the prohibitions against class proceedings and private attorney general proceedings in this Arbitration Provision shall be resolved by a court and not an arbitrator or the Administrator.

13.8 Severability. If a determination is made that any part of this Arbitration Provision is unenforceable (other than the prohibition against class proceedings and private attorney general proceedings) or that this Arbitration Provision is unenforceable as to any party or parties, the Arbitration Provision shall nonetheless remain enforceable in all other respects and as to all other parties. If after all available appeals a determination is made that the prohibition against class proceedings or private attorney general proceedings is unenforceable in connection with any Claim brought on such basis, this Arbitration Provision (other than this sentence) shall be null and void with respect to such Claim.

13.9 Notice of Claim; Right to Address. Prior to asserting a Claim, the Bound Party with the Claim shall give the Bound Party that is the subject of the Claim written notice of the Claim and a reasonable opportunity, not less than thirty (30) days, to resolve the Claim. The claimant's claim notice must include the claimant's name, address, and telephone number. Any claim notice must explain in sufficient detail the nature of the Claim and the relief that is demanded. A claimant may only submit a claim notice on his or her own behalf and not on behalf of any other party. The claimant must reasonably cooperate in providing any information about the Claim that the other Bound Party reasonably requests. If: (i) a claimant submits a claim notice in accordance with this Section 13.9 on his or her own behalf (and not on behalf of any other party); (ii) the Institutional Party refuses to provide the requested relief; and (iii) an arbitrator



subsequently determines that the claimant was entitled to such relief (or greater relief), the arbitrator shall award the claimant at least Seven Thousand Five Hundred Dollars (\$7,500) (not including any arbitration fees and attorneys' fees and costs to which the claimant may be entitled under this Arbitration Provision or applicable law).

13.10 Master Declaration Arbitration. In addition to the above, the Residential Association, the Residential Board, and the Unit Owners shall each be subject to the arbitration provisions set forth in Section 11.2 of the Master Declaration. In the event the arbitration provisions of this Residential Declaration and the arbitration provisions of the Master Declaration are in conflict with respect to a given Claim, the arbitration provisions of the Master Declaration shall govern.

ARTICLE XIV ALLEGED DEFECTS

14.1 Intention. It is Project Owner's intent that the Building and improvements of every type and kind which may be installed by Project Owner as part of the Project, including any improvements specific to the Units, the Garage Units, and the Residential Shared Facilities within the Project (collectively, the "Initial Improvements"), shall be of a quality that is consistent with construction and development practices for a mixed-use project of this type. Nevertheless, due to the complex nature of construction and the subjectivity involved in evaluating such quality, disputes may arise as to whether a defect exists and Project Owner's responsibility therefor. It is Project Owner's intent to resolve all disputes and claims regarding Alleged Defects (as defined below) amicably, and without the necessity of time consuming and costly litigation. Accordingly, all Unit Owners and the Residential Association, as well as the Residential Association Board shall be bound by the claim resolution procedure set forth in this ARTICLE XIV.

14.2 Project Owner's Right to Cure. If the Residential Association, the Residential Association Board, and/or any Unit Owner (each, a "Claimant") claims, contends, or alleges that any portion of the Initial Improvements are defective or incomplete, or that Project Owner or its agents, consultants, contractors, or subcontractors were negligent in the planning, design, engineering, grading, construction, or other development thereof (collectively, an "Alleged Defect"), Project Owner hereby reserves the right to inspect, cure, repair, and/or replace such Alleged Defect as set forth herein.

14.3 Notice to Project Owner. If a Claimant discovers an Alleged Defect, Claimant shall, within a reasonable time after discovery, notify Project Owner, in a sufficiently detailed writing, at the address provided in Section 15.3 of this Residential Declaration, or such other address at which Project Owner maintains its principal place of business, of the specific nature of such Alleged Defect ("Notice of Alleged Defect").

14.4 Right to Enter; Inspect, Cure, and/or Replace. Immediately after the receipt by Project Owner of a Notice of Alleged Defect or the independent discovery of an Alleged Defect by Project Owner or any governmental agency, and for a reasonable time thereafter, as part of Project Owner's reservation of right, Project Owner shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, any Unit, any Garage Unit, the Residential Parcel, the Residential Shared Facilities, any applicable Shared



Facilities, and/or any Initial Improvements for the purposes of inspecting and, if deemed necessary by Project Owner, curing, repairing, and/or replacing the Alleged Defect. In conducting such inspection, cure, repairs, and/or replacement, Project Owner shall be entitled to take any actions as it shall deem reasonable and/or necessary under the circumstances.

14.5 Legal Actions. No Claimant shall initiate any legal action, cause of action, proceeding, or arbitration against Project Owner alleging damages (a) for the costs of curing, repairing, or replacing any Alleged Defect, (b) for the diminution in value of any real or personal property resulting from such Alleged Defect, or (c) for any compensatory or statutory damages resulting from such Alleged Defect, unless and until Claimant has (i) delivered to Project Owner a Notice of Alleged Defect, and (ii) Project Owner has, within one hundred twenty (120) days after its receipt of the Notice of Alleged Defect, either (1) failed to cure, repair, or replace the Alleged Defect, or (2) if the Alleged Defect cannot reasonably be cured, repaired, or replaced within such 120-day period, failed to commence such cure, repair, or replacement of the Alleged Defect and, thereafter, failed to pursue diligently such cure, repair, or replacement to completion. During any such period while Project Owner is diligently pursuing to completion the cure, repair, or replacement of the Alleged Defect, Claimant shall not stop, restrict, hinder, interrupt, or otherwise interfere with any reasonable action or activity taken by Project Owner, its employees, agents, or independent contractors, to inspect, cure, repair, or replace the Alleged Defect, whether or not such action or activity is taken, or is proposed to be taken, on property owned by Claimant. In the event Project Owner fails and/or refuses to cure an Alleged Defect or commence cure and diligently pursue such cure within the 120-day period provided above, each Claimant agrees and acknowledges that all disputes regarding an Alleged Defect shall be resolved in the manner and under the terms and conditions provided in ARTICLE XIII.

14.6 No Additional Obligations; Irrevocability and Waiver of Rights. Nothing set forth in this ARTICLE XIV shall be construed to impose any obligation on Project Owner to inspect, cure, repair, or replace any item or Alleged Defect for which Project Owner is not otherwise obligated to do under applicable law or any limited warranty provided by Project Owner in connection with the sale of the Units, the Garage Units, and/or the Initial Improvements constructed thereon, if any, nor shall anything set forth in this ARTICLE XIV constitute an express or implied representation, warranty, or guarantee by Project Owner concerning any Initial Improvements or the Project. The right of Project Owner to enter, inspect, cure, repair, and/or replace reserved hereby shall be irrevocable and may not be waived and/or terminated except by a writing, in recordable form, executed and recorded in the Office of the County Recorder by Project Owner.

ARTICLE XV MISCELLANEOUS PROVISIONS

15.1 Amendment. This Residential Declaration may be amended as set forth below:

15.1.1 Except as otherwise provided elsewhere in this Residential Declaration, any amendment to this Residential Declaration or the Condominium Plat that specifically impacts the Residential Parcel shall require the affirmative vote of at least sixty-seven percent (67%) of the total voting power of the Residential Association cast in person or by proxy at a meeting duly called for such purpose or otherwise approved in writing by such



Unit Owners without a meeting; provided, however, that the Unit Owners and the Residential Association shall have no authority to amend or alter the Condominium Easement Rights granted by Project Owner or the Condominium Plat with respect to property owned or controlled by the Project Owner or property that falls outside of the Residential Parcel, or to amend any provision in this Residential Declaration governing or relating to the ownership or operation of the Building or Project without the written consent of the Project Owner. Any amendment authorized pursuant to this Section 15.1.1 shall be accomplished through the recordation in the Office of the County Recorder of an instrument executed by the Residential Association. In such instrument an officer or trustee of the Residential Association shall certify that the vote required by this Section 15.1.1 for amendment has occurred.

15.1.2 Project Owner alone may amend or terminate this Residential Declaration prior to the Starting Date. Notwithstanding anything contained in this Residential Declaration to the contrary, this Residential Declaration and the Condominium Plat may be amended unilaterally at any time and from time-to-time by Project Owner: (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) to make technical corrections to fix mistakes or remove/clarify ambiguities; or (c) if such amendment is reasonably necessary to enable a title insurance company to issue title insurance coverage with respect to the Project or any particular Unit and/or Garage Unit.

15.1.3 Anything in this Residential Declaration to the contrary notwithstanding, Project Owner also reserves the unilateral right to amend all or any part of this Residential Declaration to such extent and with such language as may be requested by the Utah Division of Real Estate (or similar agency of the State of Utah), FHA, VA, the FHLMC, or FNMA, and to further amend to the extent requested by any other federal, state, or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Residential Declaration or approval of the sale of any particular Units and Garage Units, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Unit(s), Garage Unit(s), or any portions thereof. Any such amendment shall be affected by the recordation by Project Owner of an amendment duly signed by Project Owner, specifying the nature of the qualifying reason for such amendment pursuant to this Section 15.1. Recordation of such an amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such amendment, when recorded in the Office of the County Recorder, shall be binding upon the applicable portions of the Residential Parcel and all Units and Garage Units and all persons having an interest therein. It is the desire of Project Owner to retain control of the Residential Association and its activities during the Period of Project Owner Control. If any amendment requested pursuant to the provisions of this Section 15.1 deletes, diminishes, or alters such control of the Residential Association, Project Owner alone shall have the right to amend this Residential Declaration to restore such control.

15.1.4 Notwithstanding anything contained in this Residential Declaration to the contrary, Project Owner reserves the right to unilaterally amend the Condominium Plat at



any time and from time-to-time by Project Owner if such amendment is necessary to make technical corrections, to satisfy the requirements of any governmental authority, to correct mistakes, remove/clarify ambiguities, or to accurately reflect the “as-built” Units and/or Garage Units and any other applicable portions of the Residential Parcel on the Condominium Plat.

15.1.5 Any amendment under the provisions of this Section 15.1 shall be binding upon every Unit Owner, every Unit and Garage Unit, and any other applicable portions of the Residential Parcel and all persons having an interest therein, whether the burdens thereon are increased or decreased, and such amendment shall be effective upon its recordation in the Office of the County Recorder.

15.1.6 Concurrent with or subsequent to completing a withdrawal of a Unit and/or Garage Unit from the condominium regime created by this Residential Declaration in accordance with Section 3.3.5, Project Owner may, without the consent of the Residential Association Board or the Residential Association members, amend this Residential Declaration and the Condominium Plat for the purpose of revising or deleting any provisions or exhibits herein rendered inaccurate as a result of such withdrawal, or adding, deleting, or revising related provisions or exhibits necessary to effectuate such withdrawal.

15.1.7 Notwithstanding the foregoing or anything herein to the contrary, this Residential Declaration may not be amended without the consent of any lender holding a first position lien on the Building or the Project Property to the extent such lender has the right to approve any amendment to this Residential Declaration in the governing loan documents for such loan.

15.2 Termination.

15.2.1 Consent. Subject to the provisions of ARTICLE IX of this Residential Declaration and Section 10.1 of the Master Declaration, this Residential Declaration shall remain in effect from the date of recordation in the Office of the County Recorder until such time as it is terminated. This Residential Declaration may be terminated at any time after the date of recordation of this Residential Declaration by approval of all Unit Owners in accordance with Section 57-8-22 of the Act and authorizing the Residential Association, as trustee for all Unit Owners, to sell the interests of the Unit Owners in the Residential Parcel subject to the rights of any Mortgagees of the Unit Owners. In the event of such termination, Project Owner, for each Unit and Garage Unit owned by Project Owner, and each Unit Owner, by accepting the conveyance of a Unit and Garage Unit, whether or not it shall be so expressed in the Original Deed, hereby confers upon the Residential Association, as trustee, the power and authority to sell, convey, or otherwise transfer the interests of the Unit Owners in the Residential Parcel, and this Residential Declaration shall terminate upon the consummation of such sale and the recordation of an instrument stating that this Residential Declaration is terminated pursuant to this Section 15.2.1. Notwithstanding the termination of this Residential Declaration as hereinabove provided in this Section 15.2.1 and the termination thereby of all of the covenants, conditions, restrictions, easements, rules and regulations, liens, and equitable servitudes created by this Residential Declaration, the existence of the Residential Association shall continue for so



long as reasonably required to provide for the collection and disbursement of the proceeds from the sale, conveyance, or transfer of interests of the Unit Owners in the Residential Parcel and the winding-up of any additional business matters of the Residential Association. Upon termination of this Residential Declaration, the Residential Parcel shall be deemed to be owned in common by all Unit Owners, together with the easement rights described in Section 2.4, in proportion to each Unit Owner's Percentage Ownership Interest.

15.2.2 Sale in Lieu of Partition. In the event that no conveyance, sale, or transfer of the interests of the Unit Owners in the Residential Parcel shall have been effected by the Residential Association within nine (9) months after the events described in Section 15.2.1 have occurred, any Unit Owner, as well as Project Owner, shall have the right to petition a court of competent jurisdiction for the sale of the interests of the Unit Owners in the Residential Parcel in lieu of partition. Such court shall recognize and give effect to any agreement, document, or instrument made or entered into by the Residential Association within such nine (9) month period, and pursuant to which the interests of the Unit Owners in the Residential Parcel shall be conveyed, sold, or transferred.

15.2.3 Proceeds. The proceeds from a sale of the interests of the Unit Owners in the Residential Parcel: (i) by the Residential Association pursuant to the power of sale conferred upon the Residential Association, as set forth in Section 15.2.1, or (ii) by an individual appointed to do so pursuant to a decree of partition and sale obtained pursuant to Section 15.2.2, above, shall be distributed by the Residential Association, as trustee, to each Unit Owner, including Project Owner, with respect to each Unit and Garage Unit, subject to the rights of each Unit Owner's Mortgagee and in accordance with the method for determining the Residential Association Assessment; provided, however, that there shall be deducted from the amount due any Unit Owner, the amount, if any, of all sums due to the Residential Association from such Unit Owner. It is acknowledged that the Unit Owners do not own any interest in the Project Property, the Building, or the Commercial Parcels, except for the air space rights constituting the Units, the Garage Units, and the easement rights appurtenant thereto, and any sale of the interests of the Unit Owners in and to the Residential Parcel shall not include any interest in the Project Property, the Building, or the Commercial Parcels other than easements created by and existing under the Master Declaration.

15.3 Notices. Notices provided for in this Residential Declaration shall be in writing and shall be deemed sufficiently given either when delivered personally at the appropriate address set forth below (in which event, such notice shall be deemed effective only upon such delivery), forty-eight (48) hours after deposit of same in any United States post office box in the state to which the notice is addressed, or seventy-two (72) hours after deposit of same in any such post office box other than in the state to which the notice is addressed, postage prepaid, addressed as set forth below. Any notice to a Unit Owner required under this Residential Declaration shall be addressed to the Unit Owner at the last address for such Unit Owner appearing in the records of the Residential Association.



If to Project Owner:

Holladay Hills Block D L.L.C.
c/o Woodbury Corporation
Attention: Legal Department
2733 East Parleys Way, Suite 300
Salt Lake City, Utah 84109

If to the Residential Association:

HH Block D Residential Association Inc.
Attention: President – Treasurer
2733 East Parleys Way, Suite 300
Salt Lake City, Utah 84109

During the Period of Project Owner Control, to Project Owner at the above address. After the Period of Project Owner Control, at such address as shall be fixed from time-to-time by the Residential Association Board and circulated to all Unit Owners.

The addresses and addressees for purposes of this Section 15.3 may be changed by giving notice of such change in the manner herein provided for giving notice. Unless and until such notice is received, the last address and addressee as stated by notice or as provided herein, if no notice of change has been sent or received, shall be deemed to continue in effect for all purposes hereunder.

15.4 Notification of Sale of Unit. No later than thirty (30) days after the sale or transfer of any particular Unit and Garage Unit under circumstances whereby the transferee becomes the Unit Owner thereof, the transferor or the transferee shall notify the Residential Association, the Project Owner, and Project Manager in writing of: (a) the name and address of the transferee and transferor; (b) the date on which such sale or transfer is to be or was consummated; (c) a statement executed by the transferee that the transferee has received from the Unit Owner, and acknowledges receipt of, a copy of the Governing Instruments and a Statement of Status (if one was requested); (d) a statement executed by the transferee that the transferee has received a copy of the then effective Residential Association Budget; (e) a statement executed by the transferee that the transferee agrees to be bound by all of the provisions of the Governing Instruments; and (f) the name and address of any Mortgagee of such transferor and transferee. Any outstanding and unpaid Residential Assessments, Personal Charges, and other applicable charges or amounts owing under this Residential Declaration shall be paid to the Residential Association prior to the transfer of such Unit and Garage Unit. Any outstanding and unpaid Residential Assessments, Personal Charges, and other applicable charges or amounts owing under this Residential Declaration shall be the obligation of the transferee unless paid prior to transfer by the transferor. Unless and until such notice is given and any unpaid Residential Assessments, Personal Charges, and other applicable charges or amounts owing under this Residential Declaration have been paid to the Residential Association on behalf of the transferor, the Residential Association shall not be required to recognize the transferee for any purpose. Prior to: (i) receipt of any such notification by the Residential Association; and (ii) the payment of Residential Assessments, Personal Charges, and any other applicable charges or amounts owing under this Residential Declaration by the transferor, any and all communications required or permitted to be given by the Residential Association shall be deemed duly given and made to the transferee if duly and timely made and given to such transferee's transferor.



15.5 Severability and the Rule Against Perpetuities. If any provision of this Residential Declaration, or any section, paragraph, sentence, clause, phrase, or word or the application thereof in any circumstances, shall be held invalid, the validity of the remainder of this Residential Declaration and of the application of such provision, sentence, clause, phrase, or word under any other circumstances shall not be affected thereby. If any provision of this Residential Declaration would violate the Rule Against Perpetuities or any other limitation on the duration of the provisions contained herein imposed by law, then such provisions shall be deemed to remain in effect only for the maximum permissible period permitted by law.

15.6 Successors. The provisions of this Residential Declaration shall be binding upon all parties owning a Unit and/or Garage Unit or having or acquiring any right, title, or interest therein and shall be for the benefit of each Unit Owner and such Unit Owner's heirs, successors, and assigns. Each Unit Owner and Project Owner shall be fully discharged and relieved of liability on the covenants herein insofar as such covenants relate to each Unit and Garage Unit upon ceasing to own such Unit and Garage Unit and paying all sums and performing all obligations hereunder insofar as the same relate to each Unit and Garage Unit up to the time his or her ownership of such Unit and Garage Unit is terminated. The obligations and rights of Project Owner under this Residential Declaration shall be binding upon, and inure to the benefit of, any and all successors of the fee title ownership interest in the Building and/or the Project Property. Any person having fee title ownership interest in the Building and/or the Project Property shall be fully discharged and relieved of liability on the covenants herein upon ceasing to own such ownership interest in the Building and/or the Project Property and paying all sums and performing all obligations hereunder insofar as the same relate to the time prior to the termination of such ownership interest.

15.7 Violation or Nuisance. Every act or omission whereby any provision of this Residential Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated whether or not the relief sought is for negative or affirmative action, by Project Owner and the Residential Association.

15.8 Violation of Law. Any violation of any state, municipal, or local law, ordinance, or regulations pertaining to the ownership, occupancy, or use of any of the Residential Parcel (including, any particular Unit and/or Garage Unit) is hereby declared to be a violation of this Residential Declaration and subject to any or all of the enforcement procedures set forth herein.

15.9 Interpretation. The captions of the Articles and Sections of this Residential Declaration are for convenience only and shall not be considered to expand, modify, or aid in the interpretation, construction, or meaning of this Residential Declaration. As used herein the singular shall include the plural and the masculine shall include the feminine and neuter.

15.10 Construction; Waiver. The provisions of this Residential Declaration shall be liberally construed to affect its purpose of creating a uniform plan for the development, operation, and ownership of a residential condominium project. The failure to enforce any provision of this Residential Declaration shall not constitute a waiver thereof or of the right to enforce such provision thereafter.

15.11 Termination. The plan of condominium ownership and the Residential Association created by this Residential Declaration and the Residential Articles and Residential Bylaws shall



terminate and be of no force and effect when this Residential Declaration is terminated in the manner or manners provided in this Residential Declaration.

15.12 Indemnity. To the extent not covered by insurance maintained or required to be maintained by the claiming Unit Owner, each Unit Owner shall indemnify, defend, and hold each other Unit Owner, the Residential Association, the Residential Association Manager, the Project Owner, and the Project Manager harmless from and against any and all claims, damages, liabilities and expenses (including, without limitation, costs and attorneys' fees incurred in the defense of any claim) arising from the use or occupancy of such indemnifying Unit Owner's Unit and Garage Unit or from the conduct of its business, leasing, operations, or from any activity, work, or things done, permitted or suffered to be done by the indemnifying Unit Owner, or by the guests, Occupants, and Permitted Users of the indemnifying Unit Owner, in or about the Unit and Garage Unit or elsewhere in the Project. This Section 15.12 shall not permit any person or entity to be indemnified for claims, damages, liabilities, and expenses arising from the gross negligence or willful misconduct of that person or entity.

15.13 Constructive Notice and Acceptance; Incorporation of Residential Declaration into Deeds. Every person or entity who now or hereafter owns or acquires any right, title, or interest in or to any portion of the Residential Parcel (including, any particular Unit and/or Garage Unit) is and shall be conclusively deemed to have consented and agreed to every covenant, condition, restriction, and provision contained in this Residential Declaration, whether or not any reference to this Residential Declaration is contained in the deed or instrument by which such person acquired an interest in the Residential Parcel (including, any particular Unit and/or Garage Unit). Any Original Deed or other deed or instrument by which all or any portion of the Residential Parcel (including, any particular Unit and/or Garage Unit) is conveyed, whether by fee, easement, leasehold interest, or otherwise, shall be subject to the provisions of this Residential Declaration and any instrument of conveyance shall be deemed to incorporate the provisions of this Residential Declaration, whether or not such instrument makes reference to this Residential Declaration.

15.14 Cumulative Remedies. Each remedy provided for in this Residential Declaration shall be cumulative and not exclusive. The failure to exercise any remedy provided for in this Residential Declaration shall not constitute a waiver of such remedy or of any other remedy provided herein.

15.15 Attorneys' Fees and Costs. Except as otherwise provided in Section 13.4 above, if any party shall bring an action or proceeding (including, without limitation, any cross-complaint, counter-claim, third-party claim, or arbitration proceeding) against the Project Owner, Project Manager, a Unit Owner, the Residential Association, or the Residential Association Manager, by reason of the alleged breach or violation of any provision hereof, or for the enforcement of any provision hereof, or to interpret any provision hereof, or otherwise arising out of this Residential Declaration, the prevailing party in such action or proceeding shall be entitled to its costs and expenses of such action or proceeding, including, but not limited to, its actual attorneys' fees, which shall be payable by the non-prevailing party whether or not such action or proceeding is prosecuted to judgment or award. For the purposes of this Residential Declaration, the term "attorneys' fees" shall mean the fees and expenses of counsel to the parties to such action or proceeding, which may include fees incurred with respect to post-judgment motions, contempt proceedings, garnishment, levy, debtor and third-party examinations, discovery, bankruptcy,



litigation, and may include expenses such as printing, photo stating, duplicating, facsimiles, filing fees, air freight charges, and fees billed for law clerks, paralegals, and other persons not admitted to the bar but performing services under the supervision of an attorney, all of which shall be deemed to have accrued upon the occurrence of the act or omission giving rise to the incurrence of such fees.

15.16 No Public Dedication. Nothing contained in this Residential Declaration shall be deemed a gift or dedication of any portion of the Residential Parcel or portion thereof to the general public, or for the general public or for any public use or purpose whatsoever; it being the intention and understanding of the parties hereto that this Residential Declaration shall be limited to and for the purposes herein expressed solely for the benefit of the Unit Owners.

15.17 Governing Law. This Residential Declaration shall be governed by the laws of the State of Utah without giving effect to the principles of conflict of laws thereof.

15.18 Provisions Run With Land. The provisions of this Residential Declaration are intended to run with the land. When any interest in real property in the Residential Parcel (including, any particular Unit and/or Garage Unit) is conveyed, the interest shall be burdened by the provisions of this Residential Declaration for the benefit of the remaining portions of the Residential Parcel and the interest conveyed shall be entitled to the benefit of this Residential Declaration until terminated pursuant to Section 15.2.

15.19 Conflict of Provisions. This Residential Declaration is subordinate and subject to the provisions of the Master Declaration recorded in the Office of the County Recorder. In the event of any conflict between this Residential Declaration and the Master Declaration, the Master Declaration shall govern and control. In the event of any conflict between this Residential Declaration and the Residential Articles, this Residential Declaration shall govern and control. In the event of any conflict between the Residential Articles and the Residential Bylaws, the Residential Articles shall govern and control.

15.20 Force Majeure. No failure to perform (and/or delay and/or interruption in performing) any term or condition set forth in this Residential Declaration by the Project Owner and/or the Project Manager, which failure is due to a Force Majeure Event shall: (a) be a breach or default of this Residential Declaration; (b) cause said party to be liable to any other party, either directly or indirectly; or (c) excuse any performance of any obligations imposed by this Residential Declaration upon the Residential Association, any Unit Owner, and/or their or any of their family members, guests, Occupants, Permitted Users, tenants, invitees, licensees, agents, servants, employees, contractors, subcontractors, or designees.

15.21 Acknowledgements. Each Unit Owner is hereby advised of the following matters affecting the Units, the Garage Units, the Project, the Project Property, and the Unit Owners' use and enjoyment thereof:

15.21.1 Assumption of Risk, Waiver, and General Release of Claims. Each Unit Owner, by his, her, or its purchase of a particular Unit and Garage Unit and acceptance of a deed thereto, hereby acknowledges that the Project and the Project Property is part of a mixed-use commercial, retail, residential, and multi-family project and development with



the potential for certain outdoor or other activities, which may include, without limitation: trails, walkways, open spaces, waterways, creeks, wildlife, games and activities, running, biking paths, and/or races and/or other competitions or activities of various kinds, and other community-type facilities, events, activities, and programs (collectively, "Project Activities"), and each such Owner expressly assumes the risk of noise, nuisances, hazards, personal injury, or property damage related to any and all Project Activities, including, without limitation: (a) noise from any maintenance, repair, and/or construction equipment or personal property, (b) noise caused by Project Activities, participants, and spectators, (c) construction and development activities within the Project and/or the Royal Holladay Hills Subdivision, (d) view restrictions caused by installation, relocation, and maturation of trees and shrubbery, and the construction of other buildings and facilities within the Royal Holladay Hills Subdivision, and (e) reduction in privacy, including that related to maintenance, repair, and/or construction activities. Each such Unit Owner agrees that neither Project Owner, Project Manager, the Residential Association, any committee created by the Residential Association, any of the Project Owner's affiliates or agents, nor any Project Activities participant (unless acting recklessly or in a willfully wrongful manner) shall be liable to a Unit Owner or any other person claiming any loss or damage, including, without limitation, indirect, special, or consequential loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment, or any other alleged wrong or entitlement to remedy based upon, due to, arising from, or otherwise related to: (i) the proximity of any Unit Owner's Unit and/or Garage Unit to any trail, water way, or other Project Activities venue; (ii) any claim arising in whole or in part from the negligence of Project Owner, any of Project Owner's affiliates or agents, any Project Manager, the Residential Association, or any committee created by the Residential Association (and all of their respective affiliates, subsidiaries, parent companies, and other related companies, and all of their respective past and present directors, officers, shareholders, members, managers, and all of their respective agents, representatives, attorneys, and employees of any of the foregoing) (collectively referred to herein as "Released Parties"); or (iii) any Project Activities (collectively referred to herein as the "Waived Claims"). Each Unit Owner, on behalf of itself, and his, her or its heirs, spouse, administrators, representatives, successors, affiliates, agents, and assigns (hereinafter, "Releasers"), does hereby fully, finally, and unconditionally release, and forever discharge the Released Parties from and waives all actions, causes of action, lawsuits, appeals, claims, charges, complaints, debts, obligations, demands, rights, grievances, promises, liability, damages, costs and/or fees whatsoever in law or equity related to the Project Activities and all Waived Claims asserted by such Unit Owner and/or by such Unit Owner's guests, Occupants, and other Permitted Users. Each Unit Owner and guest, Occupant, and/or other Permitted User understands and agrees that the waiver and release set forth in this Section 15.21.1 is intended to be a "general release" and is not an admission of any wrongdoing or liability by or on the part of any Released Parties. Nothing in this Section 15.21.1 shall in any way be construed as an admission by any Released Parties that it acted wrongfully or negligently with respect to the Releasers. Each Unit Owner and such Unit Owner's guests, Occupants, and other Permitted Users agree that he, she, or it will not, directly or indirectly, disparage, defame, or make defamatory or disparaging statements to any person or entity, including the press, regarding the Released Parties, any Waived Claims, or Project Owner's past or present management, directors, officers,



employees, and agents. If any covenant or provision of this Section 15.21.1 is declared invalid, illegal, or incapable of being enforced by reason of any rule of law, administrative order, judicial decision, or public policy, all other covenants and provisions herein shall, nevertheless, remain in full force and effect. If any portion of this Section 15.21.1 is held to be illegal, void, or unenforceable, each Unit Owner on behalf of itself and its guests, Occupants, and other Permitted Users agrees to execute a valid release, waiver, or covenant satisfactory to each Released Parties without additional consideration. Neither a Unit Owner nor any guests, Occupants, and other Permitted Users shall seek to have any court or other adjudicative body determine that any portion of this Section 15.21.1 is illegal, invalid, or unenforceable. In the event a Unit Owner or such Unit Owner's guests, Occupants, and/or other Permitted Users commences, joins in, continues, or in any manner asserts or attempts to assert any Waived Claims released by this Section 15.21.1, such Unit Owner and Unit Owner's guests, Occupants, and/or other Permitted Users shall indemnify, defend, and hold harmless any affected Released Parties from and against all losses incurred thereby, including, without limitation, its attorneys' fees and other costs associated with defending against such claim and enforcing its rights under this Section 15.21.1.

15.21.2 Disclaimer Regarding Project Activities. ALL PERSONS, INCLUDING, WITHOUT LIMITATION, ALL UNIT OWNERS, ARE HEREBY ADVISED THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS RESIDENTIAL DECLARATION, NO REPRESENTATIONS, WARRANTIES, ASSURANCES, OR COMMITMENTS HAVE BEEN OR ARE MADE BY EITHER PROJECT OWNER, ANY PROJECT OWNER AFFILIATES, PROJECT MANAGER, OR ANY OTHER PERSON OR ENTITY WITH REGARD TO THE PRESENT OR FUTURE DEVELOPMENT, OWNERSHIP, OPERATION, OR CONFIGURATION OF, OR RIGHT TO USE, ANY PROJECT ACTIVITIES, INCLUDING TRAILS, WALKWAYS, WATERWAYS, OR RELATED FACILITIES WITHIN, NEAR, OR ADJACENT TO THE PROJECT OR THE PROJECT PROPERTY, WHETHER OR NOT DEPICTED ON THE CONDOMINIUM PLAT, OR ANY OTHER LAND USE PLAN, SALES BROCHURE, OR OTHER MARKETING DISPLAY, RENDERING, OR PLAN. NO PURPORTED REPRESENTATION, WARRANTY, ASSURANCE, OR COMMITMENT, WRITTEN OR ORAL, IN SUCH REGARD SHALL EVER BE EFFECTIVE WITHOUT AN AMENDMENT TO THIS RESIDENTIAL DECLARATION EXECUTED BY PROJECT OWNER. FURTHER, THE OWNERSHIP, OPERATION, OR CONFIGURATION OF, OR RIGHTS TO USE, ANY SUCH PROJECT ACTIVITIES OR RELATED FACILITIES MAY CHANGE AT ANY TIME AND FROM TIME-TO-TIME. NO UNIT OWNERS, GUESTS, OCCUPANTS, OR PERMITTED USERS SHALL HAVE ANY OWNERSHIP INTEREST IN OR RIGHT TO USE, OR RIGHT TO EXERCISE ANY DEGREE OF CONTROL OVER ANY PROJECT ACTIVITIES OR RELATED FACILITIES SOLELY BY VIRTUE OF: (I) HIS, HER, OR ITS MEMBERSHIP IN THE RESIDENTIAL ASSOCIATION; OR (II) HIS, HER, OR ITS OWNERSHIP, USE, OR OCCUPANCY OF ANY UNIT AND/OR GARAGE UNIT, OR PORTION THEREOF OR INTEREST THEREIN.



15.21.3 Rules and Regulations, Easements. Roads within the Project are or may be subject to restricted or gated access limitations, as set forth in the Master Declaration, and are or may be subject to the Project Rules and Regulations.

15.21.4 Construction. Substantial construction-related activities relating to the development of the Project, the Project Property, and other buildings and facilities within the Royal Holladay Hills Subdivision or other developments or projects within or near the Project and within the Royal Holladay Hills Subdivision may cause considerable noise, dust, and other inconveniences to the Unit Owners and its guests, Occupants, and/or other Permitted Users.

15.21.5 Land Use Restrictions. The Project and the Project Property may be developed pursuant to certain land uses and restrictions set forth in a plan approved by a governmental authority with no representation, warranty, assurances, or commitments being made herein concerning the planned uses of other properties.

15.21.6 Amenities. No interest in or right to use any amenities or facilities located on or near the Project and/or the Project Property shall be conveyed to any Unit Owner pursuant to this Residential Declaration. The owners of any amenities or facilities that are not part of the Residential Parcel shall have the right, in their sole and absolute discretion, to remove, relocate, discontinue operation of, restrict access to, charge fees for the use of, sell interests in or otherwise deal with such assets in their sole and absolute discretion without regard to any prior use of or benefit to any Unit Owners.

15.21.7 Inconveniences. Ownership of real property in mixed-use communities and mountainous areas involves certain inherent inconveniences. These include, but are not limited to: (a) dripping water onto decks and porches from snow melt; (b) snow and ice build-up on decks and porches and sliding from these surfaces during winter months; and (c) other inconveniences arising from the sometimes variable weather conditions in or around the Rocky Mountains.

15.21.8 Fractional Interest Units. Each Unit Owner acknowledges that, in accordance with Section 2.7, the Project Owner has the right to create timeshare and fractional interest regimes or units within the Project.

15.21.9 Project Manager. Each Unit Owner specifically acknowledges and agrees that the Project Owner shall have the right, in its sole and absolute discretion, to: (i) select a Project Manager to manage and/or operate the Project, the Project Property, and/or the Building; (ii) change such Project Manager from time-to-time; and (iii) change the name of the Project and the Royal Holladay Hills Subdivision that may be operated within the Project Property at any time. Each Unit Owner specifically acknowledges and agrees that none of the Project Owner or any of its respective agents or representatives has made any representations, warranties, guaranties, or other claims of any kind regarding the identity of a Project Manager for the Project or if a Project Manager will be hired to operate or manage the Project. Project Owner expressly disclaims any representations, warranties, guaranties, or other claims of any kind regarding the same. Each Unit Owner, by accepting any deed or instrument conveying a particular Unit and/or the Garage Unit to such Unit

Owner, disclaims and agrees, immediately upon request from Project Owner, to execute a disclaimer (in a form approved by Project Manager in its sole and absolute discretion) acknowledging that such Unit Owner does not have any right, title, or interest in or to any trademarks or any proprietary information of the Project Owner and the Project Manager. All rights of the Residential Association to use the Project (including, the name “The Grandeur at Holladay Hills”) or the Royal Holladay Hills Subdivision name shall be set forth in an agreement between Project Owner and the Residential Association (to be negotiated and entered into by Project Owner on behalf of the Residential Association).

15.21.10 Views. Each Unit Owner acknowledges that: (i) there are no protected views in the Project and the Project Property, and the Units and Garage Units are not assured the existence or unobstructed continuation of any particular view; and (ii) any construction, landscaping, or other installation of improvements by Project Owner (including, without limitation, the construction of other Project structures and amenities in the vicinity of the Residential Parcel and/or the Project Property), or Project Manager, or other owners or owners of other property in the vicinity of the Residential Parcel, including, without limitation, owners of portions of the Project Property, may impair the view from any particular Unit and/or Garage Unit, and each Unit Owner consents to such view impairment.

15.21.11 Minor Flaws. Residential construction is an industry inherently subject to variations and imperfections, and items which do not materially affect safety or structural integrity shall be deemed “expected minor flaws” (including, but not limited to: reasonable wear, tear, or deterioration; shrinkage, swelling, expansion, or settlement; squeaking, peeling, chipping, cracking, or fading; touch-up painting; minor flaws or corrective work; and like items) and not constructional defects. Each Unit Owner hereby releases Project Owner and Project Manager from any and all claims arising from or relating to such expected minor flaws.

15.21.12 Construction Variations. The finished construction of the Project and the Residential Parcel, while within the standards of the industry in Salt Lake County, Utah, and while in substantial compliance with the plans and specifications, will be subject to variations and imperfections and expected minor flaws; and each Unit Owner hereby releases Project Owner and Project Manager from any and all claims arising from or relating to such variations, imperfections, and flaws.

15.21.13 Air Quality. Indoor air quality of the Residential Parcel (including, each of the Units and the Garage Units) may be affected in a manner and to a degree found in new construction and maintenance, repair, and replacement efforts within industry standards, including, without limitation, by particulates or volatiles emanating or evaporating from new carpeting or other building materials, fresh paint, or other sealants or finishes, and similar products.

15.21.14 Security. Installation and maintenance of any security or traffic access device, operation, or method, shall not create any presumption or duty whatsoever of the Project Owner or the Project Manager (or their respective officers, directors, managers, employees, agents, and/or contractors) with regard to security or protection of

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persons or property within or adjacent to the Project Property; and each Unit Owner, by acceptance of an Original Deed, whether or not so stated therein, shall be deemed to have agreed to take any and all protective and security measures and precautions which such Unit Owner would have taken if the Residential Parcel or any particular Unit and/or Garage Unit had been located within public areas and not gated.

15.21.15 Earthquake Faults. The Wasatch Mountain Range contains a number of earthquake faults and the Project and the Project Property or portions thereof may be located on or nearby an identified or yet to be identified seismic fault line; and each Unit Owner hereby releases Project Owner and Project Manager from any and all claims arising from or relating to earthquakes or seismic activities.

15.21.16 Disclaimer of Warranties. Project Owner hereby disclaims any and all and each and every express or implied warranties, whether established by statutory, common, case law, or otherwise, as to the design, construction, continuation of any particular view (it being understood and agreed that construction on any adjacent properties may obstruct such view), sound, and/or odor transmission, existence, and/or development of molds, mildew, toxins, or fungi, furnishing and equipping of the Project Property and the Project, including, without limitation, any implied warranties of habitability, fitness for a particular purpose or merchantability, compliance with plans, all warranties imposed by statute (to the extent permitted by law) and all other express and implied warranties of any kind or character.

15.21.17 Investment Potential. EACH UNIT OWNER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT NONE OF PROJECT OWNER, PROJECT MANAGER, OR ANY OF ITS AGENTS OR REPRESENTATIVES HAS MADE ANY REPRESENTATIONS, WARRANTIES, GUARANTIES, OR OTHER CLAIMS OF ANY KIND REGARDING THE UNITS AND GARAGE UNITS AS AN INVESTMENT OR RENTAL INCOME, IF ANY, THAT MAY BE OBTAINED BY A UNIT OWNER FROM RENTING ANY UNITS AND GARAGE UNITS. EACH UNIT OWNER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT NONE OF PROJECT OWNER, PROPERTY MANAGER, OR ITS AGENTS OR REPRESENTATIVES HAVE MADE ANY REPRESENTATIONS, WARRANTIES, GUARANTIES, OR OTHER CLAIMS OF ANY KIND REGARDING ANY RENTAL PROGRAMS OTHER THAN THE FACT THAT OWNERSHIP OF A PARTICULAR UNIT AND GARAGE UNIT MAY INCLUDE THE OPPORTUNITY TO PLACE THE UNIT AND GARAGE UNIT IN A RENTAL PROGRAM (SUBJECT TO THE TERMS AND CONDITIONS OF THIS RESIDENTIAL DECLARATION AND ANY OTHER GOVERNING INSTRUMENTS) AND EXPRESSLY DISCLAIM ANY REPRESENTATIONS, WARRANTIES, GUARANTIES, OR OTHER CLAIMS OF ANY KIND REGARDING ANY RENTAL PROGRAMS.

15.21.18 Project Manager. EACH UNIT OWNER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE PROJECT OWNER SHALL HAVE THE RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO (1) SELECT A PROJECT MANAGER TO MANAGE AND/OR OPERATE THE PROJECT AND THE PROJECT PROPERTY; AND (2) TO CHANGE SUCH PROJECT MANAGER FROM

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TIME-TO-TIME. EACH UNIT OWNER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT NEITHER THE PROJECT OWNER NOR ANY OF ITS AGENTS OR REPRESENTATIVES HAS MADE ANY REPRESENTATIONS, WARRANTIES, GUARANTIES, OR OTHER CLAIMS OF ANY KIND REGARDING THE IDENTITY OF A PROJECT MANAGER FOR THE PROJECT OR IF A PROJECT MANAGER WILL BE HIRED TO OPERATE OR MANAGE THE PROJECT AND/OR THE PROJECT PROPERTY. PROJECT OWNER EXPRESSLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, GUARANTIES, OR OTHER CLAIMS OF ANY KIND REGARDING THE SAME.

15.22 Releases. THE RESIDENTIAL ASSOCIATION AND, BY ACCEPTANCE OF AN ORIGINAL DEED TO A PARTICULAR UNIT AND GARAGE UNIT OR OTHERWISE TAKING TITLE TO A UNIT AND A GARAGE UNIT, EACH UNIT OWNER, FOR ITSELF AND ALL PERSONS CLAIMING UNDER SUCH UNIT OWNER, SHALL CONCLUSIVELY BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED, TO RELEASE PROJECT OWNER AND ITS AFFILIATES, PROJECT MANAGER, AND ALL OF THEIR RESPECTIVE OFFICERS, MANAGERS, AGENTS, EMPLOYEES, SUPPLIERS, AND CONTRACTORS, FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, DEMANDS, LOSS, DAMAGE, OR LIABILITY (INCLUDING, BUT NOT LIMITED TO, ANY CLAIM FOR NUISANCE OR HEALTH HAZARD, PROPERTY DAMAGE, BODILY INJURY, AND/OR DEATH) ARISING FROM OR RELATED TO ALL AND/OR ANY ONE OR MORE OF THE CONDITIONS, ACTIVITIES, OCCURRENCES, OR OTHER MATTERS DESCRIBED IN THE FOREGOING SECTION 15.21.

15.23 Project Owner and Project Manager Release. EACH UNIT OWNER (BY VIRTUE OF HIS ACCEPTANCE OF AN ORIGINAL DEED TO A UNIT AND GARAGE UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING USE OF, ANY PORTION OF THE RESIDENTIAL PARCEL (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USE) SHALL BE BOUND BY THIS PROVISION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS, AND CAUSES OF ACTION AGAINST THE PROJECT OWNER, PROJECT MANAGER, THEIR AFFILIATES, AND ALL OF THEIR RESPECTIVE OFFICERS, MANAGERS, AGENTS, EMPLOYEES, SUPPLIERS, AND CONTRACTORS, ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE PROJECT OWNER OR PROJECT MANAGER HAS BEEN DISCLAIMED IN THIS RESIDENTIAL DECLARATION.

15.24 Agent for Service of Process. The agent for service of process on the Residential Association under the Act until the expiration of the Period of Project Owner Control shall be Holladay Hills Block D L.L.C. (c/o Woodbury Corporation), Attention: Legal Department whose address is 2733 East Parleys Way, Suite 300, Salt Lake City, Utah 84109. Thereafter, the agent for service of process on the Residential Association shall be the Residential Association Manager, or such other persons as the Residential Association Board may designate.

15.25 Third-Party Beneficiaries. The Project Owner and Project Manager (if appointed by Project Owner) are and shall be considered express third-party beneficiaries under this Residential Declaration, whether or not Project Owner or Project Manager own any Units and/or



Garage Units, and Project Owner and Project Manager, on behalf of Project Owner, shall have the right to enforce the provisions of this Residential Declaration. This Residential Declaration shall not be amended in a manner that adversely affects any benefit, right, claim, or remedy of Project Owner hereunder without the prior written consent of the Project Owner, which consent may be given or denied in the Project Owner's sole and absolute discretion.

15.26 Delegation of Project Owner Rights and Responsibilities. Project Owner shall have the power to delegate the authority and responsibilities for the management and operation of the Project and any applicable the Residential Shared Facilities and Shared Facilities under this Residential Declaration and/or the Master Declaration to one or more agents, including, without limitation, the Project Manager, and the power to employ the services of any person or corporation as Project Manager, or other employees as may be directed by the Project Owner, to manage, conduct, and perform the business, obligations and duties of the Project Owner.

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SIGNATURE PAGE

IN WITNESS WHEREOF, Project Owner has caused this Residential Declaration to be executed as of the Effective Date.

PROJECT OWNER:

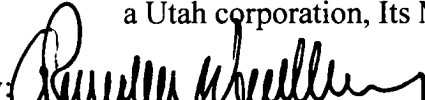
HOLLADAY HILLS BLOCK D L.L.C.,
a Delaware limited liability company

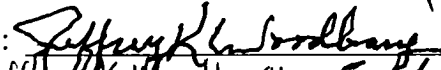
By: WCL GP L.L.C.,
a Delaware limited liability company
Its: Manager

By: MILLROCK CAPITAL, II, LLC,
a Utah limited liability company
Its: Manager

By: Woodbury Corporation,
a Utah corporation, Its Manager

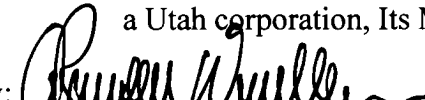
By: 
Steve Peterson, Manager

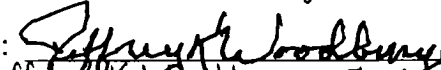
By: 
O. Randall Woodbury, President

By: 
Jeffrey K. Woodbury, Sr. Vice President

By: KMW Development L.L.C.,
a Utah limited liability company
Its: Manager

By: Woodbury Corporation,
a Utah corporation, Its Manager

By: 
O. Randall Woodbury, President

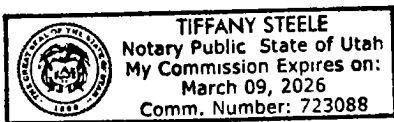
By: 
Jeffrey K. Woodbury, Sr. Vice President



ACKNOWLEDGMENTS OF PROJECT OWNER

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing Residential Declaration was acknowledged before me this 15th day of Nov., 2022, by D. Randall Woodbury, the President of Woodbury Corporation, a Utah corporation, the Manager of WCL GP L.L.C., a Delaware limited liability company, the Manager of Holladay Hills Block D L.L.C., a Delaware limited liability company.



[Signature]
NOTARY PUBLIC
Residing at: _____

My Commission Expires:

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing Residential Declaration was acknowledged before me this 15th day of November, 2022, by Jeffrey K. Woodbury, the Senior Vice President of Woodbury Corporation, a Utah corporation, the Manager of WCL GP L.L.C., a Delaware limited liability company, the Manager of Holladay Hills Block D L.L.C., a Delaware limited liability company.



[Signature]
NOTARY PUBLIC
Residing at: _____

My Commission Expires:

[Handwritten initials]

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing Residential Declaration was acknowledged before me this 15th day of Nov., 2022, by D. Randall Woodbury the President of Woodbury Corporation, a Utah corporation, the Manager of KMW Development L.L.C., a Utah limited liability company, the Manager of Holladay Hills Block D L.L.C., a Delaware limited liability company.



Tiffany Steele
NOTARY PUBLIC
Residing at: _____

My Commission Expires:

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing Residential Declaration was acknowledged before me this 15th day of November, 2022, by Jeffrey K. Woodbury, the Senior Vice-President of Woodbury Corporation, a Utah corporation, the Manager of KMW Development L.L.C., a Utah limited liability company, the Manager of Holladay Hills Block D L.L.C., a Delaware limited liability company.



Laurie Higgs
NOTARY PUBLIC
Residing at: _____

My Commission Expires:

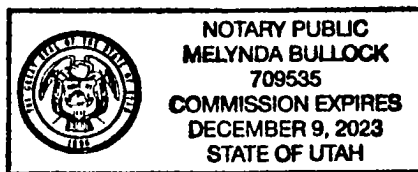
STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing Residential Declaration was acknowledged before me this 17th day of November, 2022, by Steve Peterson, the Manager of Millrock Capital, II, LLC, a Utah limited liability company, the Manager of Holladay Hills Block D L.L.C., a Delaware limited liability company.

Melynda Bullock
NOTARY PUBLIC
Residing at: Jordan UT

My Commission Expires:

December 9th 2023



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**EXHIBIT A
TO
DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
RESIDENTIAL CONDOMINIUMS**

LEGAL DESCRIPTION OF PROJECT PROPERTY

The real property referenced in the foregoing Residential Declaration as the “Project Property” is located in the County of Salt Lake, State of Utah and is more particularly described as follows:

BLOCK D, ROYAL HOLLADAY HILLS SUBDIVISION #2, AMENDING ROYAL HOLLADAY HILLS SUBDIVISION #1, ACCORDING TO THE OFFICIAL PLAT THEREOF, ON FILE AND OF RECORD, IN THE OFFICIAL RECORDS OF THE SALT LAKE COUNTY RECORDER, AS ENTRY NO. 13700581, IN BOOK 2021P, BEGINNING AT PAGE 171.

The following is provided for information purposes only:

Property Information: The gross area for the Project Property is approximately 158,423 square feet and 3.636 acres of land.

Assigned Street Address: 1920 East Rodeo Walk Drive, Holladay, Utah 84117.

Tax Parcel Number: 22-09-228-041.



**EXHIBIT B
TO
DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
RESIDENTIAL CONDOMINIUMS**

LEGAL DESCRIPTION OF RESIDENTIAL PARCEL

The real property referenced in the foregoing Residential Declaration as the “Residential Parcel” is located in the County of Salt Lake, State of Utah and is more particularly described as follows:

ALL RESIDENTIAL CONDOMINIUM UNITS 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, AND 516, AS SET FORTH ON THE OFFICIAL PLAT OF ROYAL HOLLADAY HILLS BLOCK D CONDOMINIUM, DATED NOV 23, 2022, AND RECORDED ON NOV. 23, 2022, IN THE OFFICIAL RECORDS OF THE SALT LAKE COUNTY RECORDER, AS ENTRY NO. 14046663, IN BOOK 2022P, BEGINNING AT PAGE 299.

ALL GARAGE UNITS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, AND 16, AS SET FORTH ON THE OFFICIAL PLAT OF ROYAL HOLLADAY HILLS BLOCK D CONDOMINIUM, DATED NOV 23, 2022, AND RECORDED ON NOV. 23, 2022, IN THE OFFICIAL RECORDS OF THE SALT LAKE COUNTY RECORDER, AS ENTRY NO. 14046663, IN BOOK 2022P, BEGINNING AT PAGE 299.

THE AFOREMENTIONED RESIDENTIAL CONDOMINIUM UNITS AND GARAGE UNITS ARE FURTHER DESCRIBED, DEFINED, AND CLARIFIED IN THIS RESIDENTIAL DECLARATION AND THAT CERTAIN DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS, AND RESTRICTIONS FOR COMMERCIAL AND RENTAL PROJECT (BLOCK D) RECORDED IN THE OFFICE OF THE SALT LAKE COUNTY RECORDER ON NOV. 23, 2022, AS ENTRY NO. _____, IN BOOK _____ AT PAGE _____ (“MASTER DECLARATION”).

THE RESIDENTIAL PARCEL SHALL INCLUDE ANY AND ALL COMMON ELEMENTS (AS THIS TERM IS DEFINED IN THE RESIDENTIAL DECLARATION) AND OTHER COMMON AREAS AND FACILITIES APPURTENANT TO SUCH UNITS AND GARAGE UNITS.



**EXHIBIT C
TO
DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
RESIDENTIAL CONDOMINIUMS**

PERCENTAGE OWNERSHIP INTERESTS*

Unit Identifying Number	Unit Square Footage*	No. of Votes Per Unit**	Undivided Interest Per Unit**
501	3,034	0.0786	0.0786%
502	2,053	0.0532	0.0532%
503	1,893	0.0491	0.0491%
504	2,796	0.0725	0.0725%
505	1,953	0.0506	0.0506%
506	1,764	0.0457	0.0457%
507	2,508	0.0650	0.0650%
508	3,448	0.0894	0.0894%
509	1,721	0.0446	0.0446%
510	1,760	0.0456	0.0456%
511	1,605	0.0416	0.0416%
512	2,665	0.0691	0.0691%
513	2,165	0.0561	0.0561%
514	2,443	0.0633	0.0633%
515	2,302	0.0597	0.0597%
516	4,472	0.1159	0.1159%

Total Square Footage for All Units	38,582	Total Combined Votes Applicable to the Residential Parcel (Pursuant to Master Declaration)	1.0
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* The Unit Areas set forth above represent the approximate square footage of each of the Units based on drawings provided by Project Owner's architect and which were determined by measuring from the center line of each Unit's demising walls, the face stud of exterior walls, the lowermost floor, uppermost ceiling, the interior surfaces of windows and doors and the outside face of gypsum board on the corridor wall. However, columns, bearing walls, and other structural elements and systems servicing more than one Unit were not included in square footage calculations and are not part of the Units and are owned by the Project Owner as provided further in the Master Declaration. The Unit Areas set forth above are deemed accurate and stipulated to by the Unit Owners (by acceptance of a deed or otherwise acquiring title to such Unit and Garage Unit) for all purposes under this Residential Declaration regardless of any subsequent square footage measurement(s).

** May total slightly more or less than 100% due to rounding.

**EXHIBIT D
TO
DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
RESIDENTIAL CONDOMINIUMS**

MASTER DEFINITIONS

As used in this Residential Declaration, the following defined terms shall have the following meanings:

“A la Carte Services” means those services (other than Basic Services) that may be provided from time-to-time to the Unit Owners by or on behalf of Project Owner which are completely discretionary at the election of Project Owner (or at Project Owner’s election, Project Manager acting on behalf of Project Owner) and each individual Unit Owner, and are paid for by that Unit Owner on a per use, per diem, or other periodic basis established by Project Owner (or, at Project Owner’s election, Project Manager acting on behalf of Project Owner) and accepted by the Unit Owner pursuant to the Project Services Agreement.

“Act” means the Utah Condominium Ownership Act (U.C.A. 1953 § 57-8-1 *et seq.*), as amended and supplemented from time-to-time.

“ADA Units” means certain Units that will be designed and constructed to be accessible to disabled persons, in compliance with the Americans With Disabilities Act (42 U.S.C. 12101 *et seq.*).

“Administrator” means either of the following companies selected by the party initiating the arbitration under Article XIII of this Residential Declaration: National Arbitration Forum (“NAF”), P.O. Box 50191, Minneapolis, MN 55405, <http://www.arb-forum.com>, or the American Arbitration Residential Association (“AAA”), 335 Madison Avenue, New York, NY 10017, <http://www.adr.org>.

“Agreed Rate” is the prime rate of interest commonly called the “prime rate” which is charged from time-to-time by Wells Fargo Bank in Salt Lake City, Utah (or such other bank as shall be selected by the Project Owner, if Wells Fargo Bank ceases to conduct banking operations), to corporate borrowers of the highest credit standing for short term unsecured loans, plus six hundred (600) basis points, but not to exceed an amount of interest which is the maximum amount which can be charged by law under the circumstances.

“Arbitration Provision” shall have the meaning set forth in Section 13.2 of this Residential Declaration.

“Balcony Areas” means those areas designated on the Condominium Plat and consisting of the balconies, patios, and decks that are contiguous, related, and appurtenant to a particular Unit.



Balcony Areas are intended to comprise “limited common areas and facilities” as that term is defined in the Act.

“Basic Services” means those services provided by Project Owner (or at Project Owner’s election, Project Manager acting on behalf of Project Owner) to the Unit Owners that generally are essential to the use of their Units for residential purposes. The Project Owner or Project Manager may, from time-to-time, and in its sole and absolute discretion, change the Basic Services provided to Unit Owners, guests, Occupants, and Permitted Users of the Units without the consent or approval of the Residential Association or the Unit Owners.

“Bound Party” or “Bound Parties” means the Residential Association, Project Owner, affiliates of Project Owner, and any Residential Association Manager; the successors and assigns of such Bound Parties; the Unit Owners and their heirs, successors, and assigns; and all other persons to the extent subject to this Residential Declaration. “Bound Party” or “Bound Parties” also includes any person or entity not otherwise subject to this Residential Declaration who agrees to submit to the arbitration provision therein, and the agents, representatives, members, employees, officers, and/or directors of such person or entity, if a Claim is also asserted at the same time against such person or entity and/or such person or entity may have a financial obligation for any recovery of the party asserting the Claim.

“Building” means the one (1) mixed-use commercial, retail, residential, and multi-family building on the Project Property in which the Residential Parcel, the Units, and the Garage Units, respectively, are located on the fifth (5th) floor and the second (2nd) level of the parking facility, as applicable, of the Project Property, as further provided on the Condominium Plat.

“City” means the City of Holladay, Utah.

“Claim” means any claim, dispute, or controversy of one or more Bound Parties against one or more other Bound Parties arising out of or relating to the Residential Association Governing Instruments.

“Commercial Parcel” means one or more Commercial Parcels as described in the Master Declaration.

“Condominium Easement Rights” means the non-exclusive easement rights for access to and from the Residential Parcel as may be provided or identified on the Condominium Plat, in Sections 2.4.4 and 3.1 of this Residential Declaration and those non-exclusive easement rights granted in favor of the Residential Parcel and the Unit Owners in pursuant to the Master Declaration and any other easement interests appurtenant to the Residential Parcel or licenses granted to the Residential Parcel under the Master Declaration or the Condominium Plat.

“Condominium Plat” means the condominium plat for “Royal Holladay Hills Block D Condominium” (also referred to as “The Grandeur at Holladay Hills”) recorded or to be recorded in the Office of the County Recorder, as the same may be amended from time-to-time, which depicts, among other things, the Units, the Garage Units, and the Balcony Areas.

“County” means Salt Lake County, Utah.

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“CPI Escalation” means the percentage change in the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index (All Items, All Urban Consumers, 1982-1984=100), as amended or replaced by the agency (“CPI”), which occurred during the immediately preceding twelve-month period that has been reported at the time the CPI Escalation is to go into effect. For example, if CPI for March 2021 is 264.877 and for March 2020 is 258.115, then the percentage change is the difference (264.877-258.115) divided by 258.115 which equals a 2.62% escalation.

“Curing Unit Owner” shall have the meaning set forth in Section 3.11 of this Residential Declaration.

“Defaulting Unit Owner” shall have the meaning set forth in Section 3.11 of this Residential Declaration.

“Delinquent” means any payment due to the Residential Association which remains unpaid for more than the number of days after the due date therefor as may be determined by the Residential Association from time-to-time, or if no such number of days is determined by the Residential Association, fifteen (15) days after the due date therefor.

“Exempt Claim” means any of the following Claims, which will not be subject to Article XIII of this Residential Declaration: (A) any individual action brought by a Unit Owner in small claims court or such Unit Owner’s state’s equivalent court, unless such action is transferred, removed, or appealed to a different court; (B) any action to effect a judicial or non-judicial foreclosure; (C) any eviction or other summary proceeding to secure possession of real property or an interest therein; (D) any action in any bankruptcy proceeding to assert, collect, protect, realize upon or obtain possession of the collateral for any amount owed; (E) any action to quiet title; (F) any action insofar as it seeks provisional or ancillary remedies in connection with any of the foregoing; and (G) any dispute concerning the validity and effect of the ban set forth in Article XIII of this Residential Declaration on class actions and private attorney general proceedings.

“F&E” means fixtures and equipment contained in a Unit or Garage Unit, including, without limitation, the items listed below; provided, however, such items should in no way be construed as being an obligation of Project Owner to provide such items or include such items in a Unit or Garage Unit:

- (a) Carpet, hard surface flooring, and other flooring materials;
- (b) Ceramic tile, stone, slate, marble, granite, and other similar materials (e.g., for shower, vanity, tub enclosure, counter-top);
- (c) Shower door and tub enclosure;
- (d) Cabinets and shelves;
- (e) Wall coverings (e.g., paint, wallpaper, cloth coverings);
- (f) Interior doors and door frames;

- (g) Interior window coverings (e.g., shutters, drapes, blinds, curtains);
- (h) Fireplace, hearth, and mantle;
- (i) Kitchen and bath counter-tops and splashes;
- (j) Interior wood work and other finish work (e.g., wainscoting, molding, thresholds);
- (k) Light fixtures, recessed lighting and can lights, electrical outlets, light switches, switch plate covers, cable TV connectors, phone jacks;
- (l) Alarm system components within a Unit or Garage Unit;
- (m) Fire sprinkler heads and other fire suppression equipment;
- (n) Stairways and railings;
- (o) Hardware (e.g., hinges, knobs, handles);
- (p) Toilet;
- (q) Sinks, sink faucets, and drain covers;
- (r) Shower head;
- (s) Bathtub;
- (t) Built-in furniture;
- (u) Towel bars, toilet paper holders, paper towel holders;
- (v) Closets and any built-ins therein (e.g., shelving, clothes bars);
- (w) Appliances (e.g., range, microwave, stove, refrigerator, washer, dryer, dishwasher, trash compactor, wine storage units, oven hood, warming drawers, garbage disposal);
- (x) Exhaust fans and vent covers;
- (y) Mirrors and medicine cabinets;
- (z) Water heaters and air conditioning units (if located within a Unit);
- (aa) Home theaters and televisions; and
- (bb) Networking equipment.

“FAA” shall have the meaning set forth in Section 13.5 of this Residential Declaration.



“First Mortgage” means, with respect to each Unit and Garage Unit, any first Mortgage recorded in the Office of the County Recorder and given in good faith and for value.

“Fiscal Year” means, for the Residential Association, the one (1) year period commencing on the first day of January of each year and ending on the last day of December of the same year, which shall be the fiscal year of the Residential Association; provided, however, that the first Fiscal Year shall be the partial one (1) year period commencing on the Starting Date and ending on December 31 of that year; provided, further, that the Fiscal Year may be changed by each Association as it deems appropriate.

“Force Majeure Event” means causes or conditions beyond the control of the party(ies) to be charged, including, but not limited to: (a) acts of God (including, without limitation, earthquakes, drought, heat, cold, floods, storms, sandstorms, wind, air turbulence, rain, lightning, hurricanes, tornadoes, cyclones, any other aspects of weather, sunspots, solar flares, solar or cosmic radiation, environmental pollution (including, without limitation, smog, smoke, the presence of radiation in the general area, and all other pollutants present in the general area) not directly caused by the act of the party(ies) to be charged, climate changes, subsidence not directly caused by the act of the party(ies) to be charged, mudslides not directly caused by the act of the party(ies) to be charged, landslides not directly caused by the act of the party(ies) to be charged, any objects falling from the sky or from the heavens not directly caused by the act of the party(ies) to be charged, and/or consequential damage whatsoever to any property or Persons or systems caused by any of same); (b) acts of war; (c) acts of the public enemy; (d) riots; (e) insurrections; (f) acts of terrorism; (g) criminal acts by third-parties; (h) strikes, lock outs, and other labor disputes; (i) inability to obtain materials; (j) failure of transportation; (k) any actions or inactions of any governmental or regulatory authority (including, without limitation, the issuance of any injunction or order by a court with jurisdiction, governmental embargo restrictions, and any other actions or inactions of any governmental or regulatory authority); (l) pandemics, epidemics, or other public health emergencies (including, by way of example, Covid-19 events); or (m) any other cause whatsoever beyond the control of said party(ies). For purposes hereof, an event shall not be deemed to be within the control of the party concerned on the ground that that party could have prevented that event by acceding to any unreasonable demands (excluding any demand that can be satisfied by the expenditure of money in accordance with good business practices) of any governmental or regulatory (including, without limitation, any court) or other authority, corporation, trade union, association or other Person.

“Garage Unit” means one or more individual parking spaces designated for separate ownership by a Unit Owner, each of which is or shall be separately shown, numbered, and designated as such on the Condominium Plat. Each Garage Unit shall be located and contained within the second (2nd) level of the parking facility for the Project. Each Garage Unit may be improved and enclosed by garage doors or other similar improvements permitted under the Governing Instruments and the Residential Association Governing Instruments.

“Governing Instruments” means, collectively, the Master Declaration, the Project Rules and Regulations, the Condominium Plat, this Residential Declaration, the Residential Articles, the Residential Bylaws, and any rules and regulations adopted by the Residential Association.

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“Holladay Hills” means the larger project of which the Project Property is physically a part, known as “Holladay Hills” or “Royal Holladay Hills”, and which includes and/or is expected to include a multitude of separate parcels (commonly referred to as “blocks”) and a mixture of single-family, multi-family, residential, commercial, retail, and other uses as well as open space, private roadways, walkways, and other amenities.

“Institutional Party” or “Institutional Parties” means each Bound Party, except a Unit Owner other than Project Owner.

“Master Declaration” means that certain Declaration of Easements, Covenants, Conditions, and Restrictions for Commercial and Rental Project (Block D) recorded or to be recorded in the Office of the County Recorder, as the same may be amended from time-to-time in the manner provided therein.

“Master Declaration Assessments” means all assessments, charges, and other amounts payable by the Residential Association or Unit Owners to the Project Owner under the Master Declaration, including, without limitation, those charges and assessments levied pursuant to Article 11 and Article 12 of the Master Declaration.

“Member” means a member of the Residential Association.

“Mortgage” means a mortgage or deed of trust encumbering a Unit and Garage Unit.

“Mortgagee” means the beneficiary or mortgagee pursuant to a recorded Mortgage.

“Non-Project Owners” means all Unit Owners, other than Project Owner, as the context requires.

“Occupant” and “Occupants” means any person or persons, other than a Unit Owner, Project Owner, or their Permittees, who is legally entitled to the use and enjoyment of a Unit under a rental agreement, lease agreement, Occupancy Agreement, or other similar arrangement.

“Office of the County Recorder” means the Office of the County Recorder of Salt Lake County, Utah.

“Option to Withdraw” shall have the meaning set forth in Section 3.3.5 of this Residential Declaration.

“Original Deed” means each deed from Project Owner recorded after the Effective Date conveying a Unit and Garage Unit, excluding, however, any deed which conveys all or substantially all of the interest in the Project then owned by Project Owner.

“Percentage Ownership Interest” means, with respect to a Unit, the applicable percentage ownership interest based upon the square footage of such Unit, as calculated and set forth in further detail on Exhibit C attached to this Residential Declaration.

“Period of Project Owner Control” means the period during which Project Owner or persons designated by it shall have the authority to appoint and remove the Residential Association



officers and members of the Residential Association Board. The Period of Project Owner Control shall terminate no later than the earlier of:

(i) six (6) years after the first Unit is conveyed to a Unit Owner; or

(ii) the date on which Units to which three-fourths (3/4) of the Percentage Ownership Interests appertain have been conveyed to Unit Owners other than Project Owner.

“Permitted User” or “Permitted Users” means any person or persons who occupy a Unit, a Garage Unit, or any part thereof with the permission of a Unit Owner, including, without limitation, Occupants, members of such Unit Owner’s family, and his or her guests, licensees, or invitees.

“Permittee” or “Permittees” means any person or persons other than a Unit Owner, Project Owner, or their Occupants or Permitted Users, who is invited to be and remain on the Project, and includes, without limitation, employees, customers, and business invitees of Unit Owners, Project Owner, and their respective Occupants or Permitted Users.

“Personal Charges” means, to the extent not covered by any applicable insurance, any expense resulting from the act or omission of any Unit Owner or his or her Occupants, Permitted Users, or Permittees, including, without limitation, the cost to repair or replace any damage to any portion of the Project, Residential Parcel or the Common Elements on account of loss or damage caused by such Unit Owner or his or her Occupants, Permitted Users, or Permittees and the cost to satisfy any expense to any other Unit Owner(s) or to the Residential Association due to any intentional or negligent act or omission of such Unit Owner or Occupants, Permitted Users, or Permittees, or resulting from the breach by such Unit Owner or its Occupants, Permitted Users, or Permittees of any provisions of the Governing Instruments and the Residential Association Governing Instruments. In amplification of the foregoing, the act or negligence of any Occupants, Permitted Users, or Permittees shall be deemed to be the act or negligence of the Unit Owner who permits such Occupants, Permitted Users, or Permittees to use and occupy any portion of the Residential Parcel or the Common Elements.

“Project” means the Units, the Garage Units, commercial, retail, and multi-family space, and the Building, together with certain appurtenances, landscaping, amenities, fixtures, equipment, shared components, any applicable Residential Shared Facilities and Shared Facilities, “common areas and facilities” (as described in Section 2.4.2), “limited common areas and facilities” (as described in Section 2.4.5), signs, entry and exit areas, and parking areas, regardless of the number of such structures, located on the Project Property.

“Project Manager” means the managing agent engaged by Project Owner to manage the Project, pursuant to the Project Management Agreement (and which may be Project Owner or an affiliate of Project Owner).

“Project Management Agreement” means an agreement between Project Owner and the Project Manager providing for the management and operation of the Project.



“Project Owner” means Holladay Hills Block D L.L.C., a Delaware limited liability company, or any successor(s) in-interest to Project Owner either (a) by express assignment of the rights of Project Owner under the Master Declaration and/or the Residential Declaration by an instrument executed by Project Owner, recorded in the Office of the County Recorder, or (b) through foreclosure of the interest of a beneficiary or mortgagee under a First Mortgage of Project Owner’s interest in the Project provided that such beneficiary or mortgagee also executes, records in the Office of the County Recorder an express assignment of the rights of Project Owner hereunder.

“Project Property” means the real property described on Exhibit A attached hereto, and all additions thereto, now or hereafter made subject to the Master Declaration, except such as are withdrawn from the provisions of the Master Declaration in accordance with the procedures set forth therein.

“Project Rules and Regulations” means the rules and regulations relating to the possession, use, and enjoyment of the Project promulgated by Project Owner from time-to-time.

“Project Services” means, collectively, the Basic Services and the A la Carte Services.

“Project Services Agreement” means an agreement between a Unit Owner and Project Owner (or, at Project Owner’s direction, the Project Manager), pursuant to which Project Services will be provided to such Unit Owner by Project Owner (or at Project Owner’s election, Project Manager acting on behalf of Project Owner).

“Project Standard” means, at any time, a lifestyle standard which shall at all times be consistent with and no less than the highest standard at which the Project is then being designed, furnished, equipped, repaired, constructed, operated, serviced, maintained, and refurbished, but in any event not less than a standard consistent with a mixed-use commercial, retail, multi-family, and residential condominium in the immediate area of the Project. The Project Standard as applied to the operational and physical components of the Project shall be subject to change over time in order to adapt to technology and standards applicable to mixed-use projects with residential condominium components.

“Purchase Agreement” means a purchase and sale agreement by and between Project Owner and the person or entity named therein as “Buyer” or “Purchaser” providing for the sale by Project Owner and the purchase by such Buyer or Purchaser of a particular Unit and Garage Unit.

“Repair Assessment” means an assessment levied by the Residential Association for the purpose of raising funds to rebuild, restore, or replace any portion of the Residential Parcel, respectively, suffering damage, as set forth in this Residential Declaration.

“Residential Amenities” means that certain area or areas, if any, identified as the “Residential Amenities” or as a “Residential Amenity” on the Condominium Plat and designated for the exclusive use and enjoyment of the Unit Owners, which may include, but not be limited to, hallways, elevator lobbies, elevators, closets, or storage areas designated for the exclusive use and enjoyment of the Unit Owners.



“Residential Articles” means the Articles of Incorporation of the Residential Association, which is, or shall be, filed with the Utah Division of Corporations and Commercial Code, as such Articles may be amended from time-to-time.

“Residential Assessments” means, collectively, the Residential Association Assessment, Tax Assessment, Special Assessment, and Repair Assessment.

“Residential Association” means the HH Block D Residential Association Inc., a Utah non-profit corporation, which is established for the administration, management, and operation of the Units, the members of which are the Unit Owners.

“Residential Association Annual Report” means a report to the Unit Owners comprising:

- (a) a balance sheet relating to the Residential Association as of the last day of the Fiscal Year;
- (b) an operating statement for such Fiscal Year;
- (c) a statement of changes in financial position for such Fiscal Year; and
- (d) a list of the names, mailing addresses, and telephone numbers of the members of the Residential Association Board.

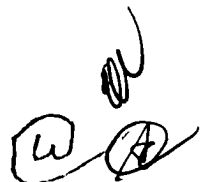
“Residential Association Assessment” means for each Unit and Garage Unit an assessment levied by the Residential Association against a Unit and Garage Unit to cover Residential Basic Expenses, Master Declaration Assessments, and any other amounts due under the Master Declaration, in an amount determined in accordance with this Residential Declaration.

“Residential Association Board” means the Board of Directors of the Residential Association.

“Residential Association Budget” means a pro forma operating statement for a particular Fiscal Year providing for the Residential Basic Expenses as further provided in this Residential Declaration, including, but not limited to: (a) the Residential Association’s share of all Master Declaration Assessments allocated thereto under the Master Declaration; and (b) the Residential Association’s share of the Master Declaration Assessments allocated thereto under the Master Declaration.

“Residential Association General Account” means the separate account(s) with a bank and/or savings and loan association located within the State of Utah and selected by the Residential Association into which all cash and cash equivalent receipts of the Residential Association shall be deposited.

“Residential Association Governing Instruments” means this Residential Declaration, Residential Articles, Residential Bylaws, the Condominium Plat, and such other documents promulgated by the Residential Association Board thereunder.



“Residential Association Management Agreement” means an agreement between the Residential Association and the Residential Association Manager providing for the management of the Residential Association and the Residential Parcel (excluding the Units and Garage Units).

“Residential Association Manager” means the managing agent engaged by the Residential Association Board to manage the Residential Association (and which may be the Project Owner, the Project Manager, or an affiliate thereof).

“Residential Association Reserve Account” means: (a) one or more interest-bearing accounts with one or more banks and/or savings and loan associations selected by the Project Owner or the Residential Association, as applicable; or (b) one or more Treasury Bills and/or Certificates of Deposit, which accounts, Treasury Bills and/or Certificates of Deposit shall contain funds collected as and for Residential Reserve Expenses and any amounts payable to the Project Owner for reserve expenses under the Master Declaration, as the case may be.

“Residential Basic Expenses” means the estimated aggregate amount of expenses, as set forth in the Residential Association Budget, to be incurred by the Residential Association during the applicable Fiscal Year as is necessary:

- (a) to operate, maintain, improve, repair, and replace the Residential Parcel (excluding the Units and Garage Units);
- (b) to operate and manage the Residential Association;
- (c) to provide for the collection of funds on an annual basis in an amount sufficient to provide financing for Residential Association-sponsored activities for the benefit of Members;
- (d) to provide for the collection of funds on an annual basis over the useful life of the Residential Parcel in an amount sufficient to meet the Residential Reserve Expenses;
- (e) to provide for a contingency fund in the event that some Residential Assessments may not be paid on a current basis;
- (f) to carry out the other duties and powers of the Residential Association under this Residential Declaration;
- (g) to provide for the payment of the fees of the Residential Association Manager;
- (h) to provide for the payment to the Project Owner for the provision of the Basic Services;
- (i) to provide for all payments due to the Project Owner under the Master Declaration (including, the Residential Association’s share of all Master Declaration Assessments allocated thereto under the Master Declaration); and

Without limiting the generality of the foregoing, Residential Basic Expenses shall include:

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(i) all charges, costs, and expenses whatsoever incurred by the Residential Association for or in connection with the administration of the Residential Parcel;

(ii) Taxes, to the extent such Taxes are not separately levied by the County or other governmental agency against each Unit and Garage Unit, specifically, excluding that portion of the Taxes constituting real property taxes that are assessed to Unit Owners as part their Tax Assessment in accordance with this Residential Declaration;

(iii) assessments and other similar governmental charges levied on or attributable to the Residential Parcel;

(iv) insurance obtained by the Residential Association pursuant to this Residential Declaration;

(v) to the extent not covered by proceeds of insurance, any liability whatsoever for loss or damage, fire, accident, or nuisance to or arising from the Residential Parcel;

(vi) to the extent not covered by proceeds of insurance, the cost of repair, reinstatement, rebuilding, and replacement of the Residential Parcel;

(vii) the cost of all basic utility expenses billed to the Residential Association;

(viii) the unpaid share of any Residential Assessments levied during the previous Fiscal Year against any Unit Owner for which a default in payment thereof has occurred, to the extent that the same becomes uncollectible;

(ix) wages, accounting, and legal fees, management fees, and cleaning fees, and other necessary expenses of upkeep, maintenance, management, and operation actually incurred with respect to the Residential Parcel; and

(x) all charges, costs, expenses, and reserves whatsoever incurred or to be paid by Project Owner in connection with its duties under the Master Declaration, to the extent any portion thereof is allocated to the Residential Association in accordance therewith (including, without limitation, the Master Declaration Assessments).

Residential Basic Expenses shall not include any expenses constituting Personal Charges.

“Residential Bylaws” means the Bylaws of the Residential Association attached hereto as Exhibit E as such Residential Bylaws may be amended from time-to-time.

“Residential Parcel” is more particularly described on Exhibit B attached hereto and made a part hereof. The Residential Parcel is intended to consist of the Units, the Garage Units, the Residential Amenities, and Residential Shared Facilities; provided, however, the Residential Parcel shall not include any real property or improvements comprising the Commercial Parcels, the Rental Parcels, and any other improvements or portions of the Project Property.

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“Residential Declaration” means this Declaration of Covenants, Conditions, and Restrictions for Residential Condominiums recorded or to be recorded in the Office of the County Recorder, as the same may be amended from time-to-time in the manner provided therein.

“Residential Reserve Expenses” means the specific capital expenditures required to be made at any time and from time-to-time to provide for the repair, replacement, or restoration of the Residential Parcel, or for such other purposes as prudent business practice requires.

“Residential Shared Facilities” shall have the meaning ascribed to such term in the Master Declaration.

“Shared Facilities” shall have the meaning ascribed to such term in the Master Declaration.

“Shortfall” shall have the meaning set forth in Section 9.1 of this Residential Declaration.

“Special Assessment” means an assessment levied against each Unit to provide funds to the Residential Association in the event the Residential Association Assessment proves inadequate, in an aggregate amount sufficient to provide for such inadequacy.

“Starting Date” means the date on which the first Original Deed for a Unit is recorded.

“Statement of Status” means with respect to a particular Unit and Garage Unit, a written statement setting forth the amount of any delinquent Residential Assessments, Personal Charges, or any other amounts unpaid with respect to such Unit and Garage Unit.

“Subsidy Agreement” means a subsidy agreement between the Residential Association and Project Owner.

“Tax Assessment” means, for each Tax Year, an amount levied under the Master Declaration against the Residential Association and the Project Owner, equal to a portion of the Taxes (but ex levied against the Project and not billed directly to Unit Owners by the County. The Residential Association shall be solely responsible for the amount of any such taxes as the Project Owner deems applicable to the Residential Amenities and the Residential Parcel in accordance with the Master Declaration.

“Taxes” means (i) any form of personal property, assessment, real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes), and/or license fee imposed upon, levied against or affecting in any way, any legal or equitable interest in the Project, or any portion thereof (including, the Residential Parcel), by any authority having the power to tax or assess and where the funds are generated with reference to the Project and where the proceeds so generated are to be applied by the city, county, or other local taxing authority of a jurisdiction within which the Project is located; and (ii) any tax, fee, levy, assessment or charge, or any increase therein, imposed by reason of events occurring in connection with the Project, including, but not limited to, a change in the ownership of the Project, or any portion thereof, and/or any improvements constructed within the Project.

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“Tax Year” means the one (1) year period beginning January 1 each year and ending December 31 of the following year or such other tax year established by the State of Utah for the assessment of real and personal property taxes attributable to the Project.

“Transient Guest” shall mean a Permitted User who is an occupant of a particular Unit and the Garage Unit specifically designated for and assigned to such Unit, other than: (i) a Unit Owner; or (ii) such Unit Owner’s non-paying guests; provided, however, that the Project Owner may, in its sole discretion, deem any or all guests to be Transient Guests after a Unit and/or its assigned Garage Unit has been occupied by someone other than the Unit Owner for more than three (3) distinct periods of occupancy in any thirty (30) day period; provided further, that in the event that the Unit Owner can conclusively establish to the Project Owner that such guests are non-paying guests, such guests shall not be deemed Transient Guests. In no event shall the occupants of a particular Unit and its assigned Garage Unit owned by Project Owner be considered Transient Guests.

“Unit” means an individual air space unit consisting of any enclosed room or rooms occupying a designated part of the Residential Parcel to be used for residential purposes and designated for separate ownership or occupancy, each of which: (i) is or shall be separately shown, numbered, and designated as such on the Condominium Plat; (ii) is or shall be bounded by and contained within the interior finished surfaces of the perimeter walls, interior walls, floors, ceilings, windows and doors thereof, and the interior surfaces of the firebox of the fireplace, if any, located therein extending from the floor to the top of the fireplace; and (iii) does or shall include the airspace so encompassed, excepting therefrom: (1) the bearing walls, windows and window frames, exterior door and door frames, columns, exterior floors, roofs, railings, fences, foundation slabs, exterior wall surfaces and central services, pipes, ducts, chutes, and flues, conduits, wires and other utility installations wherever located within each such individual air space unit; and (2) all balconies and patios contiguous and related to each such individual air space unit. A Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be defined by its boundaries rather than by the metes and bounds (or other description) expressed in the deed or Condominium Plat, regardless of settling or minor variance between boundaries.

“Unit Owner” means the owner of a particular Unit and the Garage Unit specifically designated for and assigned to such Unit.

“Units” means, collectively, each and every Unit or more than one Unit, as the context requires.



**EXHIBIT E
TO
DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
RESIDENTIAL CONDOMINIUMS**

RESIDENTIAL ASSOCIATION BYLAWS

[See Attached]



**BYLAWS
OF
HH BLOCK D RESIDENTIAL ASSOCIATION**

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BYLAWS
OF
HH BLOCK D RESIDENTIAL ASSOCIATION

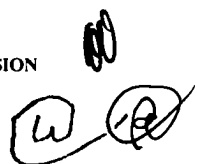
The administration of HH Block D Residential Association Inc., a Utah non-profit corporation ("Residential Association"), shall be governed by the Declaration of Covenants, Conditions, and Restrictions for Residential Condominiums, recorded in the official records of the Salt Lake County Recorder's Office ("Declaration"), the Articles of Incorporation of HH Block D Residential Association Inc. ("Residential Articles"), these Bylaws of HH Block D Residential Association Inc. ("Bylaws"), the Utah Condominium Ownership Act (U.C.A. 1953 § 57-8-1 *et seq.*), as amended and supplemented from time-to-time (the "Act"), and the Utah Revised Nonprofit Corporation Act (U.C.A. 1953 § 16-6a-1 *et seq.*), as amended and supplemented from time-to-time (the "Nonprofit Act"). Terms which are capitalized by these Bylaws and which are not otherwise defined herein shall have the meanings set forth in the Declaration, unless the context clearly indicates otherwise.

1. Application of Bylaws. All present and future Owners of the Residential Condominium Units, Mortgagee(s), and tenants and/or occupants of any particular Residential Condominium Units and their employees, guests, and invitees are subject to the Declaration, these Bylaws, and all rules and regulations adopted and made pursuant hereto and any amendments hereof. The acceptance of a deed or conveyance of a Residential Condominium Unit, or the occupancy of any particular Residential Condominium Unit, shall constitute an acceptance and ratification of and an agreement to comply with the provisions of the Declaration and these Bylaws and any rules and regulations adopted and made pursuant hereto, as they may be amended from time-to-time.

2. Residential Association Board.

2.1 Administration of Residential Association. The administration of the affairs of the Residential Association shall be conducted by the Residential Association Board consisting of not less than three (3) persons, each of which, except for members appointed by the Project Owner, shall be required to be an Owner of a Residential Condominium Unit. Upon the expiration of the Period of Project Owner Control, the Owners of the Residential Condominium Units holding a majority of the total votes present in-person or by proxy at any meeting of the Residential Association where a quorum is present may determine by vote or written assent to increase the members of the Residential Association Board.

2.2 Project Owner's Management Rights. The Declaration establishes a Period of Project Owner Control, during which time the Project Owner or persons designated by it have the authority to appoint and remove the members of the Residential Association Board and officers of the Residential Association. In accordance with the Declaration, the Period of Project Owner Control shall terminate no later than the earlier of:



2.2.1 three (3) years after the first Residential Condominium Unit is conveyed to an Owner other than Project Owner; or

2.2.2 The date on which Residential Condominium Units to which three-fourths (3/4^{ths}) of the Percentage Ownership Interests (as this term is defined in the Declaration) appertain have been conveyed to Owners of the Residential Condominium Units other than the Project Owner.

The Project Owner may, at its option, terminate the Period of Project Owner Control at any earlier date.

2.3 Initial Residential Association Board Members. The initial members of the Residential Association Board appointed by Project Owner shall be the following persons, who shall also act as the officers of the Residential Association, unless and until Project Owner decides otherwise:

Jeffrey K. Woodbury 2733 East Parleys Way, Suite 300 Salt Lake City, Utah 84109 Phone: (801) 485-7770	President – Treasurer
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Steve Peterson 6510 S. Millrock Drive, Suite 450 Holladay, Utah 84121 Phone: (801) 993-1700	Vice President
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McKinnon L. Woodbury 2733 East Parleys Way, Suite 300 Salt Lake City, Utah 84109 Phone: (801) 485-7770	Secretary
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2.4 Filling of Vacancies after the Initial Residential Association Board. The terms of the Residential Association Board elected upon expiration of the Period of Project Owner Control shall be staggered as described below. The members of the Residential Association Board elected at the first annual meeting following the expiration of the Period of Project Owner Control shall serve for initial terms as follows: one (1) member shall serve for an initial term of one (1) year and two (2) members shall serve for an initial term of two (2) years. Thereafter, at every annual meeting, the Residential Association shall elect the members of the Residential Association Board to fill those positions becoming vacant at such meeting, pursuant to the terms of this Section 2.

2.5 Nominating Committee; Nominations. The Residential Association Board may elect from the Owners of the Residential Condominium Units a nominating committee of not less than three (3) members at least ninety (90) calendar days prior to the annual meeting of the Residential Association. If elected by the Residential Association Board, the nominating committee shall recommend to the Residential Association at least one (1) nominee for each

position on the Residential Association Board to be filled at that particular annual meeting at least sixty (60) calendar days prior to the annual meeting. The Residential Association Board may, but shall not be obligated to, inquire of the Owners of the Residential Condominium Units to identify those having any interest in serving on the Residential Association Board. Nominations for positions on the Residential Association Board may also be made by petition filed with the President of the Residential Association and the nominating committee at least sixty (60) calendar days prior to the annual meeting of the Residential Association, which petition shall be signed by the nominee named therein indicating his or her willingness to serve as a member of the Residential Association Board, if elected.

2.6 Voting for the Residential Association Board. Voting for the Residential Association Board shall be by secret written ballot. At any meeting of the Residential Association, each Owner of a Residential Condominium Unit, either in-person or by proxy, shall be entitled to the number of votes equal to the Percentage Ownership Interest applicable to such Owner's Residential Condominium Unit multiplied by the number of Residential Association Board seats to be filled. Each Owner of a Residential Condominium Unit may cumulate his or her votes with respect to the Residential Condominium Units for which he or she is voting and cast all of them in favor of a single candidate or distribute his or her votes among as many candidates as the Owner of a Residential Condominium Unit sees fit.

2.7 Term. Members of the Residential Association Board shall serve for terms of two (2) years beginning immediately upon their election by the Residential Association; provided, however, that the initial Residential Association Board shall serve those terms as outlined in Section 2.4 above. Notwithstanding the foregoing, once the Period of Project Owner Control has expired, the vote of Owners of the Residential Condominium Units holding a majority of the total voting power present in-person or by proxy at a meeting of the Residential Association where a quorum is present may, from time-to-time, change the number and terms of the members of the Residential Association Board, provided that in any such event the terms of not less than one-third (1/3) of the Residential Association Board shall expire annually. The members of the Residential Association Board shall serve until their respective successors are elected, or until death, resignation, or removal.

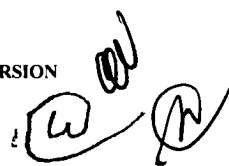
2.8 Resignation. Any member of the Residential Association Board may resign at any time by giving written notice to the President of the Residential Association or to the remaining Residential Association Board members. Excepting those members named in the Residential Articles or selected by the Project Owner, any member of the Residential Association Board who: (a) fails to attend three (3) consecutive Residential Association Board meetings (whether special or regular) or fails to attend at least twenty-five percent (25%) of the Residential Association Board meetings held during any Fiscal Year; or (b) fails to meet his or her assessment obligations under the Declaration shall be deemed to have tendered his or her resignation, and his or her position shall be vacant following confirmation of the failure to attend meetings or meet assessment obligations by the affirmative vote of the remaining members of the Residential Association Board, notwithstanding such remaining members may be less than a quorum.

2.9 Removal. The Owners of the Residential Condominium Units representing at least two-thirds (2/3^{rds}) of the total voting power present in-person or by proxy at any meeting of the Residential Association may remove any member of the Residential Association Board elected by the Owners of the Residential Condominium Units with or without cause. A member of the Residential Association Board may only be removed by the Owners of the Residential Condominium Units at a meeting called for the purpose of removing such member and if the meeting notice states that the purpose (or one of the purposes) of the meeting is removal of such member of the Residential Association Board.

2.10 Vacancies. If vacancies occur in the Residential Association Board by reason of the death or resignation of a Residential Association Board member, the Residential Association Board members then in office shall continue to be, and any such vacancies shall be filled by a vote of the Residential Association Board members then in office, though less than a quorum. Any vacancy in the Residential Association Board occurring by reason of a removal of a Residential Association Board member by a vote of the Residential Association may be filled at the meeting at which such Residential Association Board member is removed or any subsequent regular or special meeting of the Residential Association. A vacancy resulting from a removal shall only be filled by the vote of Owners of the Residential Condominium Units holding a majority of the total voting power present in-person or by proxy at a meeting of the Residential Association where a quorum is present.

2.11 Compensation. The members of the Residential Association Board shall receive no compensation for their services unless expressly approved by the vote or written assent of a majority of the total voting power of the Residential Association; provided, however, that members of the Residential Association Board shall be reimbursed by the Residential Association for reasonable costs and expenses actually incurred for attendance at regular and special meetings of the Residential Association Board and any other costs and expenses actually incurred on behalf of the Residential Association upon approval of a majority of the other Residential Association Board members. Any member of the Residential Association Board may be employed by the Residential Association in another capacity and receive compensation for such employment; provided, however, that such employment shall be approved by vote or in writing by all members of the Residential Association Board not including the member to be employed.

2.12 Powers. The Residential Association Board, for the benefit of the Residential Condominium Units and the Residential Association, shall manage the business, property, and affairs of (i) the Residential Condominium Units, (ii) the Residential Parcel (as this term is defined in the Master Declaration), and (iii) the Residential Association and enforce the provisions of the Declaration, Residential Articles, these Bylaws, and any rules and regulations established by the Residential Association Board pursuant to this Section 2 (collectively, the "Residential Association Governing Instruments"). The Residential Association Board is authorized to adopt rules and regulations governing the use and operation of the Residential Condominium Units and the Residential Parcel, which shall become effective ten (10) calendar days after adoption by the Residential Association Board; provided, however, that such rules and regulations shall not be inconsistent with, and shall be subject to, the Declaration, the Declaration



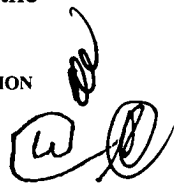
of Easements, Covenants, Conditions, and Restrictions for Commercial and Rental Project, recorded in the official records of the Salt Lake County Recorder's Office ("Master Declaration"), and any rules and regulations adopted by the Project Owner. The Residential Association Board shall have the powers, duties, and responsibilities with respect to the Residential Condominium Units and the Residential Parcel as contained in the Residential Association Governing Instruments.

2.13 Residential Association Board Meetings. The regular meetings of the Residential Association Board shall be held at least annually at such times and places within the general vicinity of the City of Holladay, Utah or some other reasonable and suitable location in the County of Salt Lake, Utah, unless a meeting at another location would significantly reduce the cost to the Residential Association and/or the inconvenience to Residential Association Board members, as the Residential Association Board shall determine. A majority of the Residential Association Board shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Residential Association Board. Members of the Residential Association Board may participate in meetings by means of telephonic conference, video conference, or similar communications equipment by which all persons participating in the meeting can hear each other at the same time and by any other means permitted under Utah law. Such participation shall constitute presence in-person at the meeting.

2.14 Special Meetings of the Residential Association Board. Special meetings of the Residential Association Board may be called by written notice signed by the President of the Residential Association or any two (2) members of the Residential Association Board. The notice of a special meeting shall specify the time and place of the meeting and the nature of any special business to be considered. Special meetings shall be held within the general vicinity of the City of Holladay, Utah or some other reasonable location in the County of Salt Lake, Utah, unless a meeting at another location would significantly reduce the cost to the Residential Association and/or inconvenience to the members of the Residential Association Board. To the extent permitted by Utah law, special meetings of the Residential Association Board may be held by telephonic conference, video conference, or other means as described in Section 2.13 above.

2.15 Notices. Notices of all regular Residential Association Board meetings shall be given in writing to each member of the Residential Association Board not less than thirty (30) calendar days prior to the meeting, provided that this requirement shall not apply to any member of the Residential Association Board who has signed a waiver of notice or a written consent to the holding of a meeting. Special meetings of the Residential Association Board must be preceded by two (2) calendar days' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meeting, unless required by the Residential Association Governing Instruments and/or Utah law. The giving of notice of any meeting shall be governed by the rules set forth in §16-6a-103 of the Nonprofit Act.

2.16 Waiver of Notice. A member of the Residential Association Board may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. A member's attendance at or participation in a meeting waives any required notice to that member of the meeting, unless such member, at the beginning of the meeting or promptly upon the

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member's arrival at the meeting, objects to holding the meeting and/or transacting business at the meeting because of lack of notice or defective notice and the objecting member does not vote for or assent to action taken at the meeting.

2.17 Actions and Open Meetings. The Residential Association Board members shall act only as a Residential Association Board, and individual Residential Association Board members shall have no powers as such. Regular and special meetings of the Residential Association Board shall be open to all members of the Residential Association and Owners of the Residential Condominium Units; provided, however, that members of the Residential Association and Owners of the Residential Condominium Units who are not on the Residential Association Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Residential Association Board. The Residential Association Board may, with the approval of a majority of a quorum of the members of the Residential Association and Owners of the Residential Condominium Units, adjourn the meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Residential Association is or may become involved, and similar orders of business. The nature of any and all business to be considered in executive session shall first be announced in open session.

2.18 Action Without a Meeting. Any action that is required or permitted to be taken at a meeting of the Residential Association Board may be taken without a meeting if one or more consents in writing, setting forth the action so taken, are signed by all of the Residential Association Board members and such signed consents are filed with the records of the Residential Association. The consents of the Residential Association Board members may be sent by electronically transmitted facsimile, e-mail, or other form of wire or wireless communication providing a complete copy of the document, including a copy of the signature of the Residential Association Board member.

2.19 Fiscal Year. The Fiscal Year shall be set by resolution of the Residential Association Board. In the absence of a Residential Association Board resolution, the Fiscal Year shall be as provided in the Declaration.

2.20 Liability of Residential Association Board Members. If a member of the Residential Association Board is sued for liability for actions undertaken in his or her role as a member of the Residential Association Board, the Residential Association shall indemnify him or her for his or her losses or claims, and undertake all costs of defense, until and unless it is proven that he or she acted with willful or wanton misfeasance or with gross negligence. After such proof, the Residential Association shall no longer be obligated to indemnify or liable for the costs of any defense and may recover costs already expended from the member of the Residential Association Board who so acted. Members of the Residential Association Board are not personally liable to any victims of crimes occurring at the Residential Condominium Units and/or the Residential Parcel. Punitive damages may not be recovered against the Residential Association or the Residential Association Board members, but may be recovered from persons whose, activity gave rise to the damages.



2.21 Eligibility for Membership of Residential Association Board. An officer, employee, agent, or director of any particular Residential Condominium Unit, a trustee or designated beneficiary of a trust that owns a particular Residential Condominium Unit, a partner of a partnership that owns a particular Residential Condominium Unit, a member of a limited liability company that owns a particular Residential Condominium Unit, and/or a fiduciary of an estate that owns any particular Residential Condominium Unit may be considered an Owner of a Residential Condominium Unit for the purpose of determining eligibility for membership of the Residential Association Board. In all events where the person serving or offering to serve as a Residential Condominium Unit, such person shall file proof of authority in the records of the Residential Association.

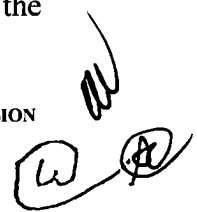
2.22 Residential Association Manager. The Residential Association Board or the officers appointed thereby may delegate to the Residential Association Manager (as this term is defined in the Declaration), or such other person or persons as it or they so determine(s), all of the duties and obligations of the Residential Association Board set forth in these Bylaws and in the Declaration to the extent such duties and obligations are legally and properly delegable and the Residential Association Manager may be compensated for services rendered in connection with any such delegable duties and obligations of the Residential Association Board.

2.23 Special Committees. The Residential Association Board may designate by resolution such committees and subcommittees as the Residential Association Board deems appropriate, from time-to-time. Each committee and subcommittee, as applicable, shall exercise those powers granted to it by an enabling resolution of the Residential Association Board; provided, however that no committee or subcommittee shall exercise any powers which, are excluded from the delegation of the powers of the Residential Association Board by laws of the State of Utah or the Residential Association Governing Instruments.

3. Membership, Voting, and Meetings of the Residential Association.

3.1 Annual Residential Association Meetings. The first meeting of the Residential Association shall be held within one (1) year after the closing of the sale of the first Residential Condominium Unit. Thereafter, there shall be an annual meeting of the Residential Association at the date and time fixed in accordance with a resolution of the Residential Association Board at a reasonable place within the general vicinity of the City of Holladay, Utah or some other reasonable location in the County of Salt Lake, Utah that is readily accessible at reasonable cost to the largest possible number of Owners of the Residential Condominium Units, as determined by resolution of the Residential Association Board. In the event no date is set, the annual meeting shall be held on the 31st day of January 2024.

3.2 Special Meetings of the Residential Association. Special meetings of the Residential Association may be called by the Project Owner, the President of the Residential Association, a majority of the Residential Association Board members, or if the Residential Association receives one (1) or more written demands for a special meeting that: (a) state the purpose for which the special meeting is to be held; and (b) are signed and dated by the Owners of the Residential Condominium Units representing at least twenty-five percent (25%) or more of the



total votes of the Residential Association. Special meetings of the Residential Association may be held at a reasonable place within the general vicinity of the City of Holladay, Utah or some other reasonable location in the County of Salt Lake, Utah that is readily accessible at reasonable cost to the largest possible number of Owners of the Residential Condominium Units, as determined by resolution of the Residential Association Board. At any special meeting of the Residential Association, only those matters of business, the general nature of which was given in the notice of the special meeting, may be voted upon by the Owners of the Residential Condominium Units.

3.3 Notice of Meetings of the Residential Association. Notice of the annual meeting of the Residential Association and of any special meetings of the Residential Association shall be hand delivered or sent by first-class or certified mail, no fewer than ten (10) calendar days and no more than sixty (60) calendar days prior to the date fixed for said meeting to each Owner of a Residential Condominium Unit's address as shown in the records of the Residential Association or to any other mailing address designated in writing by the Owner of a particular Residential Condominium Unit. Such notice shall specify the place, date, and hour of the meeting and a sufficiently detailed description of the purposes for which the meeting is called. If any annual or special meeting of the Owners of the Residential Condominium Units is adjourned to a different date, time, and/or place, notice need not be given of the new date, time, and/or place if the new date, time, and/or place are announced at the meeting before adjournment. Notwithstanding the foregoing sentence, if the adjournment is for more than thirty (30) calendar days, or if after the adjournment of a new record date for the adjournment meeting is or must be fixed pursuant to Section 3.5 of these Bylaws or applicable Utah law, notice of the adjourned meeting must be given pursuant to the requirements of this Section 3.3 to the Owners of the Residential Condominium Units entitled to vote at the meeting.

3.4 Meetings by Telecommunication. Any or all of the Owners of the Residential Condominium Units may participate in any annual, regular, or special meeting by, or the meeting may be conducted through the use of, any means of telephonic conference, video conference, or similar communications equipment by which all persons participating in the meeting can hear each other at the same time and by any other means permitted under Utah law. Such participation shall constitute presence in-person at the meeting.

3.5 Quorum. The presence in-person or by proxy of Owners of the Residential Condominium Units holding fifty-one percent (51%) or more of the total voting power of the Residential Association at any meeting of the Residential Association held in response to notice to all Owners of the Residential Condominium Units of record properly given shall constitute a quorum. In the absence of a quorum at a Residential Association meeting, a majority of those present in-person or by proxy may adjourn the meeting to another time and/or place, but may not transact any other business. An adjournment for lack of a quorum by those in attendance shall be to a date not less than five (5) calendar days and not more than thirty (30) calendar days from the original meeting date. The quorum for an adjourned meeting shall also be fifty-one percent (51%) of the total voting power of the Residential Association. If the new time and/or place for an adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and/or place of

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the adjourned meeting shall be given to members in the manner prescribed for regular meetings of the Residential Association. Unless otherwise expressly provided in the Nonprofit Act, the Declaration, and/or these Bylaws, any action may be taken at any meeting of the Owners of the Residential Condominium Units upon a majority vote of the Owners of the Residential Condominium Units who are present in-person or by proxy.

3.6 Robert's Rules. Robert's Rules of Order Newly Revised (latest edition) shall govern the conduct of the Residential Association's meetings when not in conflict with the Residential Association Governing Instruments, the Nonprofit Act, or any special rules of order the Residential Association may adopt.

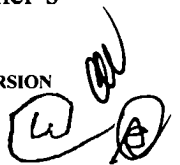
3.7 Action by Written Ballot. Any action that may be taken at any annual, regular, or special meeting of the Owners of the Residential Condominium Units may be taken without a meeting if the Residential Association delivers a written ballot to every Owner of the Residential Condominium Units entitled to vote on the matter. The written ballot shall set forth each proposed action and shall provide an opportunity to vote "for" or "against" each proposed action. All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of members of the Residential Association Board; (c) specify the time by which a ballot must be received by the Residential Association in order to be counted; (d) be accompanied by written information sufficient to permit each person casting the ballot to reach an informed decision on the matter. Approval by written ballot pursuant to this Section 3.7 shall be valid only when:

3.7.1 The time by which all ballots must be received by the Residential Association has passed so that a quorum can be determined; and

3.7.2 The number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

3.8 Action by Written Consent. Other than the election of members of the Residential Association Board, any action that may be taken at any annual, regular, or special meeting of the Residential Association may be taken without a meeting and without prior notice, if one or more consents in writing, setting forth the action taken, are signed by the Owners of the Residential Condominium Units having not less than the minimum voting power that would be necessary to authorize or take the action at a meeting at which all members of the Residential Association entitled to vote on the action were present and voted. Such consents in writing shall be signed, dated, and delivered to the Residential Association within a sixty (60) calendar day period. Notice must be given to those Owners of the Residential Condominium Units who have not consented at least ten (10) calendar days before the action takes effect.

3.9 Proxies. At each meeting of the Owners of the Residential Condominium Units, each Owner entitled to vote shall be entitled to vote in-person or by proxy. The right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the particular Owner of a given Residential Condominium Unit or by such Owner's



attorney-in-fact duly authorized in writing. The instrument authorizing the proxy to act shall be delivered, at the beginning of the meeting, to the President of the Residential Association, or such other officer or person who may be acting as the Secretary of the Residential Association at the meeting. The Secretary of the Residential Association at the meeting shall enter a record of all such proxies in the minutes of the meeting. A particular Owner of a Residential Condominium Unit may revoke a proxy given pursuant to this Section 3.9 only by actual notice of revocation to the President or Secretary of the Residential Association. A proxy is void if it is not dated or purports to be revocable without notice.

3.10 Exercise of Voting. In the event that a particular Residential Condominium Unit is owned by more than one Owner, then by the majority written designation of all Owners of such Residential Condominium Unit after the initial conveyance of such Residential Condominium Unit, one Owner shall be appointed as the designated member (“Designated Member”) for that particular Residential Condominium Unit for the purposes of voting on Residential Association matters and for billing and other administrative purposes specific to that particular Residential Condominium Unit. The Designated Member may be changed at any time by delivering to the Residential Association written notification of such change signed by all Owners of a particular Residential Condominium Unit. In the absence of an appointed Designated Member, if only one of several Owners of a particular Residential Condominium Unit is present at a meeting of the Residential Association, that Owner is entitled to cast all of the votes allocated to that particular Residential Condominium Unit. If more than one of the Owners of a particular Residential Condominium Unit are present at a meeting of the Residential Association, the vote allocated to such Residential Condominium Unit must be cast only by the Designated Member. Absent a written designation of the Designated Member, there shall be deemed to be majority agreement if any one of the Owners of a particular Residential Condominium Unit cast the votes allocated to such Residential Condominium Unit without protest made promptly to the person presiding over the meeting of the Residential Association by any of the other Owners of such Residential Condominium Unit.

3.11 Members of Record. For the purpose of determining Owners or members of the Residential Association entitled to notice of or to vote at a meeting of the Residential Association, or in order to make a determination of Owners or members of the Residential Association for any other proper purpose, the Residential Association Board shall fix in advance a date as the record date for any such determination of Owners or members. The record date shall not be more than thirty (30) calendar days prior to the date of the particular meeting of the Residential Association or the date on which the particular action requiring such determination of Owners or members is to be taken, as applicable, unless otherwise extended by the Residential Association Board. If no record date is fixed, the record date for such determination of Owners or members of the Residential Association entitled to vote shall be 4:00 p.m. (Mountain Time) on the day before the day on which notice of the meeting is mailed or delivered. When a determination of Owners or members of the Residential Association entitled to vote at any meeting of the Residential Association has been made as provided in this Section 3.11, such determination shall apply to any continuation of such meeting following an adjournment.

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4. Officers.

4.1 Designation. So long as there are three (3) members of the Residential Association Board, the officers shall be a President, Vice President, and Treasurer. The Residential Association Board may appoint additional Vice Presidents and/or such other assistant officers as the Residential Association Board may deem necessary. No officer shall be required to be an Owner of a Residential Condominium Unit. No officer shall receive compensation for serving as an officer of the Residential Association. All officers and employees of the Residential Association shall serve at the will of the Residential Association Board. Officers shall be annually elected by the Residential Association Board and may be removed and replaced by the Residential Association Board.

4.2 Fidelity Bond. The Residential Association Board shall require that officers (and other employees of the Residential Association) be subject to fidelity bond coverage.

4.3 President – Treasurer. The President – Treasurer (sometimes referred to in these Bylaws as the “President”) shall be the chief executive of the Residential Association Board and shall preside at all meetings of the Residential Association and of the Residential Association Board and may exercise the power ordinarily allowable to the presiding officer of an association, including the appointment of committees and subcommittees. The President shall exercise general supervision over the Residential Parcel. The President shall sign, and either the Vice President or Secretary shall witness, on behalf of the Residential Association, all conveyances, mortgages, easements, contracts, agreements, and other instruments of material importance to the Residential Association’s business. Additionally, the President shall be responsible for the fiscal affairs of the Residential Association but may delegate the daily handling of funds and the keeping of records to the Residential Association Manager. The President shall do and perform all acts which the Residential Association may request or require.

4.4 Vice President. The Vice President(s) shall perform the functions of the President in his or her absence or inability to serve.

4.5 Secretary. The Secretary shall keep minutes of all proceedings of the Residential Association Board and of the meetings of the Residential Association and shall keep such books and records as may be necessary and/or appropriate for the records of the Owners of the Residential Condominium Units and the Residential Association Board.

4.6 Execution of Amendments. Any officer of the Residential Association may prepare, execute, certify, deliver, and record amendments to the Declaration on behalf of the Residential Association.

5. Residential Basic Expenses; Residential Association Assessments.

5.1 Residential Association Assessments. All Residential Basic Expenses and Residential Association Assessments shall be assessed in accordance with the Declaration.

5.2 Residential Basic Expenses. The Residential Association Board shall approve or disapprove the estimated Residential Basic Expenses and capital contributions for the

coming Fiscal Year; provided, however, that all Master Declaration Assessments assessed as part of the Residential Association Assessments (or assessed to the Residential Parcel) shall be determined by the Project Owner as provided in the Master Declaration. Residential Association Assessments shall be assessed on an annual basis, unless the Residential Association Board determines otherwise, to the Owners of the Residential Condominium Units.

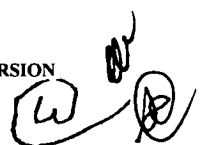
5.3 No Exemption. The Owners of the Residential Condominium Units shall not be exempt from liability for Residential Basic Expenses or any Residential Association Assessment by waiver of the use or enjoyment of any portion of the Project Property or by abandonment of a Residential Condominium Unit.

5.4 Residential Association Assessment Records. The President – Treasurer shall keep (or cause to be kept) detailed records of all receipts and expenditures relating to those real and personal properties owned or controlled by the Residential Association, including, the applicable portions of the Residential Parcel and any expenditures affecting the Residential Condominium Units, specifying and itemizing the maintenance, repair, and replacement expenses for those real and personal properties owned or controlled by the Residential Association and any other expenses incurred or to be paid by the Residential Association pursuant to the Residential Association Governing Instruments. Subject to Section 8.4 and any other applicable provisions of these Bylaws and the Residential Association Governing Instruments, such records shall be available for review and examination by the Owners of the Residential Condominium Units during regular business hours. In accordance with the actions of the Residential Association Board in assessing Residential Association Assessments against Residential Condominium Units, the President – Treasurer shall keep an accurate record of such Residential Association Assessments and of the payments thereof by each Owner of the Residential Condominium Units.

5.5 Transfer. In the event of any transfer of a fee interest in a particular Residential Condominium Unit, either the transferor or the transferee shall furnish evidence reasonably satisfactory or sufficient to the Residential Association establishing that the transfer of a particular Residential Condominium Unit has occurred. In the event a particular Owner of a Residential Condominium Unit fails to furnish such transfer information, such Owner shall continue to be liable for Residential Association Assessments and Residential Basic Expenses, even after transferring ownership of a particular Residential Condominium Unit, until the Residential Association has been put on notice and properly advised of the transfer.

5.6 Personal Obligation. Each Residential Association Assessment shall be a separate, distinct, and personal liability of the applicable Owners of the Residential Condominium Units at the time such Residential Association Assessment is made. The Residential Association Board shall have the rights and remedies contained in the Act and in the Declaration to enforce the collection of Residential Association Assessments.

5.7 Statements for Purchasers. Any person who enters into a written agreement to purchase a particular Residential Condominium Unit, by written request directed to the Residential Association Board, shall be entitled to obtain a written statement from any officer of the Residential Association setting forth the amount of the monthly, quarterly, annual, and/or other

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periodic Residential Association Assessments and the amount of unpaid Residential Association Assessments charged against the Residential Condominium Unit being sold and its applicable Owner, and if such statement does not reveal the full amount of the unpaid Residential Association Assessments as of the date it is rendered, neither the purchaser nor the Residential Condominium Unit shall be liable for the payment of any amount in excess of the unpaid Residential Association Assessments shown on such statement, provided that the former Owner of the Residential Condominium Unit being sold shall continue to remain liable for any excess amounts owing. Any such excess which cannot be promptly collected from the former Owner of the Residential Condominium Unit being sold shall be reassessed by the Residential Association Board as a Residential Basic Expense to be collected from all Owners of the Residential Condominium Units, including, without limitation, the purchaser of the particular Residential Condominium Unit then or being transferred, and such Owner's successors and assigns. The new Owner of the Residential Condominium Unit shall, and the former Owner of the Residential Condominium Unit shall not, be liable for any Residential Association Assessments made and incurred after the date of transfer of title, even though the expenses incurred or the advances made by the Residential Association Board for which the Residential Association Assessment are made relate in whole or in part to any period prior to the date of transfer. The Residential Association Board is authorized to require a reasonable fee not to exceed Ten Dollars and No/100 (\$10.00), unless otherwise authorized or permitted by the Act, for furnishing such statements.

5.8 Statements for Owners and Mortgagees. In addition to the statements issuable to purchasers pursuant to Section 5.7 above, the Residential Association Board shall, upon ten (10) calendar days prior written request therefor, provide any Owner of a Residential Condominium Unit and any Mortgagee, upon written request and at reasonable intervals, a current written statement from any officer of the Residential Association setting forth the amount of any unpaid Residential Association Assessments outstanding against a particular Residential Condominium Unit. The Residential Association Board is authorized to require a reasonable fee not to exceed Ten Dollars and No/100 (\$10.00), unless otherwise authorized or permitted by the Act, for furnishing such statements.

5.9 Collection. In all cases where all or part of any Residential Association Assessments cannot be promptly collected from the persons or entities liable therefor under the Declaration or these Bylaws, the Residential Association Board shall reassess the same as a Residential Association Assessment without prejudice to its right of collection against such persons or entities, or without prejudice to its lien for such Residential Association Assessments.

6. Litigation.

6.1 Expenses. If any action is brought by a member of the Residential Association Board on behalf of the Residential Association, the expenses of suit, including reasonable attorneys' fees and expenses, shall be a Residential Basic Expense. Except as otherwise provided by the Declaration or applicable Utah law, if any action is brought against the Owners of the Residential Condominium Units or against the Residential Association Board or the officers, employees, or agents thereof in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Owners of the Residential Condominium Units, the

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expenses of suit, including attorneys' fees and expenses, shall be a Residential Basic Expense. If any action is brought against one or more, but less than all Owners of the Residential Condominium Units, with the result that the ultimate liability would, if proved, be borne solely by such Owners of the Residential Condominium Units, the expenses of suit, including attorneys' fees and expenses, shall not be charged to or borne by the other Owners of the Residential Condominium Units, as a Residential Basic Expense or otherwise.

6.2 Defense. Except as otherwise provided by applicable Utah law, any action brought against the Residential Association, the Residential Association Board, or the officers, employees, or agents thereof, in their respective capacities as such, shall be directed to the Residential Association Board, and shall be defended by the Residential Association Board; and the Owners of the Residential Condominium Units and Mortgagees shall have no right to participate in such defense other than through the Residential Association Board. Actions against one or more, but less than all Owners of the Residential Condominium Units, shall be directed to such Owners of the Residential Condominium Units, who shall promptly give written notice thereof to the Residential Association Board, and shall be defended by such Owners of the Residential Condominium Units.

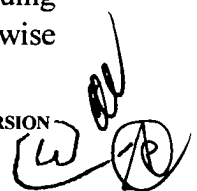
7. Enforcement.

7.1 Abatement and Enjoinment of Violations by Owners. The violation of any rules and regulations adopted by the Residential Association Board, the breach of any provision contained in these Bylaws, or the breach of any provision of the Declaration shall give the Residential Association Board the right, in addition to any other rights set forth in these Bylaws:

7.1.1 To enter the Residential Condominium Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner or Owners, any structure, thing, or condition in the applicable Residential Condominium Unit that may exist therein contrary to the intent and meaning of the provisions in these Bylaws, and the Residential Association Board or the Residential Association shall not thereby be deemed guilty in any manner of trespass provided that items of construction may not be altered or demolished without proper judicial proceedings; and/or

7.1.2 To enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

7.2 Monetary Fines. The Residential Association Board may assess a fine against any Owner of a Residential Condominium Unit for any violation of the Residential Association Governing Instruments provided that the Residential Association Board shall first give written notice to the Owner of a Residential Condominium Unit of the alleged violation and inform such Owner that a fine will be imposed if the violation is not cured within the time designated by the Residential Association Board in such notice, which time shall be at least forty-eight (48) hours after the date on which such notice is given. The Residential Association Board may levy fines in the amounts that it, in its sole direction, shall determine to be reasonable for each violation of the Residential Association Governing Instruments provided that cumulative fines for a continuing violation may not exceed Five Hundred Dollars and No/100 (\$500.00) per month unless otherwise



allowed by Utah law. An Owner of a Residential Condominium Unit who is assessed a fine may request an informal hearing with the Residential Association Board to protest or dispute the fine within thirty (30) calendar days after the date on which such particular Owner of a Residential Condominium Unit receives written notice that such fine has been assessed.

7.3 Temporary Suspension. The Residential Association Board may impose a temporary suspension of an Owner's right to use the Residential Shared Facilities (as this term is defined in the Master Declaration) and/or the Residential – Rental Units Shared Facilities (as this term is defined in the Master Declaration) to the fullest extent granted to the Residential Association Board under the Residential Association Governing Instruments or otherwise granted under the Act, and, in addition, the Residential Association Board may impose any other appropriate discipline against an Owner of a Residential Condominium Unit who has failed to comply with any provisions of the Residential Association Governing Instruments. Prior to such suspension or other discipline, the Residential Association Board shall provide the Owner of a Residential Condominium Unit notice of the alleged violation and the opportunity to request an informal hearing with the Residential Association Board.

7.4 Remedies Cumulative. These remedies are cumulative to other remedies provided in the Declaration and these Bylaws, any rules and regulations adopted by the Residential Association Board, or in any other applicable Utah laws.

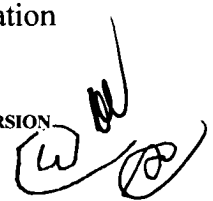
8. Accounting.

8.1 Accounting and Recordkeeping. The books and accounts of the Residential Association shall be kept in accordance with generally accepted accounting procedures under the direction of the President – Treasurer of the Residential Association. The Residential Association shall maintain financial records, records of the Residential Association Assessments as required by Section 5.4 above, and such other records as required by the Declaration, the Act, or by other applicable Utah law. The cost of any audit of such books, accounts, and records shall be a Residential Basic Expense, unless otherwise provided in the Declaration.

8.2 Financial Statements. At the close of each Fiscal Year, the books, accounts, and records of the Residential Association shall be prepared by an independent public accountant approved by the Residential Association Board, and financial statements for the Residential Association shall be prepared by said accountant and distributed to all Owners of the Residential Condominium Units.

8.3 Budget. A Residential Association Budget for each Fiscal Year shall be adopted by the Residential Association Board and distributed to all members of the Residential Association prior to the beginning of the Fiscal Year to which the budget applies.

8.4 Maintenance and Inspection of Records. The Residential Association membership register, including, mailing address and telephone numbers, books of account and minutes of meetings of the Residential Association, of the Residential Association Board, and of committees and subcommittees of the Residential Association Board and all other records of the Residential Association, maintained by the Residential Association or Residential Association



Manager, shall be made available for inspection and copying by any member of the Residential Association or his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as an Owner of a Residential Condominium Unit, at the office where the records are maintained. Upon receipt of an authenticated written request from an Owner of a Residential Condominium Unit, along with the fee prescribed by the Residential Association Board to defray the costs of reproduction, the custodian of records of the Residential Association shall prepare and transmit to the requesting Owner of a Residential Condominium Unit a copy of any and all records requested. The Residential Association may, as a condition to permitting an Owner of a Residential Condominium Unit to inspect the membership register or to its furnishing information from the register, require that the Owner of a Residential Condominium Unit agree in writing not to use, or allow the use, of any information from the membership register for commercial or other purposes not reasonably related to the regular business of the Residential Association and the Owner's interest and membership in the Residential Association. The Residential Association Board shall establish reasonable rules with respect to:

8.4.1 Notice to be given to the custodian of the Residential Association records by the Owner of a particular Residential Condominium Unit desiring to make the inspection or obtain copies;

8.4.2 Hours and days of the week and other time, place, and manner conditions of when such an inspection may be made; and

8.4.3 Payment of the costs and expenses of reproducing copies of documents requested by such Owner of a particular Residential Condominium Unit.

Every member of the Residential Association Board shall have the absolute right at any time to inspect all books, records, and documents of the Residential Association and to inspect all real and personal properties owned or controlled by the Residential Association. This right of inspection shall include the right to make extracts and copies of records, subject only to the right of the Residential Association to require that the Residential Association Board member agree in writing not to use, or allow the use of, the information from the membership register for commercial or other purposes not reasonably related to the business of the Residential Association and the Residential Association Board member's interest in such Residential Association.

9. Rental or Lease of Residential Condominium Units by Owners.

9.1 Owner's Responsibility. The provisions of the Residential Association Governing Instruments and these Bylaws shall apply with equal force and effect to all tenants, guests, and/or occupants of the Residential Condominium Units and their respective guests and invitees. Any Owner of a Residential Condominium Unit who rents, leases, or otherwise permits any other person to utilize such Owner's Residential Condominium Unit shall be responsible for the conduct of its tenants, guests, and/or occupants and their respective guests and invitees, and upon written notice from the Residential Association Board, said Owner shall be responsible for correcting and curing any violations of the Residential Association Governing Instruments.

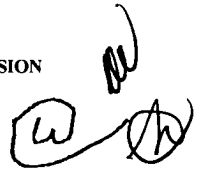
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9.2 Violations. If an Owner of a Residential Condominium Unit fails to correct and cure any violations by any tenants, guests, and/or occupants of its Residential Condominium Unit, within seventy-two (72) hours of such notice, the Residential Association Board shall be deemed to be the agent of such Owner and will be empowered to take any enforcement action said Owner would be entitled to take with respect to such violations, with the reasonable costs and expenses of such action, including, but not limited to, any fees and costs paid to third-parties, to be assessed to the Owner of a Residential Condominium Unit and payable within thirty (30) calendar days of assessment. Such costs and expenses shall be collected and enforced in the same manner as Residential Basic Expenses under the Declaration.

9.3 Remedies. The power of the Residential Association Board shall include, but not be limited to, any and all legal remedies available under the laws of the State of Utah. Any Owner of a Residential Condominium Unit by the act of renting, leasing, or otherwise permitting any other person to utilize such Owner's Residential Condominium Unit shall be deemed to have consented to these procedures and shall indemnify and save harmless the Residential Association Board from and against any and all liability therefor. It is expressly understood that the remedies available to the Residential Association Board shall include, but not be limited to, the right to seek eviction of the tenants, guests, and/or occupants of the Residential Condominium Unit, without any liability to the Owner.

9.4 Collection and Application of Rents. If an Owner of a Residential Condominium Unit at any time leases or sublets its Residential Condominium Unit and defaults in the payment of its Residential Association Assessments, the Residential Association Board may, subject to the Project Owner's rights and remedies under the Master Declaration, at its option, so long as such default shall continue, demand and receive directly from any tenant, subtenant, or occupant of the Residential Condominium Unit the rents due or becoming due, and the payment of such rents to the Residential Association Board shall be sufficient payment and discharge of such tenant, subtenant, or occupant and said Owner for such Residential Association Assessments to the extent of the amount so paid. This Section 9.4 shall be incorporated by reference into every lease or other rental or occupancy agreement entered into by and between an Owner of a particular Residential Condominium Unit and its tenant, subtenant, or occupant, whether or not this Section 9.4 is expressly referenced therein.

10. Amendment of Bylaws. Except as otherwise provided in the Declaration, these Bylaws, or by applicable Utah law, these Bylaws may be amended by the vote or written assent of the Owners of the Residential Condominium Units holding a majority of the total voting power present in-person or by proxy at a meeting duly called for such purpose; provided, however, the percentage of the voting power necessary to amend a specific clause or provision in these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. Upon such an affirmative vote, the Residential Association Board shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the Owners of the Residential Condominium Units. Notwithstanding anything to the contrary contained or implied in these Bylaws, during the Period of Project Owner Control, the Project Owner shall have the right to unilaterally amend these Bylaws without the vote or consent of the Residential Association



Board or any Owners of the Residential Condominium Units pursuant to the unilateral amendment procedures reserved to Project Owner (or the Declarant) under the Master Declaration and/or the Declaration. These Bylaws and any rules and regulations adopted and made pursuant to these Bylaws are subject to the terms and provisions of the Residential Association Governing Instruments, including, the Master Declaration, the Declaration, and any rules and regulations adopted by the Project Owner. No amendment to these Bylaws or any rules and regulations made pursuant to these Bylaws shall be adopted that are inconsistent with the terms and conditions of the Residential Association Governing Instruments, including, the Master Declaration, the Declaration, and any rules and regulations adopted by the Project Owner. In the event of any conflict between these Bylaws or any rules and regulations made pursuant to these Bylaws, on the one hand, and the Master Declaration or any rules and regulations adopted by the Project Owner, on the other hand, the Master Declaration shall govern and control.

11. Miscellaneous.

11.1 Severability. The provisions of these Bylaws shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion of these Bylaws shall not affect the validity or enforceability of any other provision of these Bylaws.

11.2 Waiver. The failure of the Residential Association Board to insist upon strict performance of any provision or provisions of these Bylaws shall not be construed as a waiver for future purposes with respect to any such provision or provisions. No provision of these Bylaws shall be deemed to have been waived unless such waiver is in writing and signed by the Residential Association Board.

11.3 Captions. The captions contained in these Bylaws are inserted only as a matter of convenience and for reference and in no way to define, limit, or describe the scope of these Bylaws nor the intent of any provision hereof.

11.4 Effective Date. These Bylaws shall take effect as of the date of the Declaration, having been duly adopted by the Residential Association Board.

11.5 Counterparts. These Bylaws may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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CERTIFICATION

I, the undersigned, do hereby certify the following:

That I am the duly appointed President – Treasurer of the Residential Association; and

That the Bylaws constitute the original Bylaws of the Residential Association, duly adopted at a meeting of the Residential Association Board thereof, held on the ____ day of _____, 2022.

IN WITNESS WHEREOF, I have subscribed my name this ____ day of _____, 2022.

Jeffrey K. Woodbury, President – Treasurer

Certified to be the Bylaws adopted by the Residential Association Board of the Residential Association, dated _____, 2022.

McKinnon L. Woodbury, Secretary

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