

DECLARATION FOR THE COTTON MANOR
Phase One

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THIS DECLARATION is made and executed as of the 10th day of April, 1987, by DUANE H. MARCHANT, as President of Properties Alliance, Inc., hereinafter designated and referred to as Declarant, pursuant to the Utah Condominium Ownership Act, said corporation by these presents and by duly executing and recording this Declaration in the Official Records of Washington County, Utah, submits the land hereinafter described, together with the buildings and improvements erected and to be erected thereon, and all easements, rights and appurtenances belonging thereto, to the provisions of Title 57, Chapter 8, Utah Code Annotated (1953) and does hereby state that by so doing that said Declarant proposes to create and does hereby create a condominium project to be governed by the aforesaid statute, which condominium project shall be located in the City of St. George, County of Washington, State of Utah.

1. DESCRIPTION OF LAND. The land conveyed as aforesaid is a parcel located in the City of St. George, County of Washington, State of Utah, shown on a Record of Survey Map dated February 13, 1987, and prepared by A. Brent Burton, of Bush & Guggell Inc., Utah Registered Land Surveyors, the original linen tracing of which is duly recorded in the Recorder's Office of Washington County, State of Utah, said parcel being more particularly described as follows:

Beginning at the point of intersection of the South line of 350 North Street and the West line of 2450 East Street, said point of beginning being South 0°36'50" East along the Section line 1358.895 feet and South 89°11'50" West 33.00 feet from the East 1/4 Corner of Section 21, Township 42 South, Range 15 West, Salt Lake Base and Meridian, Washington County, Utah, and running thence South 0°36'50" East 96.80 feet along the West line of 2450 East Street; thence West 66.84 feet; thence South 45°00' West 466.81 feet; thence South 72°49'05" West 45.00 feet; thence North 45°00' West 27.00 feet to a point of a 5.00 foot radius curve to the Left; thence Westerly 7.85 feet along the arc of said curve; thence South 45°00' West 15.00 feet; thence South 64°58'30" West 59.37 feet; thence South 38°41'45" West 53.00 feet; thence North 51°27'45" West 77.00 feet; thence North 57°04'45" West 25.88 feet; thence West 115.00 feet; thence North 115.00 feet; thence West 20.00 feet to a point of a 53.25 foot radius curve concave to the Southeast, the radius of which bears East from said point; thence Northeasterly 88.05 feet along the arc of said curve; thence South 85°15'43" East 98.11 feet; thence North 4°44'17" East 32.76 feet; thence North 45°00' East 227.60 feet; thence South 45°00' East 155.12 feet; thence South 45°00' West 37.75 feet; thence South 45°00' East 92.00 feet; thence North 45°00' East 139.34 feet; thence North 45°00' West 118.00 feet; thence North 45°00' East 110.62 feet; thence North 20.755 feet; thence North 89°11'50" East 219.13 feet along the South line of 350 North Street to the Point of Beginning. Containing 3.438 Acres, more or less.

2. DESCRIPTION OF BUILDINGS. The buildings constructed or to be constructed by Declarant shall be 3 in number with a total of 24 units. These units are described as follows:

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a. PLANTATION HOME. These will be slab on grade rambler style three bedroom unit of approximately 1,400 square feet which will have a single car garage. There will be 4 of these units.

b. DIXIE HOME. These will be slab on grade rambler style two bedroom unit of approximately 1,163 square feet for each end unit, and 1,150 square feet for each middle unit. Each will have a single car garage. There will be 4 of these units.

c. COTTON HOME AND MILL HOME. These units are two story stack units of approximately 1,000 square feet for the Cotton Home and 900 square feet for the Mill Home. There will be 16 of these units.

3. DESCRIPTION OF UNITS. The 3 buildings comprising Phase One of the condominium project shall contain a total of 24 units which units are described as stated in Paragraph 2 above. The number of each unit, the approximate area and its proportion of interest in the common areas and facilities are set forth on Exhibit A attached hereto and made a part hereof.

4. DETERMINATION OF PERCENTAGES IN COMMON AREAS AND FACILITIES. The percentages of interest of the respective units in the common elements have been determined upon the basis of the approximate relation of the size of each unit to the aggregate size of all the units.

5. DESCRIPTION OF THE COMMON AREA AND FACILITIES. The common areas and facilities of the condominium (hereinafter designated as the common elements) consist of the entire property including all parts of the buildings and improvements thereon other than the units and will include, without limitation, the following:

a. The land on which the buildings and other improvements are constructed and submitted by this Declaration to the terms of the Act.

b. Those common areas and facilities specifically set forth and designated as such in the record of survey map.

c. That part of the condominium project not specifically included in the respective units as hereinafter defined.

d. All limited common areas and facilities.

e. All exterior walkways, streets, yards, gardens, fences, open parking spaces, installation of central services such as power, light, gas, all apparatus and installations existing for the common use, such recreational and community facilities as may be provided for.

f. All other parts of the project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management.

g. All common area and facilities as defined in the Act, whether or not expressly listed herein.

6. DESCRIPTION OF THE LIMITED COMMON AREAS. Each of the Cotton Home and Mill Home units shall have one specific parking space assigned to them, which parking spaces shall be reserved for each of said unit's respective use. In addition,

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each of the 24 total units in Phase One of the project shall have the right to use one other unassigned parking space in the project. The number of the assigned parking spaces, and which units they are reserved to are set forth on Exhibit B, attached hereto and made a part hereof. The limited common areas may also include patios, balconies and storage rooms located adjacent to the units as shown in the Record of Survey Map.

7. USE OF THE UNITS. The buildings and each of the units located therein are intended for the following uses: single family residential housing to be owned jointly by any number of individual or as rental units.

8. RECORD OF SURVEY MAP. Simultaneous with the recording hereof, there has been recorded a Record of Survey Map setting forth the floor plans of the buildings, showing the layout, location, unit numbers, building designations and bearing the verified statement of a registered land surveyor, certifying that said map accurately depicts said layout, location, unit and building designations.

9. NAME OF CONDOMINIUM. The condominium is to be known as Cotton Manor Condominiums. An unincorporated association of units owners through which the unit owners will manage and regulate the condominium project has been formed and has enacted by-laws, a copy of which has been attached hereto as Exhibit C. The name of the association is Cotton Manor Condominium Association. The names of the initial management committee of said association, and their respective offices are:

<u>Management Committee</u>	<u>Office</u>
Duane H. Marchant	President
Alex P. Carr	Vice President
Bruce K. Tingey	Secretary/Treasurer

10. HOLDING TITLE. Title to a unit may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Utah, including, but without limitation, joint tenancy or tenancy in common.

11. NO SEPARATION. No part of a unit or of the legal rights comprising ownership of a unit may be separated from any other part thereof during the period of condominium ownership described herein, so that each unit, the undivided interest in the common areas appurtenant to such unit, and the exclusive right to use and occupy the limited common areas appurtenant to such unit, shall always be conveyed, devised, encumbered, and otherwise affect only together and may never be separated from one another. Every gift, devise, bequest, transfer, encumbrance, or other disposition of a unit or any part thereof shall constitute a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire unit, together with all appurtenant rights created by law or by this Declaration.

12. NO PARTITION. The common areas shall be owned in common by all the owners of the units, and no unit owner may bring action for partition thereof.

13. USE OF COMMON AREAS AND LIMITED COMMON AREAS. Subject to the limitations contained in the Declaration, any unit owner shall have the nonexclusive right to use and enjoy the common areas and shall have the exclusive right to use and enjoy the limited common areas designated herein (and on the map) for exclusive

use by such unit owner.

14. UNIT MAINTENANCE. Each owner shall at his own cost and expense maintain, repair, paint, repaint, tile, wax, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, windows and doors forming the boundaries and also the exterior of all windows including replacement of all broken windows. In addition to decorating and keeping the interior of his unit in good repair and in a clean and sanitary condition, he shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air conditioner, lighting fixture, refrigerator, dishwasher, disposal equipment, range, or other appliances or fixtures that may be in, or connected with, his unit. Each unit shall be maintained so as not to detract from the appearance of the project and so as not to affect adversely the value or use of any other unit. Exterior walls and trim shall be maintained in the original color.

15. MAINTENANCE OF LIMITED COMMON AREAS. Each owner shall at his own cost keep the limited common areas designed for use in connection with his unit, in a clean, sanitary and attractive condition at all times.

16. EASEMENT FOR ENCROACHMENT. If any part of the common areas encroaches or shall hereafter encroach upon a unit or units, an easement for such encroachment and for the maintenance for the same shall and does exist. If any part of a unit encroaches or shall hereafter encroach upon the common areas, or upon an adjoining unit or units, an easement for such encroachment shall not be considered to be encumbrances either to the common area or the units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the building(s) on the land, by error in the map, by settling, raising or shifting of the earth, or by changes in position caused by repair or reconstruction of the project or any part thereof.

17. ASSOCIATION MEMBERSHIP. Membership in the association shall be automatic, shall be appurtenant to the unit in which the owner has the necessary interest and shall not be separated from the unit to which it appertains.

18. ACCESS FOR REPAIR OF COMMON AREAS. Some of the common areas are or may be located within the units or may be conveniently accessible only through the units. The owners of the other units shall have the irrevocable right, to be exercised by the committee as its agent, to have access to each unit and to all common areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common areas located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the common areas of another unit or units. The committee shall also have such rights independent of the agency relationship. Damage to the interior or any part of the unit or units resulting from the maintenance, repair, emergency repair, or replacement of any of the common areas as a result of emergency repairs within another unit at the instance of the association or of unit owners shall be an expense of all the unit owners and assessed proportionately; provided, that if such damage is the result of negligence of the owner of the unit, then such owner shall be financially responsible for all such damage. Amounts owing by owners pursuant hereto shall be collected by the committee by assessment pursuant to the Declaration of covenants, conditions and restrictions concerning the Cotton Manor Condominium Project.

19. RIGHT OF INGRESS, EGRESS, LATERAL SUPPORT. Each owner shall have the right to ingress and egress over, upon and across the common areas necessary for access to his unit, and to the limited common areas designated for use in connection with his unit, and each owner shall have the right to horizontal and lateral support of a unit, and such rights shall be appurtenant to and pass with the title to each unit.

20. EASEMENT TO MANAGEMENT COMMITTEE. The management committee shall have non-exclusive easements to make such use of the common areas as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration.

21. EASEMENT FOR UTILITY SERVICES. There is hereby created a blanket easement upon, across, over and under the land above described in Paragraph 1 above, and any expansion thereof, for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephone, electricity, cable TV, and other utility services.

22. EASEMENT OF USE OF RECREATIONAL AREAS AND FACILITIES.

a. All owners of units contained within the land are hereby granted a non-exclusive right and easement of enjoyment in common with others of the amenities and recreational facilities constituting a portion of the common areas of the project.

b. The right and easements of the enjoyment created hereby shall be subject to the following:

(1) The right of the Declarant prior to the termination of the period of Declarant's control to grant and reserve easements and rights-of-way through, under, over and across the common areas, for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, cable TV, and other utilities; and

(2) The right of the management committee to adopt rules and regulations governing the use by the owner of the common areas.

23. LEGAL DESCRIPTION OF EACH UNIT. Every conveyance or contract for the sale of a unit and every other instrument affecting title to a unit may describe that unit by the letter and number shown on the map with the appropriate reference to the map and to this Declaration, as each shall appear on the records of the County Recorder of Washington County, State of Utah, and in substantially the following form:

Unit _____ shown on the Record of Survey Map for "The Cotton Manor Phase I" appearing in the Records of Washington County, as Doc. No. _____, and as defined and described in the Declaration, appearing in such Records in Book _____ Page _____ of Records. This conveyance is subject to the provisions of the aforesaid Declaration of The Cotton Manor Phase I.

Such description will be construed to describe the unit, together with an undivided interest in and to the common areas as the same is established and identified in the Declaration and map referred to hereinabove, and to incorporate all the rights incident to the ownership of a unit and all the limitations of such ownership as described in this declaration.

24. STATUS AND GENERAL AUTHORITY OF COMMITTEE.

a. Notwithstanding anything herein contained to the contrary, the condominium project shall be managed, operated, and maintained by the management committee as agent of, and in the name of, the association and any act performed by the management committee pursuant to this Declaration of the By-laws, as the same may be amended from time to time, shall be deemed to be performed by the committee for and on behalf of this association as its agent. The committee shall, in connection with its exercise of any of the powers hereinafter provided, constitute a legal entity capable of dealing in the committee's name. The management committee shall have, and is hereby granted, the following authority and powers.

(1) The authority to execute and record, on behalf of all the unit owners, any amendments to the Declaration of the map which has been approved by the vote or consent necessary to authorize such amendment.

(2) The power to sue and be sued.

(3) The authority to enter into contract relating to the common areas and other matters over which it has jurisdiction, so long as any vote or consent of the unit owners necessitated by the subject matter of the agreement has been obtained.

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

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

(6) The power and authority to borrow money provided that no indebtedness for borrowed funds shall exceed at any given time the sum of \$5,000.00 without the prior vote or consent of the majority of the owners.

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

(8) The power and authority to add any interest in real property obtained pursuant to Subparagraph 4 above to the project, so long as such action has been authorized by the necessary vote or consent.

(9) The authority to promulgate such reasonable rule, regulations, and procedures as may be necessary or desirable to aid the committee in carrying out its function or to insure that the project is maintained and used in a manner consistent with the interest of the unit owners.

(10) The power and authority to perform any other acts and to enter into any other transactions, subject to the rights of the home owners association, which may be reasonably necessary for the management committee to perform its functions as agent for the unit owners. Any instrument executed by the management committee relating to the common areas of the project that recites facts which, if true, would establish the committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

b. Composition of Committee, Election, Vacancy. The management committee shall be composed of seven (7) members, with three (3) committee members elected for one year terms, three (3) members for two year terms, and one member for a three year term. Members shall serve on the committee until their successors are elected. Only unit owners or spouses of unit owners and officers, directors, agents and employees of owners other than individuals shall be eligible for committee membership. At each annual meeting each unit owner may vote his percentage of undivided ownership interest in favor of as many candidate or committee memberships as there are seats on the committee to be filled; provided, however, that until the happening of two events, namely either title to units representing ninety-five percent (95%) of the votes of unit owners shall have been conveyed by Declarants to the purchasers thereof, in the initial phase, or any expansion Phase, or the expiration of five (5) years after the first conveyance of title to any unit purchase, whichever shall first occur, the Declarants alone shall have the right (the right) to select the management committee or act as the management committee themselves. However, Declarant may at any time relinquish its reserved rights to select the members of the management committee prior to the occurrence of either or both of the aforesaid events and to transfer the entire management of the project to a management committee elected by the unit owners. If and when Declarant elects so to do, Declarant shall (1) notify unit owners in writing the effective date of such transfer (transfer date) at least 60 days prior thereto of such waiver of the right, and (2) on or before the transfer date filing for record in the Office of the Washington County Recorder a written notice of waiver of the right. Upon receipt of such notice, the unit owners shall call a meeting to elect the members of the management committee to take office as of the transfer date. Declarant covenants to cooperate with unit owners in effecting orderly transition of management. Moreover, Declarant shall cause all obligations for common expenses prior to the transfer date to be paid in full on or before such date. Accordingly, it is intended that the cash position of the committee as of the transfer date will be zero. In the event a committee seat which was filled by a Declarant becomes vacant, Declarants have the right to select a replacement member to sit on the committee for the balance of the term associated with the vacated seat. In all other cases of vacancy the remaining committee members shall elect a replacement to sit on the committee until the expiration of the term for which the member being replaced was elected.

c. Rights and Duties. The management committee, this Declaration and By-laws regarding the project maintenance as provided in shall be responsible for the general management for the project.

d. Manager. The committee may carry out any of its functions which are capable of delegation through a project manager. Any manager retained for such purposes must be an individual or entity experienced and qualified in the field of property management. The manager so engaged shall be responsible for

managing the project for the benefit of the owners and shall, to the extent permitted by law and the terms of the agreement with the committee, be authorized to perform any of the functions or acts required or permitted to be performed by the management committee itself.

e. Payment of Services, Etc. The management committee may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the management committee shall determine to be necessary or desirable for the proper operation of its function in the project, whether such committee or by any person or entity with whom it contracts. The management committee may obtain and pay for the operation of the project or the enforcement of this Declaration. It is recognized that the association may arrange with other persons to furnish snow removal, ground maintenance and other common services, to the project whether such personnel are furnished or employed directly by the management committee.

f. Personal Property Ownership and Use. The management committee may acquire and hold for the use and the benefit of all of the owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the owners, in the same proportion as their respective interests in the common areas. Such interest shall not be transferable except with the transfer of a unit. A transfer of a unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto, and such beneficial interest may in no event be reserved by the transferor of a unit. Each owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other owners. The transfer of title to a unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosure.

g. Rules and Regulations. The management committee may make reasonable rules and regulations governing the operation and use of the common areas and of other matters over which it has jurisdiction, which rules and regulations shall be consistent with the rights and duties established in this Declaration and By-laws. The management committee may suspend any owner's voting rights at the meeting of unit owners during any period or such periods during which such owner fails to comply with such rules and regulations, or with any other obligations of such owners under this Declaration. The management committee may also take judicial action against any owner to enforce compliance with such rules and regulations or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

h. Capital Improvements. There shall be no structural alterations, capital additions to, or capital improvements of the common areas requiring expenditure in excess of \$3,000.00 without the prior approval of unit owners holding a majority of the voting power.

i. The management committee may exercise any right or privilege given to it expressly by this Declaration or by law and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

25. COTTON MANOR CONDOMINIUM ASSOCIATION. The conveyance of each unit and its proportionate share of the common areas shall be subject to the covenants, conditions, restrictions, easements, charges and liens as contained in the Cotton Manor Condominiums Declaration and any supplements or amendments thereto recorded in the Office of the County Recorder of Washington County, State of Utah, prior to the conveyance of any unit. The Cotton Manor Condominiums Declaration, provides, inter alia, that all unit owners in the Cotton Manor Condominiums shall, upon becoming same, automatically become members of the Cotton Manor Condominium Association which shall maintain and administer certain facilities, maintain common areas in the project and enforce the covenants and restrictions as imposed in this Declaration and to collect and disburse the assessments and charges created herein. The Cotton Manor Condominium Association has been established for the benefit of the unit owners of Cotton Manor Condominiums.

26. ASSESSMENTS.

a. Agreement to Pay Assessments. Declarant for each unit owned by it within the project, hereby covenants, and each owner of a unit by the acceptance of a deed therefore, whether or not it be so expressed in the deed or by entering into a sale and purchase contract, shall be deemed to covenant and agree with each other and with the association to pay to the association annual assessments made by the association for the purposes provided in this declaration, and special assessments for capital improvements shall be fixed, established and collected from time to time in the manner provided hereunder.

b. Basis of Assessments. The total annual assessments against all units shall be based upon advance estimates of cash requirements by the management committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the common areas and/or the common properties, which estimates may include among other things, expenses of management, taxes and special assessments levied by governmental authorities until the units are separately assessed as provided herein; premiums for all insurance which the management committee is required or permitted to maintain pursuant hereto; common lighting, water charges, garbage collection, repair and maintenance of the common areas that must be replaced on a periodic basis, wages for employees of the management committee, legal and accounting fees, any deficit remaining from a previous period, the creation of a reasonable contingency reserve, surplus and/or sinking fund; and any other expenses and liabilities which may be incurred by the association for the benefit of the owners or by reason of this Declaration.

c. Apportionment of Expenses. Expenses attributable to the common areas and to the project as a whole shall be apportioned among all units in proportion to their respective undivided interest in the common areas, provided, however, that for this purpose Declarants shall be deemed to own only the undivided interest in the common areas based upon units which have been fully completed but not conveyed by Declarants.

d. Method, Payment of Assessments, Etc. Annual assessments shall be made on a calendar year basis. The committee shall give written notice to each owner as to the amount of the annual assessment with respect to his unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year, provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the

day fixed by the committee as the date of commencement of the assessment. Each annual assessment shall be due and payable in monthly installments. Each monthly assessment shall bear interest at the rate of twelve percent (12%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Such monthly assessment becomes payable upon the date the unit owner purchases his unit whether by conveyance of title or entering into a contract of sale and purchase; and as to all the unsold units no later than sixty (60) days from the date of closing of first unit sold, and thereafter each monthly payment shall be due and payable on the first day of each and every month in advance.

Each time a legal title to a unit passes from one person to another, within (30) days after the effective date of such title transaction the new unit owner shall pay the committee, in addition to any other required amounts, the sum of \$50.00. The provisions for payment of assessments shall apply to the collection of such sum. The sums received by the Committee pursuant to this paragraph shall be held by its as a contingency reserve and shall be used at such times and for such purposes as the committee may determine.

e. Special Assessments. In addition to the annual assessments authorized hereunder, the management committee may levy in any assessment year, special assessments, subject to the provision of Paragraph 24(h) above, payable over such period as the assessing body may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the common areas of the project or any other part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. This paragraph shall not be construed as an independent source of authority for the management committee, to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other paragraphs hereof. Any amount assessed pursuant hereto shall be assessed to owners in proportion to their respective undivided interest in the common areas. Declarant's interest in the common areas shall be determined on the same basis set forth in Subparagraph c above. Notice in writing of the amount of such special assessment and the time for payment thereof shall be given promptly to the owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of twelve percent (12%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

f. Liens for Unpaid Assessments. All sums assessed to any unit pursuant to this section, together with interest thereon as provided herein, shall be secured by a lien on such unit in favor of the association. Such lien shall be superior to all other liens and encumbrances on such unit, except only for: (1) valid tax and assessing authority; and (2) encumbrances on the interest of the unit owner duly recorded in the Official Records of Washington County, State of Utah, prior to the date notice of the lien provided for herein is recorded which by law would be a lien prior to subsequently recorded encumbrances. All other lienors acquiring liens on any unit after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed pursuant to this section, the management committee may prepare a written notice of lien setting forth the

amount of the assessment, the due date, the amount remaining unpaid, the name of the owner of the unit, and a description of the unit. Such notice shall be signed by such body and may be recorded in the Office of the County Recorder of Washington County, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by foreclosure by the management committee in the same manner in which mortgages or trust deeds on real property may be foreclosed in Utah. In any such foreclosure the owner shall be required to pay the costs and expenses of filing the notice of lien and all court costs and reasonable attorney's fees. All such costs, expenses and fees shall be secured by the lien being required to pay to the management committee, any assessments against the unit which shall become due during the period of foreclosure. In the event of foreclosure, after the institution of the action the unit owner shall pay a reasonable rental for his use of the unit and the committee shall, without regard to the value of the unit, be entitled to the appointment of a receiver to collect any rentals due from the owner or any other person. The management committee shall have the right and the power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the owner thereof.

A release of notice of lien shall be executed by the assessing body and recorded in the Office of the County Recorder in Washington County, State of Utah, upon payment of all sums and secured by a lien which has been made the subject of a recorded notice of lien.

Any encumbrancer holding a lien of a unit may pay, but shall not be required to pay, any amounts secured by the lien created by this section, and upon such payments such encumbrancer shall be subrogated to all rights of the body with respect to such lien, including priority.

The management committee shall report to any encumbrancer of a unit any unpaid assessments remaining unpaid for longer than thirty (30) days after the same shall have become due; provided however, that such encumbrancer first shall have furnished to the management committee written notice of such encumbrance.

g. Personal Obligation Assessments. The amount of any annual or special assessment against any unit shall be the personal obligation of the owner thereof to the association. Suit to recover a money judgment for such personal obligation shall be maintainable by the management committee without foreclosing or waiving the lien securing the same. No owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the common areas or by abandonment for any period of time his unit.

h. Information Concerning Unpaid Assessments. Upon payments of a reasonable fee not to exceed ten dollars (\$10.00) and upon written request of any owner or mortgagee, prospective mortgagee or prospective purchaser of a unit, the management committee shall issue a written statement setting forth the amount of the unpaid current yearly assessment, the due date thereof and the portion thereof which has theretofore been paid; credit for advance payments of prepaid items, including, but not limited to, an owner's share of prepaid insurance premiums; and such statement shall be conclusive upon the management committee in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days all unpaid assessments which became due prior to the lien of the mortgagee

which became due prior to the date of making such request shall be subordinate to the lien of the mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within twenty (20) days period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the unit.

i. Purchaser's Obligation. Subject to the provisions of Subparagraph h, a purchaser of a unit shall be jointly and severally liable with the seller for all unpaid assessments against the unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

27. USE OF CONDOMINIUM.

a. Restrictions Concerning Common Areas. There shall be no obstructions of the common areas by the owners, their tenants, guests or invitees without the prior written consent of the management committee. The management committee may by rules and regulations prohibit or limit the use of the common areas as may be reasonably necessary for protecting the interests of all the owners or protecting the units of the common areas. Nothing shall be kept or stored on any part of the common areas without the prior written consent of the management committee, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the common areas except upon consent of the management committee. No automobile or other vehicle shall be parked at an entrance to or in front of a garage, carport or parking space which is a limited common area, in front of a walkway, or at any other location within the project which impairs or tends to impair vehicular or pedestrian access within the project or to and from its various parts.

b. Animals. No animals of any kind shall be raised, bred, or kept in any unit or in the common areas.

c. No Violation of Rules and Regulations. No owner shall violate the rules and regulations for the use of the units and the common areas as adopted from time to time by the management committee.

d. Signs. No signs whatsoever shall be erected or maintained in the common areas without the prior written consent of the committee, except: (1) such signs as may be required by legal proceedings, and (2) such signs Declarant may erect or maintain incident to sale of units.

e. Restrictions on Alterations. No structural alterations to any unit shall be made by any owner without the prior written consent of the management committee.

f. Declarant's Right to Sell Units. Notwithstanding anything contained herein to the contrary, until the Declarants have completed and sold all of the units, neither the unit owners who have purchased the units from the Declarant nor the management bodies, or either of them, shall interfere with the completion of the contemplated improvements and sale of the remaining units. The Declarant reserves the right to use any of the unsold Units and the common areas as may

facilitate such completion and sale, including but not limited to the maintenance of a sales office, the showing of the units, the recreational facilities and the display of signs. Declarant reserves the right to relocate the same from time to time within the project; upon relocation or sale of a model, management office or sales office, the furnishings thereof may be removed. Declarant further reserves the right to maintain on the project such advertising signs, which may be placed in any location on the project and may be relocated or removed, all at the sole discretion of Declarant.

28. INSURANCE BOND. The management committee shall secure or cause to be secured and maintained at all times the following insurance bond coverage:

a. A master or blanket policy of property insurance, with extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost). Each such policy shall contain the standard mortgagee clause which must be endorsed to provide that any proceeds shall be paid to the association for the use and benefit of mortgagees as their interests may appear. The assured shall be the association for the use and benefit of mortgagees as their interests may appear. The assured shall be the association as a trustee for the unit owners, or their authorized representative. Such insurance must provide protection against at least the following: loss by fire and other hazards covered by the standard extended coverage.

b. A comprehensive policy of public liability insurance covering all of the common areas insuring the association, the committee, the manager, and the unit owners against any liability incident to the ownership, use, or operation of the common areas and public ways of the project or of any unit which may arise among themselves, to the public, or to any invitees, or tenants of the project, or of the unit owners. Limits of liability under such insurance covering all claims for personal property injury and/or property damage arising out of a single occurrence, including protection against water damage liability, liability for non-owned and hired automobile and liability for property of others. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insured from denying the claim of a unit owner because of negligent acts of the association or other unit owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for similar projects in location, construction and use.

c. The association shall maintain fidelity coverage to protect against dishonest acts on the part of employees of professional managers, employees, or volunteers by the association. The fidelity bond or insurance must name the association as the obligee and shall be written in an amount sufficient to provide protection which in no event shall be less than 150% of the insured's estimated annual operating expenses and reserves unless a greater amount is required by majority of the mortgagees or their designees. In connection with such coverage an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. All fidelity bond coverage shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 30 days' prior written notice to the servicer on behalf of the mortgagees.

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

(1) In addition to the insurance described above, the committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against the construction, nature and use.

(2) Each hazard insurance policy shall be written by a company holding a financial rating of Class VI or better as designated in Best's Key Rating Guide. Each insurer must be specifically licensed to transact business within the State of Utah. Policies are unacceptable where (a) under the terms of the carrier's charter by-laws or policy, contributions or assessments may be made against the borrower or mortgagee, or its designee; or (b) by the terms of the carrier's charter, by-laws, or policy, loss, payments are contingent upon action by the carrier's board or directors, policy holders, or members; or (c) the policy includes any limiting clauses (other than insurance conditions) which could prevent the mortgagee or the borrower from collecting insurance proceeds.

(3) Insurance secured and maintained by the committee shall not be brought into contribution with insurance held by the individual unit owners or their mortgagees.

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

(5) Any unit owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the committee. Any unit owner who individually obtains insurance covering any portion of the project shall supply the committee with a copy of his policy within thirty (30) days after he acquires such insurance.

(6) Insurance coverage required by this section must not be prejudiced by (a) any act or neglect of the unit owners when such act or neglect is not within the control of the association to comply with any warranty or condition regarding any portion of the project over which the association has no control.

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

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

29. DAMAGE TO THE PROJECT. In the event of damage to or destruction of part of all of the improvements in the condominium project, the following procedures shall apply:

a. If proceeds of the insurance maintained by the management committee are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out.

b. If 75% or more of the project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the management are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and upon approval of at least 50% of the affected unit owners, all affected owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the common areas and facilities.

c. If 75% or more of the project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the management committee are not alone sufficient to accomplish restoration, and if the unit owners within 100 days after the destruction or damage by a vote of at least 75% elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under Subparagraph b above.

d. If 75% or more of the project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the committee are insufficient to accomplish restoration, and if the unit owners do not, within 100 days after the destruction or damage and by a vote of at least 75% elect to repair or reconstruct the affected improvements, the management committee shall promptly record with the Washington County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of Subsections (1) through (4) of Section 57-8-31, Utah Code Annotated (1953), shall apply and shall govern the rights of all parties having an interest in the project or any of the units.

Any reconstruction or repair which is required to be carried out by this Paragraph 25 shall be accomplished at the instance and direction of the management committee. Any determination which is required to be made by this Paragraph 25 regarding the extent of damage to or destruction of project improvements shall be made by three (3) MAI appraisers selected by the management committee. The decision of any two (2) such appraisers shall be conclusive.

30. RESERVATION OF OPTION TO EXPAND.

a. Declarant hereby explicitly reserves an option until the seventh (7th) anniversary of the recording of this Declaration to expand the project from time to time in compliance with Sections 57-8-13.6 of the Act, as the same may be amended from time to time, without the consent of any unit owner or mortgagee. The option to expand may be terminated prior to such anniversary only upon the filing by Declarant of an amendment to this Declaration which by the provisions of such amendment terminates the right to expand. Declarant expressly reserves the right to add any or all portions of the additional land at any time, at different times, in any order, without limitation; provided, however, that the additional land shall not exceed the area described on Exhibit D hereto. There are no limitations on the option to expand.

b. Supplemental Declarations and Supplemental Maps. Such expansion may be accomplished by the filing for record by Declarant in the County Recorder of Washington County, Utah, no later than seven (7) years from the date of this Declaration, a supplement or supplements to this Declaration containing a legal description of the site or sites for a new building or buildings, together with a supplemental map containing the same information with respect to the new buildings as was required on the original map with respect to the initial buildings. The expansion may be accomplished in stages by successive supplements or in one supplemental expansion.

c. Expansion of Definitions. In the event of such expansion the definitions used in this Declaration automatically shall be expanded to encompass and refer to the project so expanded. (e.g. "property" shall mean the real property described hereinabove plus any additional real property within the additional land added by a supplemental declaration or by supplemental declaration, and reference to this Declaration shall mean this Declaration as so supplemented.) Upon recordation of the supplements contemplated above, the revised schedule of percentage interest contained therein shall automatically become effective for all purposes and shall completely supercede any similar schedule which was contained in any declaration or supplement previously recorded in connection with the project or any portion of the additional land. And upon the recordation of such supplements they shall automatically supplement this Declaration, the map, and any supplements previously recorded. At any point in time, the Declaration and the map for the project shall consist of this Declaration and the map initially effective hereunder, as amended and expanded by all supplements theretofore recorded pursuant to the terms thereof.

d. Assurances. Declarant makes no assurance as to the location of buildings or improvements or other improvements on the additional land. At such time as the project is fully expanded, the maximum number of units on the additional land will be no more than 396 units. At any given time, the total number of units created on such portion(s) divided by the total acreage of the entirety of the additional land. Except as hereinafter mentioned, units to be constructed on the additional land will be compatible in quality, materials and architectural style with the units hereby submitted to the provisions

of the act. Units on additional land will be substantially identical or similar to those within the initial phase of the project and no unit will be constructed on the additional land which will not be substantially identical to the units depicted on the map. Declarant expressly reserves the right to create limited common areas on the additional land and to designate common areas therein which may be subsequently assigned as limited common areas. Declarant makes no assurances as to the type, size or maximum number of such common areas or limited common areas. The allocation of percentage interest in the additional land shall be computed as required by Section 57-8-7 of the Act on the basis of the size of each unit in relation to the aggregate size of all the units. In the event the Declarant shall not add any portion of the additional land, Declarant shall nevertheless have the right to construct all or any portion of any building on the additional land and operate the same without restriction. Declarant makes no assurances as to what improvements, if any, will be made on the additional land with respect to what improvements, if any, will be made on the additional land with respect to kind of improvements thereon. All improvements may be of the type and in the location reasonably determined to be appropriate by Declarant, so long as such determination is not inconsistent with any limitation imposed by this Declaration. Any building or other structure erected on any portion of the additional land shall be constructed in a good and workmanlike manner. The principal materials used in the construction of any building on any portion shall, in general, be the same as the principal material composing the buildings described in this Declaration.

e. No Obligation to Expand. Notwithstanding anything to the contrary which may be contained herein, this Declaration is not intended, and shall not be construed so as to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (i) the submission of any portion of the additional land to the provisions of the Act as a land or lands (ii) the creation, construction, or addition to the project of any additional property; (iii) the carrying out in any particular way or with any particular time of any development which may be undertaken; or (iv) the taking of any particular action with respect to the additional land, the project, any land or any phase. Accordingly, Declarant may create on additional land any development which would be entirely independent and unrelated to the project created by this Declaration.

31. AMENDMENT. Except as provided below, the vote of at least 2/3 of the undivided ownership interest in the common areas and facilities, in person or represented by proxy at a meeting of the association at which a quorum is present, shall be required to amend this Declaration or Record of Survey Map. Any amendment so authorized shall be accomplished through the recording of an instrument executed by the management committee. In such instrument the committee shall certify that the vote required by this paragraph for amendment has occurred. The foregoing right of amendment shall be subject to the following paramount rights:

Until units representing 75% of the undivided ownership interest in the project have been sold and closed, Declarant shall have and is hereby vested with, the right to unilaterally amend this Declaration or the Record of Survey Map. Such right shall obtain without regard to the subject matter of amendment, so long as the amendment involved is consistent with law and does not attempt to divert any vested property rights of the owner, mortgagee or beneficiary.

32. CONSENT EQUIVALENT TO VOTE. In those cases in which the Act of this Declaration required the vote of a stated percentage of the project's undivided ownership interest for the authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from unit owners who collectively hold at least the necessary percentage of undivided ownership interest.

33. SERVICE OF PROCESS. Service of process shall be received by Duane H. Marchant, 300 South Main Street, Centerville, Utah 84014. The management committee shall, however, have the right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the Office of the County Recorder in Washington County, State of Utah. Provided, however, that the agent for service of process named in the Declaration relating to the phase most recently added to the project shall automatically replace any agent previously named by the management committee or any agent designated in any enabling declaration relating to the previously added phase.

34. MORTGAGE PROTECTION. Notwithstanding anything to the contrary in the Declaration:

a. An adequate reserve fund for repair, maintenance and replacement of those elements of the common areas that must be replaced on a periodic basis must be established and shall be funded by regular monthly payments rather than by special assessments.

b. There shall be established a working capital fund for the initial months of operation of the project equal to a minimum amount of two months estimated common area charge for each unit.

c. Any mortgage holder which comes into possession of the unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment in lieu of foreclosure) shall be exempt from any "right of first refusal" or other provisions which may exist relating to sale or lease of the units in the project, and no right of first refusal shall impair the rights of any first mortgage to: (1) foreclosure or take title to a unit pursuant to the remedies provided in the mortgage, or (2) accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or (3) interfere with a subsequent sale or lease of the unit so acquired by the mortgagee.

d. Any agreement for professional management of the project, or any other contract providing for services by the Declarant must provide for termination by either party without cause or payment or a termination fee on 30 days or less written notice and a maximum contract term of one year, renewable by agreement of the parties for successive one year periods.

e. In the event of substantial damage to or destruction of any unit or any part of the common areas, the institutional holder of any first mortgage on a unit shall be entitled to timely written notice of any such damage or destruction. No unit owner or other party shall be entitled to priority over such institutional holder with respect to the distribution to such unit of any insurance proceeds.

f. If any unit or portion thereof of the common areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the institutional holder of any first mortgage of a unit shall be entitled to time written notice of any such proceeding or proposed acquisition. No unit owner or other party shall have priority over such institutional holder, regardless of the amount of the condemnation award, with respect to the distribution to such unit of the proceeds of any award or settlement.

g. Each holder of a first mortgage lien on a unit who comes into possession of a unit by virtue of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the unit free of any unpaid claims or assessments and charges against the unit which accrue prior to the time such holder comes into possession of the unit, except for claims for a pro rate share of such assessments or charges resulting from a pro rate reallocation of such assessments or charges to all units in the project, including the mortgaged unit.

h. Any holder of the mortgage is entitled to written notification from the association of any default by the mortgagor of such unit in the performance of such mortgagor's obligation under the Declaration which is not cured within thirty (30) days.

i. Any lien which the management committee may have on any unit in the project for the payment of common expenses assessments attributable to such unit will be subordinate to the lien or equivalent security interest of any first mortgage on the unit recorded prior to the date any such common expense assessments become due.

j. Unless at least 75% of the first mortgages (based on one vote for each mortgage owned) of units have given their prior written approval neither the management committee, Declarant, owners nor the association shall:

(1) By act or omission, seek to abandon or terminate the project, except for abandonment or termination provided by law in the case of substantial destruction of fire or other casualty or in the case of a taking by condemnation or eminent domain.

(2) Change the pro rate interest on obligations of any unit for (a) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds for condemnation awards and for (b) determining the pro rate share of ownership or each unit in the appurtenant common areas, except as necessary to allow the expansion of the project as provided in the Declaration.

(3) Partition or subdivide any unit or the common areas.

(4) Make any material amendment to the Declaration or to the By-laws of the association, including but not limited to, any amendment which would change the percentage interest of the unit owners in the common area, except as may be necessary to effect expansion of the project as provided in the Declaration and except as provided in Paragraph 24.

(5) By act or omission, seek to amend, partition, subdivide, encumber, sell, or transfer, the common areas. (The granting or easements for public utilities or for other public purposes consistent with the intended use of the common areas of the project shall not be deemed a transfer within the meaning of this subparagraph.)

(6) Use hazard insurance proceeds for losses to any condominium property (whether to units or to the common areas) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the units and/or the common areas of the project.

1. Mortgage protection, notwithstanding all other provisions hereto:

(1) The liens created hereunder upon any unit shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage or trust deed with first priority over such mortgages) upon such interest made in good faith and for value, provided that after the foreclosure or trust deed termination of any such document, there may be a lien created pursuant to Paragraph (g) hereof on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as an owner after the date of such foreclosure sale, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

(2) No amendment to this paragraph shall affect the rights of the holder or any such mortgage recorded prior to the recording of such amendment that is not joined in the execution thereof.

(3) By subordination agreement executed by a majority of the management committee, the benefits of (1) and (2) may be extended to mortgages not otherwise entitled thereto.

35. DUTY OF OWNER TO PAY TAXES ON UNIT OWNED. It is understood under the Act each unit (and its percentage of interest in the common areas) in the project is subject to separate assessment and taxation of each taxing authority and the special district(s) for all types of taxes and assessments authorized by law, and that as a result thereof no taxes will be assessed or levied against the project as such. Accordingly, each unit owner will pay and discharge any and all taxes and assessments which may be assessed against him or his unit.

36. ENFORCEMENT. Each unit owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with the decisions adopted pursuant to this Declaration and the administrative rules and regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the management committee or manager on behalf of the unit owners, or in a proper case, by an aggrieved unit owner.

37. INDEMNIFICATION OF MANAGEMENT COMMITTEE. Each member of the management committee shall be indemnified and held harmless by the unit owners against all costs, expenses, and liabilities whatsoever (excluding fraudulent and/or criminal actions) including, with limitation, attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said committee.

38. SUITS FILED BY MANAGEMENT COMMITTEE. Notwithstanding any provision of this Declaration to the contrary, any proceeding, suit or action as may be deemed necessary to recover a money judgment respecting any assessment levied or fixed by either of the management bodies, shall be maintained on behalf of either of them at the instance and suit of the management committee. Further, in the event of any conflict between duties and/or rights of either management bodies appearing to have been created or in fact resulting pursuant to the terms of this Declaration, notwithstanding anything to the contrary, the duties and/or rights of the management committee shall be considered superior.

39. COVENANTS TO RUN WITH LAND: COMPLIANCE. This Declaration and all the provisions hereof shall constitute covenants to run with them; and/or equitable servitudes, as the case may be, and shall be binding upon and inure to the benefit of Declarant, all parties who hereafter acquire any interest in a unit or in the project and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each owner or

occupant of a unit shall comply with, and all interests in all units shall be subject to, the terms of the Act, the terms of this Declaration, and By-laws, and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both maintainable by the committee on behalf of unit owners, or, in a proper case, by an aggrieved unit owner. By acquiring any interest in a unit or in the project, the party acquiring such interest consents to, and agrees, to be bound by each and every provision of this Declaration.

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

41. EFFECT OF RECORDED INSTRUMENTS. In the event the provisions of the separate recorded instruments incident to expansion of the project conflict irreconcilably, the terms of the instrument which is last recorded shall control.

42. NUMBER AND GENDER. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural; the plural, the singular, and the use of any gender shall include all genders.

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

44. TOPICAL HEADINGS. The headings appearing at the beginning of the paragraphs of this Declaration are only for convenience of reference and are not intended to describe, interpret, define or otherwise affect the content, meaning or intent of this Declaration or any paragraph or provision hereof.

45. EFFECTIVE DATE. This Declaration shall take effect upon recording in the Office of the County Recorder of Washington County, State of Utah.

46. All amenities (i.e., parking, recreation and services areas) are a part of the project and are covered by the mortgage at least to the same extent as are the common elements.

Notwithstanding any provisions to the contrary of any paragraph of the DECLARATION OF THE COTTON MANOR CONDOMINIUMS or of any paragraph of the

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BY-LAWS OF THE COTTON MANOR CONDOMINIUM ASSOCIATION, the management committee is and shall be the sole and only body that shall have the power to assess the homeowners the fees and costs of management.

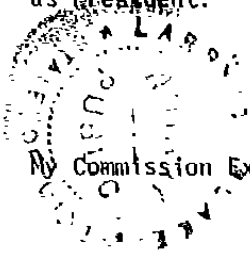
IN WITNESS WHEREOF, the undersigned, being the Declarant, has caused this instrument to be executed and its seal to affixed hereto on this 10th day of April, 1987.

PROPERTIES ALLIANCE INC.

BY: Duane H. Marchant
DUANE H. MARCHANT
President

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

On this 10th day of April, 1987, personally appeared before me DUANE H. MARCHANT, President of Properties Alliance Inc., who being first duly sworn, did say that he is President of Properties Alliance Inc., and that the foregoing instrument was signed by him in his capacity as President.



Larry F. Blake
Notary Public LARRY F. BLAKE
Residing at: St. George, Utah 84770

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EXHIBIT "A"

% OF INTEREST IN COMMON AREAS

UNIT NUMBER	UNIT SIZE IN SQUARE FEET	% INTEREST IN COMMON AREAS & FACILITIES
113, 116, 121, 124,	1,400	5.511811
114, 115, 122, 123,	1,150	4.527559
129, 132, 133, 136, 137, 140, 141, 144,	1,000	3.937008
130, 131, 134, 135, 138, 139, 142, 143	900	3.543307
TOTAL INTEREST IN COMMON AREAS		100.00 %

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EXHIBIT B
LIMITED COMMON AREAS

Unit Number	Assigned Parking Spaces
129	129
130	130
131	131
132	132
133	133
134	134
135	135
136	136
137	137
138	138
139	139
140	140
141	141
142	142
143	143
144	144

EXHIBIT C

BY-LAWS

010252

OF

COTTON MANOR CONDOMINIUMS

I
IDENTITY

These are the By-laws of the Cotton Manor Condominium Association (hereafter referred to as Cotton Manor).

II
APPLICATION

All unit owners, tenants, or any other person(s) who might use the facilities of the Cotton Manor Condominiums in any matter are subject to the regulations set forth in these By-laws. The mere acquisition or rental of any of the units or the mere act of occupancy or use of said units or the common areas will signify that these By-laws are accepted, ratified, and will be complied with by such persons.

III
ADMINISTRATION

1. Place of Meetings: Meetings of the unit owners shall be held at such place within the state of Utah as the management committee may specify in the notice, except as herein otherwise specified.

2. Annual Meetings: The first regular meeting of the unit owners shall be held on the 1st day of June, 1987, at such place as the management committee shall specify. Thereafter, the annual meeting shall be held on such day of each succeeding year; provided, however, that whenever such date falls on a legal holiday, the meeting shall be held on the next succeeding business day, and provided further, that the management committee may by resolution fix the date of the annual meeting on such date and at such place as the management committee may deem appropriate.

3. Special Meetings: Special meetings of the unit owners may be called at any time by written notice served by the management committee, or by unit owners having 35 percent of the total votes, delivered not less than seven (7) days prior to the date fixed for such meeting. Such meeting shall be held on the project or such other place as the management committee may specify and the notice thereof shall state the place, date, time and matters to be considered.

4. Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered 24 hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each unit owner at the address given by such person to the management committee or the manager for the purpose of service of such notice or to the unit of such person if no address has been given. Such address may be changed from time to time by notice in writing to the management committee or manager.

5. Quorum. At any meeting of the unit owners, the owners of more than fifty (50) percent in the aggregate in interest of the undivided ownership of common areas shall constitute a quorum for any and all purposes, except where by express provisions a greater vote is required, in which event a quorum shall be the number required for such vote. In the absence of a quorum the chairman of the meeting may adjourn the meeting from time to time, without notice other than by announcement at the meeting, until holders of the amount of interest requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally notified.

6. Voting. When a quorum, as provided in the Utah Condominium Ownership Act is present at any meeting, the vote of the unit owners representing at least fifty-one (51) percent, or more, of the undivided ownership of common areas and facilities, present in person or represented by proxy, shall decide any question of business brought before such meeting, including the election of the management committee, unless the question is one upon which, by express provision of the statutes, the Declaration, or of these By-laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast either in person or by proxy. All proxies shall be in writing, and in the case of proxies for the annual meeting, they shall be delivered to the secretary at least three days prior to said annual meeting. Proxies for special unit owners' meetings must be of record with the secretary at least three days prior to said special meeting.

7. Waivers of Notice. Any unit owner may at any time waive any notice required to be given under these By-laws, or by statutes or otherwise. The presence of a unit owner in person at any meeting of the unit owners shall be deemed such waiver.

IV
MANAGEMENT COMMITTEE

1. Purposes and Powers. The business, property and affairs of the condominium shall be managed and governed by the management committee pursuant to the Cotton Manor Declaration of Condominium. The management committee, as it deems advisable,

may enter into such management agreement or agreements with a third person, firm, or corporation to act as the manager of the project.

2. Regular Meetings. A regular annual meeting of the management committee shall be held immediately after the adjournment of each annual unit owners' meeting. Regular meetings, other than the annual meeting, shall or may be held at regular intervals at such places and at such times as either the chairman of the management committee may from time to time designate.

3. Special Meetings. Special meeting of the management committee shall be held whenever called by the chairman, the vice chairman, or by three or more members. By unanimous consent of the management committee, special meetings may be held without call or notice at any time or place.

4. Quorum. A quorum for the transaction of business at any meeting of the management committee shall consist of a majority of the management then in office.

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

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

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

8. Fidelity Bonds. The management committee may require that all officers and employees of the management committee handling or responsible for funds shall require adequate fidelity bonds. The premium on such fidelity bonds shall be paid by the management committee.

V
OFFICERS

1. Designation and Election. The principal officers of the management committee shall be a chairman, vice chairman, a secretary and a treasurer, all of whom shall be elected by and from the management committee. The management committee may appoint an assistant secretary and an assistant treasurer and such other officers as in its judgment may be necessary or desirable. Such election

or appointment shall regularly take place at the first meeting of the management committee immediately following the annual meeting of the unit owners; provided, however, that election of officers may be held at any other meeting of the management committee.

2. Other Officers. The management committee may appoint such other officers, in addition to the officers hereinabove expressly named, as it shall deem necessary, who shall have authority to perform such duties as may be prescribed from time to time by the management committee.

3. Removal of Officers and Agents. All officers and agents shall be subject to removal, with or without cause, at any time by the affirmative votes of the majority of the then members of the management committee.

4. Chairman. The chairman shall be the chief executive of the management committee, and shall exercise general supervision over its property and affairs. He shall sign on behalf of the condominium project all instruments and contracts of material importance to its business, shall do and perform all acts and things which the management committee may require of him. He shall reside at all meetings of the unit owners and the management committee. He shall have all of the general powers or duties which are normally vested in the office of the president of a corporation, including but not limited to the power to appoint committees from among the members from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the condominium project.

5. Vice Chairman. The vice chairman shall take the place of the chairman and perform his duties whenever the chairman shall be absent, or unable to act. If neither the chairman nor the vice chairman is able to act, the management committee shall appoint some other member thereof to do so on an interim basis. The vice chairman shall also perform such other duties as shall from time to time be prescribed by the management committee.

6. Secretary. The secretary shall keep the minutes of all meetings of the management committee and of the unit owners; he shall have the charge of the books and papers as the management committee may direct; he shall in general, perform all the duties incident to the office of secretary.

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

8. Compensation. No compensation shall be paid to the officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the management committee in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the management committee before the services are undertaken.

VI
ACCOUNTING

1. Books and Accounts. The books and accounts of the management committee shall be kept under the direction of the treasurer and in accordance with the reasonable standards of accounting procedures.

2. Report. At the close of each accounting year, the books and records of the management committee shall be reviewed by a person or firm approved by the unit owners. Report of such review shall be prepared and submitted to the unit owners at or before the annual meeting of the units owners; provided, however, that a certified audit by a certified public accountant approved by the unit owners shall be made if at least 75 percent of the owners of undivided interest in the common areas determine to do so.

3. Inspection of Books. Financial reports, such as required to be furnished, shall be available at the principal office of the management committee or the manager for inspection at reasonable times by any unit owners.

VII
BUILDING RULES

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

VIII
AMENDMENT OF BY-LAWS

These By-laws may be amended at any duly constituted meeting of the unit owners called for the purpose by the affirmative vote of at least two-thirds of the ownership in the common area.

EXHIBIT D

DESCRIPTION

BEGINNING at the Southeast Corner of Section 21, Township 42 South, Range 15 West, Salt Lake Base and Meridian and running thence North 0°36'50" West 1333.895 feet along the Section line to the 1/16 Corner; thence South 89°11'50" West 1329.105 feet along the 1/16 line to the Northwest Corner of the Southeast 1/4 of the Southeast 1/4 of said Section 21; thence South 0°33'35" East 1332.87 feet along the 1/16 line to the Northwest Corner of the Northeast 1/4 of the Northeast 1/4 of Section 28, Township 42 South, Range 15 West, Salt Lake Base and Meridian; thence South 0°26'25" East 694.96 feet along the 1/16 line; thence North 89°13'52" East 1305.73 feet; thence North 0°20' West 694.73 feet; thence North 89°14'30" East 25.00 feet to the point of beginning.

* * *

REQUEST: SOUTHERN UTAH TITLE
BOOK 448 PAGE 292-322
PET. 3500 ABS.
1987 APR 10 PM 1:06
DOCUMENT# 313252
HERBERT S. BENTLEY
WASHINGTON CITY RECORDER
BY B. H. H.