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DECLARATION OF CONDOMINIUM

FOR

CENTURY PARK EAST CONDOMINIUMS

A RESIDENTIAL CONDOMINIUM PROJECT

IN

SALT LAKE COUNTY, UTAH

GRANITE COVE DEVELOPMENT, LLC.

AS DECLARANT

FEBRUARY 26, 1996

BK 7342 PG 1558

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THIS DECLARATION is made as of the date hereinafter set forth by Granite Cove Development, LLC. (hereinafter referred to as the "Declarant").

RECITALS

A. Declarant is the fee owner of that certain real property situated in Salt Lake City, Salt Lake County, Utah, described on EXHIBIT "A," attached hereto and hereby incorporated by reference (the "Parcel");

B. Declarant desires to submit the Parcel, together with all buildings and improvements now or hereafter constructed on the Parcel, and all easements and rights appurtenant thereto (the "Property") to the Utah Condominium Ownership Act (the "Act").

C. Declarant desires to establish for its own benefit and for the mutual benefit of all future Owners or Residents of the Project, certain covenants, conditions, restrictions, easements, rights, privileges, assessments, and liens as set forth herein (hereinafter collectively referred to as the "Restrictions") which shall run with and be a burden upon the Property;

D. Declarant intends that the Owners, Residents, Lenders, and all other persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interest subject to, this Declaration, which is recorded in furtherance of establishing a general plan of condominium ownership for the Property; and for establishing rules for the use, occupancy, management, and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Project and the quality of life therein;

NOW, THEREFORE, Declarant, as owner of the Parcel and for the purposes above set forth, declares as follows:

ARTICLE 1. - DEFINITIONS

As used herein, unless the context otherwise requires:

1.1. "Act" shall mean the Project Ownership Act, codified at Sections 57-8-1 through 57-8-36, Utah Code Annotated, pertaining to the creation, ownership and management of a Project in the State of Utah.

1.2. "Allocated Interest" shall mean the undivided interest (expressed as a fraction or percentage in this Declaration) in the Common Areas and Facilities, the Common Expense liability, and votes in the Association allocated to each Unit.

1.3. "Articles" shall mean the Articles of Incorporation by

which the Association is formed under the nonprofit corporation law of the State of Utah.

1.4. "Assessments" shall mean any amounts imposed upon, assessed or charged a Unit Owner or Resident at the Project to pay the Common Expenses including but not limited to all regular, special and specific assessments.

1.5. "Association" shall refer to CENTURY PARK EAST OWNERS ASSOCIATION, whose Membership shall include each Owner of a unit in the Project, as required by the Act. The Association will be incorporated as a Utah nonprofit corporation prior to the conveyance of the first Unit in the Project by Declarant.

1.6. "Association Rules" shall mean and refer to the rules and regulations adopted by the Association pursuant to this Declaration and in furtherance of the Bylaws and in accordance with U.C.A., Section 57-8-8 (1953).

1.7. "Board" shall mean the Board of Directors of the Association elected pursuant to the Bylaws and serving as the management body of the Association.

1.8. "Bylaws" shall mean the bylaws adopted by the Association pursuant to U.C.A., Section 57-8-16 (1953) of the Act for the purpose of regulating the affairs of the Association, as the same may be amended from time to time.

1.9. "Common Areas and Facilities" shall mean the entire Project (including all items listed in U.C.A., Section 57-8-3(3) (1953) of the Act, if applicable), excluding all of the Units.

1.10. "Common Expenses" shall mean the actual and estimated costs for: (a) maintenance, management, operation, repair and replacement of the Common Areas and Facilities which are maintained by the Association; (b) deficiencies arising by reason of unpaid Assessments; (c) management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees; (d) utilities (other than separately metered utilities for the Units), trash pickup and disposal, extermination, security, gardening, pool service, and other related services; (e) insurance and bonds required by this Declaration or any additional insurance and bonds obtained by the Board in its discretion; (f) the establishment of reasonable reserves as the Board shall deem appropriate in its discretion for the periodic maintenance, repair, and replacement of the Common Areas and Facilities, which shall in no event be less than two (2) months of the estimated Assessments for each Unit; and (g) other miscellaneous charges incurred by the Association or the Board pursuant to this Declaration, the Bylaws or Association Rules

in furtherance of the purposes of the Association or in discharge of the duties and powers of the Association.

1.11. "Condominium" means the form of ownership of the Project; that is, a dwelling unit and an undivided percentage of interest in the Common Areas.

1.12. "Declarant" shall mean Granite Cove Development, LLC., and the successors and assigns of Declarant's rights hereunder.

1.13. "Declaration" shall mean this Declaration including all exhibits attached hereto, which are hereby incorporated by reference, and any and all amendments hereof and supplements hereto.

1.14. "Lender" shall mean a holder of a first mortgage or first deed of trust on a Unit.

1.15. "Limited Common Area" means a portion of the Common Areas specifically designated as a Limited Common Area in this Declaration or the Plat, and allocated by this Declaration or the Plat for the exclusive use of one or more but fewer than all of the Units.

1.16. "Occupant" shall mean a Resident of the Project.

1.17. "Owner" shall mean the Person or Persons who are vested with record title of a Unit, and whose interest in the Unit is held in fee simple, according to the records of the County Recorder of Salt Lake County, Utah; however, Owner shall not include a Person who holds an interest in a Unit merely as security for the performance of an obligation. Declarant shall be considered the record Owner of any Unit prior to its initial conveyance by Declarant.

1.18. "Par Value" shall mean the number of dollars or points assigned to each Unit by the Declaration. Substantially identical Units shall be assigned the same Par Value. If Par Value is stated in terms of dollars, that statement may not be considered to reflect or control the sales price or fair market value of any Unit, and no opinion, appraisal, or fair market transaction at a different figure shall affect the Par Value of any Unit, the percentage of undivided ownership interest in the Common Areas, voting rights, liability for common expenses, or right to common profits, assigned on the basis thereof.

1.19. "Parcel" shall mean the real property legally described on EXHIBIT "A," and all the buildings, improvements and permanent fixtures located thereon, and all easements and rights appurtenant thereto.

1.20. "Person" shall mean a natural individual, corporation, estate, partnership, trustee, association, joint venture, government, governmental subdivision or agency or other legal entity capable of holding title to real property.

1.21. "Plat" means the record of survey map of the Parcel submitted to this Project and showing thereon _____ () Units, each of which is identified by a Unit Number. A copy of the Plat is included as EXHIBIT "B", attached hereto and hereby incorporated by reference. The original Plat is recorded in ~~Book~~ ^{ENCL. NUMBER} ~~6293173~~ beginning at ~~Page~~ _____, in the records of the County Recorder of Salt Lake County, Utah. "Plat" shall also refer to any additional plat which may be recorded with any Supplemental Declaration.

1.22. "Project" means this real estate condominium project wherein single units in a multi-unit project, together with an undivided interest in the Common Areas and Facilities of the property, are owned separately.

1.23. "Property" shall mean the Parcel, together with all the buildings, improvements and permanent fixtures located thereon, and all easements and rights appurtenant thereto.

1.24. "Resident" shall mean a Person or Persons in possession of, or using a Unit, including, without limitation, family Members, tenants, guests, or invitees.

1.25. "Restrictions" shall mean the covenant, conditions, assessments, easements, liens and restrictions set forth in this Declaration.

1.26. "Special Declarant Rights" shall mean the rights and privileges granted or reserved to the Declarant by this Declaration.

1.27. "Supplemental Declaration" shall mean a written instrument recorded in the records of the County Recorder of Salt Lake County, Utah, which refers to this Declaration and which amends, modifies, or supplements this Declaration in accordance with its terms.

1.28. "Turnover Date" shall mean the date the Declarant transfers control of the Project and the Association to a Board of Directors elected by the Owners.

1.29. "Unit" shall mean a separate physical part of the Property intended for independent use, including one or more rooms or spaces located in one or more floors or part or parts of floors in a building. Mechanical equipment and appurtenances located within any one Unit, or located without said Unit but designated and designed to serve only that Unit, such as appliances,

electrical receptacles and outlets, air conditioning compressors, furnaces, water heaters, apparatus, systems or equipment, fixtures and the like, shall be considered part of the Unit; so shall all decorated surfaces of interior walls, floors and ceilings, including but not limited to all paint, wallpaper, wall coverings, windows and window frames, doors and door frames, trim, carpeting, tile and linoleum. All pipes, wires, conduits, or other utility lines or installations constituting a part of the Unit or serving only the Unit, and any structural Members, parts, components or any other property of any kind, including fixtures or appliances within any Unit, which are removable without jeopardizing the integrity, soundness, safety or usefulness of the remainder of the Building within which the Unit is located shall be deemed to be part of the Unit.

1.30. "Unit Number" shall mean the number, letter, symbol, or address that identifies one Unit in the Project.

ARTICLE 2. - CREATION OF THE PROJECT

2.1 Submission. The Land described with particularity on Exhibit "A" attached hereto and incorporated herein by this reference is hereby submitted to the Act; and is hereby made subject to, and shall be governed by the Act, and the covenants, conditions and restrictions set forth below.

The Land is SUBJECT TO the described easements and rights of way.

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real property.

ALL OF THE FOREGOING IS SUBJECT TO: All liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all Patent reservation and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described Tract or any portion thereof, including, without limitation, any mortgage or deed of trust; all visible and necessary easements and rights-of-way; all easements and rights-of-way of record; any easements, rights of-way, encroachments, or discrepancies shown on or revealed by the Survey Maps or otherwise existing; an easement for each and every common area improvement, equipment, pipes, lines, cables, wires, utility systems, or similar facilities which traverse or partially occupy the above-described Tract; and all easements necessary for servicing, repairing, ingress to, egress from, maintenance of, and replacement of all such common area improvements, equipment, pipes, lines, cables, wires, utility systems, and similar facilities.

All of the Units shall be held, conveyed, transferred, sold, leased, mortgaged, encumbered, occupied, used and improved subject to the restrictions, which Restrictions shall constitute covenants and conditions running with the land and shall be binding upon and inure to the benefit of Declarant, the Association, and each Owner, including their respective heirs, executors, administrators, personal representative, successors and assigns.

2.2. Name and Location. The Project shall be named and known as the Century Park East Condominium Project. The Project is located in Salt Lake County, Utah, and the legal description of the real estate included in the Project is the Parcel set forth on EXHIBIT "A".

2.3. Agent for Service of Process and Registered Office. Gary Strang shall be the initial Registered Agent of the Association and shall serve until such time as the Board shall duly appoint a new agent and file a supplement hereto. The initial office of the Registered Agent is 3370 South 300 East, Salt Lake City, Utah 84115.

ARTICLE 3. - DESCRIPTION OF THE UNITS, LIMITED COMMON AREAS AND FACILITIES, COMMON AREAS AND FACILITIES, ALLOCATED INTERESTS AND PLAT.

3.1. Description of Project, Boundaries of Each Unit and Unit Number. The Project will consist of three (3) buildings comprised of sixty (60) Units, thirty-six (36) of which will be three (3) bedrooms and twenty-four of which will be two (2) bedrooms. Each building will have two (2) stories. Recreational amenities and facilities shall include a hot tub, play area and BBQ pavilion.

The cubic content space and Unit Number of each of the Units within the Project are set forth on the Plat. The horizontal boundaries of each Unit shall be the underside of the finished but undecorated ceiling and the top of the finished but undecorated floor of the Unit as shown on the Plat. The vertical boundaries of each Unit shall be the interiors of the finished but undecorated walls located on the perimeter lines of the respective Units and shown on the Plat. All lath, furring, wallboard, plaster Board, plaster, paneling, tiles, wallpaper, paint, finished flooring and other materials constituting any part of the finished surfaces are part of the Unit, and all other and structural portions of the walls, floors, columns, or ceilings are part of the Common Areas and Facilities. If any pipes, wires, conduits, chutes, flues, ducts, shafts, public utility, water, or sewer lines, or any other similar fixtures lie partially within and partially outside the designated boundaries of a Unit, any portion serving only that Unit shall be deemed to be Limited Common Area and any portion serving more than one Unit shall be deemed Common Area. Conveyance of a Unit includes the exclusive use of the Limited Common Areas and the non-exclusive use of the Common Areas appurtenant to said Unit.

3.2. Description of Limited Common Areas and Facilities for Parking. The parking space or spaces set forth on the Plat and designated for each Unit, respectively, by corresponding number shall be a Limited Common Area for the exclusive use and benefit of such Unit and such Owner. This Limited Common Area and shall be appurtenant to the Unit and may not be severed or partitioned from the ownership thereof.

3.3. Description of Limited Common Areas and Facilities for Patios, Balconies, Awnings, Entryways, Fireplaces, and Storage Areas. The patio, balcony (or balconies), awnings, exterior screens and shutters, entryway, fireplace (including firebox and flue), and storeroom, if any, which are adjacent to each respective Unit as set forth and depicted on the Plat shall be a Limited Common Areas for the exclusive use and benefit of such Unit and such Owner. These Limited Common Areas shall be appurtenant to each respective Unit where so identified and may not be severed or partitioned from the ownership thereof.

3.4. Description of Common Areas and Facilities. The Common Areas and Facilities shall consist of all of the Land described in Exhibit "A," excluding the Units. Limited Common Area is part of the Common Area.

3.5. Common Profits, Common Expenses, and Voting Rights. The common profits of the Property shall be distributed among, the common expenses shall be charged to, and the voting rights shall be available to, the Unit Owners according to their respective percentage or fractional undivided interests in the Common Areas and Facilities. The percentage of undivided ownership interest of each Unit, which is based upon the par value of each Unit, is set forth in Exhibit "C" attached hereto and incorporated herein by this reference.

3.6. Plat. The Plat is hereby incorporated into, and made an integral part of, this Declaration and all requirements and specifications set forth on the Plat and which are required by the Act are deemed included in this Declaration.

ARTICLE 4. - MAINTENANCE AND UTILITIES

4.1. Area of Personal Responsibility. Each Unit Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs, and replacements within his own Unit. Such obligation shall include, without limitation, the following: (a) the maintenance of all interior and exterior doors, including thresholds and door jams, all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, fireboxes of fireplaces, and any other materials constituting the finished surfaces of floors, ceilings, or interior walls (all other portions of the walls, floors, or ceilings are

part of the Common Areas and Facilities); (b) repair and replacement of all window, skylights, and door glass or equivalent materials and the interior and exterior cleaning of such window and door glass; (c) the maintenance of, in an open and unobstructed condition, all sewer and drainage pipes, water and other utility lines serving an Owner's respective Unit between the points at which the same enter the respective Unit and the points where the same join the utility lines serving other Units; (d) maintenance, replacement, repair and restoration of all of the following which service an Owner's Unit exclusively: lighting fixtures (except exterior building mounted lights and walkway lights which are not located within patios and balconies), fans, plumbing fixtures, stoves, refrigerators, hot water heaters, air conditioning units (including compressors, condensers and forced air units), intercoms, security systems, and such other appliances, fixtures, and decorations as an Owner may install; (e) the maintenance of his Limited Common Areas, such as patios and balconies (including all materials above or upon the support structure, and railings and posts), awnings, exterior screens, shutters, and chimney flues, in a clean and sanitary condition, free of pests and rodents, and in good order and repair, except that the sweeping and maintenance of any parking spaces and driveways that are designated as Limited Common Areas hereunder shall be the responsibility of the Association.

4.2. Alterations, Modification and Changes to Units or Common Areas. An Owner may make non-structural alterations within his Unit, but an Owner shall not make any structural or exterior alterations of his Unit or the Common Areas without the prior written approval of the Board.

4.3. Area of Common Responsibility. The Association, or its duly delegated representative, shall furnish and be responsible for, at its expense, all of the maintenance, repairs and replacements within the Common Area. Such obligation shall include: (a) The maintenance, management and control of the Common Areas and Facilities, including, but not limited to, the landscaping, parking areas, streets and recreational facilities, if any, located thereon and maintain all parking areas and exterior building mounted lights not within patios and balconies, walkway and landscape area lights not within patios and balconies, walkway and landscape area lights (located outside patios and balconies), the structural support components of patios and roofs and flashings and other materials on patios and roofs that were installed to exclusively function as a roof, however, excluding skylights; (b) The replacement of injured and deceased trees or other vegetation in any Common Areas and Facilities, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil or for aesthetic purposes; (c) The placement and maintenance upon any Common Areas and Facilities of such signs, markers and lights as the Board may deem appropriate for the proper identification, use and regulation thereof, subject

to the approval of the Board; (d) The payment of all electrical, water, gas and other utility charges or fees for services furnished to the Common Areas and Facilities as the same become due and payable except that the electrical charges for exterior lighting of each Unit and the walkways and landscape areas adjacent thereto shall be paid by each respective Unit Owner; and (e) Doing all such other and further acts which the Board deems necessary to preserve and protect the Common Areas and Facilities and the beauty thereof, and to regulate the Project in accordance with the general purposes specified in this Declaration.

4.4. Standard of Care. The Project shall be maintained in a manner consistent with the standard of conduct, maintenance, or other activity generally prevailing in the Community, as determined by the Board, in its sole and exclusive discretion, from time to time.

4.5. Damage or Waste. If the need for maintenance, repair or replacement is caused through the willful or negligent act of an Owner or Resident, their family, guests, licensees, lessees or invitees, the cost of such maintenance or repair shall be paid by such Owner or Resident, upon demand, to the Association, and the Association may enforce collection of such amounts by judgment, lien or foreclosure as set forth below.

4.6. Neglect. If an Owner fails to maintain, repair or replace his Unit or Limited Common Area in such a manner as may be deemed reasonably necessary in the sole and exclusive judgment of the Board to preserve and protect the uniform and attractive appearance and value of the Project, or if an Owner or Resident shall fail to observe any covenant or restriction imposed on such Owner or Resident by the terms of the Declaration, then the Board or its authorized representative shall give written notice to such Owner or Resident stating with particularity the nature of the default and the corrective action which the Board determines to be required and requesting that the same be carried out within a period of fourteen (14) days after the giving of such written notice. If such Owner or Resident fails to carry out such action within the period specified by the notice, the Board may cause such action to be taken and may levy a special Assessment for the cost thereof on such Owner, such special Assessment to be due and payable within thirty (30) days after the Board gives written notice thereof and to be secured by the Assessment lien created in Section 6.1 of this Declaration, collectible by judgment or foreclosure.

4.7. Utilities. All utilities for individual Units (except those utility costs which are metered collectively and paid by the Association as a Common Expense item) will be metered separately to each Unit and such utility charges shall be the responsibility of the respective Owners. The Owner of each respective Unit shall also be responsible to pay the electric utility charges for all

exterior lighting of each Unit and lighting of walkways and landscaping areas adjacent to the Unit.

4.8. Shift of Responsibility. Items may be moved from the Area of Personal Responsibility to the Area of Common Responsibility, or vice versa, with the prior approval of a majority interest of the Board and the Association.

ARTICLE 5. - MANAGEMENT

5.1 Association. The Association shall be organized and formed under and pursuant to the non profit corporation act of the State of Utah. The Association shall have all rights and powers granted to it under the Act and in this Declaration, the Articles and Bylaws. The Association shall not be deemed to be conducting a business for profit of any kind, and all funds received by the Association shall be held and applied by it for the Owners in accordance with the Declaration, the Articles and the Bylaws.

5.2. Membership. Membership in the Association shall at all times consist exclusively of the Unit Owners and each Owner shall be a Member of the Association so long as he shall be an Owner and such Membership shall automatically terminate when he ceases to be an Owner. Upon the transfer of an ownership interest in a Unit, the new Owner succeeding to such ownership interest shall likewise succeed to such Membership in the Association.

5.3. Voting. Each Unit shall have one vote equal to its percentage of undivided ownership interest in the Common Areas.

5.4. Board of Directors. The governing body of the Association shall be the Board of Directors elected pursuant to the Bylaws. Cumulative voting shall apply for the purpose of electing Members of the Board. The Board shall consist of three (3) Members. Except as otherwise provided in this Declaration, the Bylaws, or Association Rules, the Board may act in all instances on behalf of the Association. The Board shall act to adopt the Bylaws as required by the Act at the time the Association is organized, and the Board may, as it deems appropriate, adopt, amend and repeal Association Rules.

5.5. Qualifications of Directors. Except for Board Members elected or appointed by Declarant, each Director shall be an individual Owner or if an Owner is a corporation, partnership, limited liability company, trust or other entity, a Director may be an officer, partner, Member, manager, agent or legal representative of the organization Owner. If a Director shall cease to meet such qualifications during his term, he will thereupon cease to be a Director and his place on the Board shall be deemed vacant.

5.6. Composition of Board. At the Annual meeting of the

Association, the percentage of undivided ownership interest appurtenant to a Unit may be voted in favor of as many candidates for Board Membership as there are seats on the Board to be filled; provided, however, notwithstanding anything herein to the contrary, Declarant alone shall be entitled to select all of the Board Members until the earlier of the following events (hereinafter referred to as the "Turnover Date") at which time control of the Management Board shall be transferred by Declarant to the Association;

(a) The date ninety (90) days after the conveyance by Declarant of seventy-five percent (75%) of the Units which may be created at any time or from time to time by this Declaration to Owners (other than Declarant or an affiliate of Declarant);

(b) The date four (4) years after Declarant (or any successor) has ceased to offer Units for sale in the ordinary course of business; or,

(c) The date which is the third (3rd) anniversary of the first conveyance of a Unit by Declarant to an Owner other than Declarant.

5.7. Voting Restrictions. The following additional restrictions apply to voting on Association issues, including but not limited to the election of Board Members:

(a) Subject To Assessment. No vote shall be cast or counted for any Unit not subject to assessment.

(b) Multiple Owners. When more than one person or entity holds such interest in a Unit, the vote for such Unit shall be exercised as those persons or entities themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the vote of the Unit shall be suspended in the event more than one person or entity seeks to exercise it.

(c) Leased Unit. Any Owner of a Unit which has been leased may, in the lease or other written instrument, assign the voting right appurtenant to that Unit to the lessee, provided that a copy of such instrument is furnished to the Secretary at least three days prior to any meeting.

5.8. Terms of Office. At the first Annual Homeowners Meeting (after the Turnover Date) two (2) of the Board Members shall be elected for two (2) year terms and the remaining Board Member shall be elected for a one (1) year term. Thereafter, all Board Members shall be elected for two (2) year terms. This staggering feature will provide continuity to the management of the Association.

5.9. Qualifications. To qualify, a Member of the Board must be an individual Owner, or the legal representative of an

organizational Owner in good standing.

5.10. Vacancies. Any vacant seat on the Board shall be filled with a an Association Member duly elected or appointed.

5.11. Meetings. The Board shall meet at least one time every calendar month.

5.12. Dismissal. Any Board Member who fails on three (3) successive occasions to attend Board meetings (whether regular or special) or who has failed to attend at least twenty-five percent (25%) of all Board meetings (whether regular or special) held during any twelve (12) month period shall automatically forfeit his or her seat. In such cases, the remaining Board Members shall elect a replacement to sit on the Board until the next meeting of the Association.

5.13. Removal of Board Member/Declarant's Rights. Except for Board Members appointed by the Declarant prior to the Turnover Date, Board Members may be removed at any time by the affirmative vote of a majority of the Members of the Association.

5.14. Replacement. Board Members dismissed in the marner set forth above or who resign, shall be replaced by an appointment of the remaining Members of the Board; provided, however, Board Members removed by the affirmative majority vote of the Association shall be replaced by the Association unless, anything to the contrary notwithstanding, the Board Member was appointed by the Declarant prior to the Turnover Date, then he shall be replaced by another appointment of the Declarant.

5.15. Completion of Term. Unless a Board Member forfeits or otherwise loses his seat as herein provided, a Member shall serve on the Board until his successor qualifies and is properly elected by the Association.

5.16. No Compensation. Board Members shall not be compensated for their services but shall be reimbursed for all expenses reasonably incurred in connection with Board business and approved by the Board.

5.17. Annual Meeting. The Association shall hold an annual meeting as provided in the Bylaws.

5.18. Right of Association to Enter Units. The Association acting through the Board or its duly authorized Agent shall have the right at all times upon reasonable notice (and at any time in case of an emergency) to enter upon or in any Unit to abate any infractions, to make repairs, or correct any violation of any of the Restrictions herein set forth, and in connection therewith shall have the further right to assess all costs incurred against the Owner, such assessment to be secured by the lien provided in

Section 6.1, collectible by judgment or foreclosure.

5.19. Administrative Rules & Regulations. The Board may adopt and amend from time to time administrative rules and regulations to govern the Project, and which shall be binding upon all Owners and Residents, their family Members, guests and invitees.

5.20. Working Capital Fund. Declarant shall establish a working capital fund to meet unforeseen expenditures or to purchase any additional equipment or services needed for the operation of the Project. The initial amount of the working capital fund shall be at least equal to two (2) months of estimated Common Expenses for each unit. The Declarant can collect these charges at the earlier to occur of (i) the time the sale of each Unit is closed, or (ii) when control of the Project is transferred as set forth above. Any amounts collected and paid into this fund shall not be considered advance payments of Assessments. This fund cannot be used by the Declarant to defray any of its expenses, reserve contributions or construction costs or to make up any budget deficits; provided, however that to the extent Declarant has paid the Association for an unsold Unit's share of this fund, Declarant shall be entitled to a reimbursement, to be paid at the time of closing out of the closing proceeds, for such amounts when such Unit is sold. Once the Declarant has transferred control to the Association, then this fund shall be transferred to the Association.

5.21. Reserve Fund. The Association shall maintain an adequate reserve fund for unforeseen expenditures and the maintenance, repair and replacement of capital improvements which must be replaced on a periodic basis, and such reserve shall be funded as part of monthly Assessments. To the extent the Board deems necessary, surplus monies of the Association may be retained as additional reserves rather than being paid to Unit Owners or being credited to future Assessments.

5.22. Table of Capital Improvements. The Board shall prepare, and update at least annually, a Table of Capital Improvements which shall state, among other things, each major capital asset in the Project, its estimated useful life, the projected date of replacement, the present cost of replacement, the percentage of the monthly Assessment allocated to the capital asset, and the amount of money presently in the reserve account allocated to the capital asset.

5.23. Availability of Project Documents. The Association will maintain current copies of this Declaration, the Articles, Bylaws, and Association Rules concerning the condominium and the Association's own books, records, and financial statements available for inspection, upon request, during normal business hours by an Owner or Lender (or any

insurer or guarantor of a Lender). Copies may be made at the Unit Owner's expense.

5.24. Managing Agent. The Board may contract with a professional management company or agent to assist the Board in the management and operation of the Project and may delegate such of its powers and duties to the management agent as it deems appropriate; provided, however, that only the Board shall have the right to approve Association budgets, to impose a special Assessment, and to authorize foreclosure of an Assessment lien. Any such management contract shall be reduced to writing and signed by at least two (2) Members of the Board, the term of the contract may not exceed one (1) year, and each party must be able to terminate the contract with or without cause upon at least sixty (60) days prior written notice.

5.25 Assignment of Parking Spaces. The Board may assign, lease or rent the Common Area parking spaces to Owners or Resident as the need arises and as, in its sole discretion, it deems appropriate.

ARTICLE 6. - COVENANT FOR ASSESSMENTS

6.1. Creation of Lien and Personal Obligation for Assessments. Each Unit Owner, including Declarant to the extent Declarant is an Owner as defined herein, by acceptance of a deed or other instrument of conveyance, whether or not it shall be so expressed in any such deed or other instrument, is deemed to covenant and agree to pay to the Association, such Assessments to be fixed, established and collected from time to time as provided in this Declaration. For purposes of this section, the term "Owner" includes, jointly and severally, both the buyer and seller under an executory contract of sale. The Assessments, together with interest thereon, collection charges, attorneys' fees, court costs and other costs of collection as hereinafter provided, shall be secured by a continuing lien upon the Unit against which each such Assessment is made in favor of the Association. Each such Assessment, together with such interest, collection charges, costs and attorneys' fees, shall also be the personal obligation of the Owner of such Unit at the time the Assessment becomes due.

6.2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively of the purposes of promoting the health, safety and welfare of the Owners, the management, maintenance, care, preservation and protection of the Project, enhancing the quality of life in the Project and the value of the Project including, without limitation, the improvement and maintenance of the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas and Facilities, or in furtherance of any other duty or power of the Association.

6.3. Regular Assessments. The Board is expressly authorized to adopt and amend budgets from time to time. Not later than thirty (30) days prior to the beginning of each fiscal year, the Board shall adopt a proforma operating statement or budget for the upcoming fiscal year which shall, among other things, estimate the total Common Expenses to be incurred for such fiscal year. The Board may, but is not required to, send a written summary of the budget to all Owners within thirty (30) days after the adoption of the proposed budget. The Board shall at that time determine the amount of the regular Assessment to be paid by each Owner. Each Owner shall thereafter pay to the Association his regular Assessment in equal monthly installments on the first day of each month. In the event the Board shall determine that the estimate of total charges for the current year is, or will become, inadequate to meet all Common Expenses for any reason, it shall then immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of the regular Assessment against each Owner, and the date or dates when due. The Owners shall have no right to ratify any budget, or amendment thereof, adopted by the Board.

6.4. Capital Improvement Assessments. In addition to regular Assessments, the Board may levy in any fiscal year, a capital improvement Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction or replacement (other than due to destruction) of a described capital asset, including any fixtures or personal property appurtenant thereto. Provided, however, the Board shall not impose a capital improvement Assessment exceeding ten percent (10%) of the then estimated annual Common Expenses without the approval of Owners holding a majority of the Allocated Interest in the votes of the Association. All amounts collected as capital improvement Assessments may only be used for capital improvements and shall be deposited by the Board in a separate bank account or the Association's account for reserve funds, to be held in trust for such purposes and said funds shall not be commingled with any other funds (other than reserve funds) of the Association.

6.5. Percentage Assessments. Except as otherwise provided herein, all Assessments (other than specific Assessments) shall be an amount based on the percentage interest for each Unit as contained in EXHIBIT "C," as amended from time to time.

6.6. Rules Regarding Billing and Collection Procedures. The Board shall have the right and responsibility to adopt rules and regulations setting forth procedures for the purpose of making the Assessments provided herein, and for the billing and collection of regular and special Assessments, provided that said procedures are not inconsistent with the provisions hereof. The failure of the Association to send a bill to an Owner shall not

relieve any Owner of his liability for any Assessment or charge under this Declaration, but the Assessment lien therefor shall not be foreclosed or otherwise enforced until the Owner has been given not less than thirty (30) days written notice prior to such foreclosure or enforcement, at the address of the Owner on the records of the Association, that the Assessment or any installment thereof is or will be due and of the amount owing. Such notice may be given at any time prior to or after delinquency of such payment.

6.7. Certificate of Payment. The Association shall, within twenty (20) business days after written demand, furnish to any Owner liable for Assessments a recordable written statement or certificate signed by an officer or authorized agent of the Association setting forth whether the Assessments relating to a specified Unit have been paid and the amount of delinquency, if any. To the extent permitted by law, a reasonable charge may be collected by the Board for the issuance of each such certificate. Each certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

6.8. Specific Assessments. Specific Assessments shall be levied by the Board against a Unit and its Owner to reimburse the Association for:

(a) costs incurred in enforcing the Declaration, Bylaws or administrative rules and regulations adopted by the Board from time to time;

(b) costs associated with the maintenance, repair or replacement of Common Area (including Limited Common Area) for which the Unit Owner is responsible;

(c) any other charge designated as a special Assessment in this Declaration, the Bylaws or the administrative rules and regulations adopted by the Board from time to time;

(d) attorneys' fees, interest, and other charges relating thereto as provided in this Declaration;

(e) The Board may specifically assess an Owner in a particular area for the following expenses; provided, however, the specific assessment is not for any maintenance, repair or replacement ordinarily required by the Act or this Declaration and:

1) Benefit only To Specific Unit. If the expense benefits less than all of the Units, then those Units benefitted may be specifically assessed, and the specific assessment shall be equitably apportioned among those Units according to the benefit received; or

2) Unequal or Disproportionate Benefit. If the expense benefits all Units, but does not provide an equal benefit to all Units, then all Units shall be specifically assessed, but the specific assessment shall be equitably apportioned among all Units according to the benefit received; and

3) Optional Assessment. The materials or services which benefit individual Units and which can be accepted or refused by individual Owners, such Owners, in accepting such materials or services, agree that the costs thereof shall be a Specific Assessment.

6.9. Special Assessments. In addition to the other Common Area Assessments authorized herein, the Association may levy special assessments in any year, subject to the following:

(a) Board Based Assessment. So long as the special assessment does not exceed the sum of Two Hundred and 00/100ths Dollars (\$200.00) (the "Special Assessment Limit") per Unit in any one fiscal year, the Committee may impose the special assessment without any additional approval from the Members of the Association.

(b) Association Approval. Any special assessment which would exceed the Special Assessment Limit shall be effective only if approved by a majority of the Members of the Association. The Board in its discretion may allow any special assessment to be paid in installments.

6.10. Date of Commencement of Assessments. Regular and other Assessments -- for Units within the Project for which construction has been substantially completed -- shall commence as to all such substantially completed Units on the first day of the month following the conveyance of the first Unit by Declarant to an Owner. Thereafter, regular and other Assessments shall commence as to newly completed Units on the first day of the month following the substantial completion of construction for each respective Unit (the "Assessment Commencement Date"). Until the Assessment Commencement Date, the Declarant shall pay all Common Expenses of the Association. No assessments shall be payable on Units for which construction has not been substantially completed; provided, however, Declarant shall be obligated to pay any Common Expenses not covered by the Assessments until the Turnover Date.

6.11. Application of Excess Assessments. In the event the amount budgeted to meet Common Expenses for a particular fiscal year proves to be excessive in light of the actual Common Expenses, the Board in its discretion may apply the excess to reserves, credit the excess against future Assessments, or pay the excess to the Owners in proportion to the Allocated Interest of each Unit in the Common Expenses of the Project, as the Board deems appropriate. The decision of the Board shall be binding and conclusive. In

addition, the Association shall not be obligated to reduce the amount of Assessments in succeeding years if an excess exists for a prior year.

6.12. No Offsets. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in the Declaration.

6.13. Homestead Waiver. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Declaration, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of Utah now in effect, or in effect from time to time hereafter.

ARTICLE 7. - EFFECT OF NON-PAYMENT OF ASSESSMENTS AND REMEDIES

7.1. Due Date and Delinquency. Assessments are due in advance the first day of each month. Assessments are deemed late if paid after the tenth day of each month. A late fee of at least \$20.00 or 5% of the delinquent amount, whichever is greater, shall be assessed by the Board. Any Assessment which is not paid within thirty days after its due date is delinquent.

7.2. Collection Charge. If any Assessment is delinquent, the Owner shall also be obligated to pay all additional collection charges incurred by the Association.

7.3. Lien. All collection costs, attorney's fees, late fees, unpaid Assessments and accruing interest shall be secured by the Assessment lien as provided for above.

7.4. Interest. Interest shall accrue on all delinquent accounts at the rate of at least 1.5% per month.

7.5. Action at Law. The Association may bring an action to recover a delinquent Assessment (and collection costs) either personally against the Owner obligated to pay same or it may elect to foreclose the Assessment lien; provided, however, that the Association's choice of one remedy shall not prejudice or constitute a waiver of the Association's right to exercise the other. Each Owner vests in the Association or its assigns the right and power to bring actions at law and/or lien foreclosures against such Owner or Owners for the collection of delinquent Assessments.

7.6. Foreclosure of Lien as Mortgage or Trust Deed. The lien for nonpayment of an Assessment (and collection costs) may be enforced by sale or foreclosure of the Owner's interest therein by

the Committee. The sale or foreclosure shall be conducted in the same manner as foreclosures in deeds of trust or mortgages or in any other manner permitted by law. In any foreclosure or sale, the Owner shall pay the costs and expenses of such proceedings, including but not limited to the cost of a foreclosure report, reasonable attorney's fees, and a reasonable rental for the Unit during the pendency of the foreclosure action. The Association in the foreclosure action may require the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Committee may bid for the Unit at foreclosure or other sale and hold, lease, mortgage, or convey the same. In addition:

(a) Appointment of Trustee. If the Committee elects to foreclose the lien in the same manner as foreclosures in deeds of trust, then the Owner by accepting a deed to the Unit hereby irrevocably appoints the attorney of the Association, provided s/he is a Member of the Utah State Bar, as Trustee, and hereby confers upon said Trustee the power of sale set forth with particularity in Utah Code Annotated, Section 57-1-23 (1953), as amended. In addition, Owner hereby transfers in trust to said Trustee all of his or her right, title and interest in and to the real property for the purpose of securing his or her performance of the obligations set forth herein.

(b) Attorney in Fact. Each Owner by accepting a deed to a Unit hereby irrevocably appoints the Association as his or her attorney in fact to collect rent from any person renting his or her Unit, if the Unit is rented and Owner is delinquent in his or her Common Area Assessments. Rent due shall be paid directly to the Association, upon written demand, until such time as the Owner's Common Area Assessments are current; and the Owner shall credit the Renter, against rent due, for the amount of money paid to the Association.

7.7. Suspension of Votes and Privileges. The Board may suspend an Owner's right to vote or use the recreational amenities and common facilities if the Owner defaults on his obligations to the Association and fails, after reasonable notice, to cure the same or make satisfactory arrangements to cure the default.

ARTICLE 8. - EASEMENTS

8.1. General Easements to Common Areas and Facilities and Units. Subject to the Act, this Declaration, the Bylaws and such administrative rules and regulations as the Board may adopt from time to time, non-exclusive perpetual reciprocal easements are hereby reserved and created for the purpose of support, ingress and egress to each Unit, access, use and enjoyment in favor of each Owner, upon across, over, under and through the Common Areas and Facilities, including the use of all pipes, wires, ducts, cables,

conduits, and public utility lines, which easements shall be appurtenant to each Unit. The Association, acting through the Board or its authorized agent, and public utility companies providing service to the Project, shall have non-exclusive easements with the right of access to each Unit to make inspections, maintain, repair, replace or effectuate the restoration of the Common Areas, elements or facilities accessible from such Unit; provided, however, such rights shall be exercised in a reasonable manner and at reasonable times with at least twenty-four (24) hours prior written notice, unless emergency situations demand immediate access. The Association, acting through the Board or its authorized agent, shall also have the right to grant permits, licenses and non-exclusive easements upon, across, over, under and through the Common Areas in order to facilitate the operation of the Project.

8.2. Public Utilities. Easements and rights-of-way in, on, about, over and under the Property for the installation and maintenance of electricity lines, telephone lines, cable television, water lines, gas lines, sanitary sewer lines, drainage facilities, and such other public utilities needed to serve the Project are hereby reserved by Declarant and, after the Turnover Date, to the Association, together with the right to grant and transfer the same. Declarant or the Association shall have the power to grant and convey, in the name of all of the Owners and as their attorney-in-fact, to any other person easements and rights-of-way in, on, about, over or under the Property for the purpose of constructing, erecting, operating or maintaining lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone, public sewers, storm water drains and pipes, water systems, sprinkling systems, water heating and gas lines or pipes, and any similar public or quasi-public improvements or facility, and each Owner in accepting the deed to a Unit expressly consents to such easements and rights-of-way and authorizes and appoints the Association and Declarant (as long as Declarant owns one or more Units in the Project) as attorney-in-fact of such Owner to execute any and all instruments conveying or creating such easements or rights-of-way.

8.3. Easements for Encroachments. If any portion of the Common Areas and Facilities now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or the Common Areas and Facilities, or if any such encroachment shall occur hereafter as a result of the manner in which the buildings have been constructed or due to settling, shifting, alteration, replacement, repair, or restoration by Declarant or the Association, a valid easement for encroachment, and maintenance of such encroachment, shall exist so long as the buildings stand.

8.4. Development Easements for Declarant. Until all Units have been sold by Declarant, there are hereby reserved to Declarant, together with the right to grant and transfer the same

to others, including Declarant's sales agents, representatives and assigns, easements and rights upon, across, over, under and through the Project for construction, display (including the use of the Units as models), maintenance, sales and exhibit purposes (including the use of signs and other advertising devices) in connection with the erection, remodeling and sale or lease of Units within the Project.

ARTICLE 9. - USE RESTRICTIONS

9.1. Restrictions and Limitations. The use of the Units and Common Area in the Project is subject to the following guidelines, limitations and restrictions:

(a) Parties Bound. All provisions, restrictions, terms, covenants and conditions of this Declaration, the Bylaws, and administrative rules and regulations adopted by the Board from time to time shall be binding upon all Owners and Residents, their families, guests and invitees.

(b) Nuisance. It shall be the responsibility of each Owner and Resident to prevent the creation or maintenance of a nuisance in, on or about the Project. The term "nuisance" includes but is not limited to the following:

1) The development of any unclean, unhealthy, unsightly, or unkempt condition on, in or about his or her Unit or the Common Areas;

2) The storage of any item, property or thing that causes any Unit or the Common Area to appear to be in an unclean or untidy condition or that will be noxious to the senses;

3) The storage of any substance, thing or material upon any Unit or in the Common Areas that emits any foul, unpleasant or noxious odors, or that causes any noise or other condition that disturbs or might disturb the peace, quiet, safety, comfort, or serenity of the other residents at the Project;

4) The creation or maintenance of any noxious or offensive condition or activity in or about any Unit or the Common Areas;

5) Actions or activities tending to cause embarrassment, discomfort, annoyance, distress or a disturbance to any other residents, their guests or invitees, particularly if the police or sheriff must be called to restore order;

6) Maintaining any plants, animals, devices or

items, instruments, equipment, machinery, fixtures, or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community by other residents, their guests or invitees;

7) Too much noise in, on or about any Unit or the Common Area, especially after 10:00 p.m. and before 8:00 a.m.; and

8) Too much traffic in, on or about any Unit or the Common Area, especially after 10:00 p.m. and before 8:00 a.m.

(c) Unsightly Work, Hobbies or Unkempt Condition. The pursuit of hobbies or other activities, including but not limited to the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Project.

(d) Removing Garbage, Dust & Debris. All rubbish, trash, refuse, waste, dust, debris and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate thereon.

(e) Firearms, Incendiary Devices and Graffiti. The use of firearms and incendiary devices, or the painting or graffiti, within the Project is prohibited. The term firearms includes but is not limited to all guns, pistols, handguns, rifles, automatic weapons, semi-automatic weapons, BB guns, pellet guns, sling shots, wrist-rockets, blow-dart guns, and other firearms of all types, regardless of size.

(f) Temporary Structures. No Owner or occupant shall place upon any part of the Project any temporary structures including but not limited to tents, trailers, or sheds, without the prior written consent of the Board.

(g) Energy Conservation Equipment. No solar energy collector panels, other energy conservation equipment or attendant hardware shall be constructed or installed on the Project without the prior written consent of the Board.

(h) Business Use. No commercial trade or business may be conducted in or from any Unit unless: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence; (ii) the business activity conforms to all zoning requirements for the Project; (iii) the business activity does not involve persons coming onto the Project who do not reside in the Project or door-to-door solicitation of residents of the Project; and (iv) the business activity is consistent with the residential character of

the Project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Project, as may be determined in the sole discretion of the Board.

The terms business and trade, as used in this subsection, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or (c) a license is required therefor.

Notwithstanding the above, the leasing of a residence shall not be considered a trade or business within the meaning of this sub-Section.

(i) Storage and Parking of Vehicles. The driving, parking, standing and storing of motor vehicles in, on or about the Project shall be subject to the following:

1) The parking rules and regulations adopted by the Board from time to time;

2) The parking areas are not designed for recreational, commercial or oversized motor vehicles and the parking or storing of such vehicles within the Project, except for purposes of loading or unloading is prohibited. For purposes of this section, the term "recreational, commercial or oversized vehicle" means a vehicle used for commercial purposes or which exceeds 3/4 ton in size and/or seven (7) feet in height measured from ground level or eighteen (18) feet in length)

3) No motor vehicle or trailer, including but not limited to any car, automobile, truck, van, recreational, commercial or oversized vehicle, or any other transportation device of any kind may be parked or stationed (except for purposes of loading or unloading), in such a manner so as to create an obstacle or potentially dangerous situation, or along any street or road, or in front of any garage, walkway, driveway, Building or Unit, or in an unauthorized Common Areas.

4) Residents may only park their motor vehicles within their carports, or in other designated Common Areas.

5) Residents may not park their motor vehicles in "red zones," "fire lanes," or unauthorized areas.

6) Visitors or guests shall park their motor vehicles in Common Areas designated for "guest" or "visitor" parking.

7) No Owners or Residents shall repair or restore any vehicle of any kind in, on or about any Unit or the Common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.

8) No carport or parking space may be altered in such a manner that the number of motor vehicles which may reasonably be parked therein after the alteration is less than the number of motor vehicles that could have been reasonable parked therein as originally designed and constructed.

9) No motor vehicle shall be parked in such a manner as to inhibit or block access to a Unit, carport, entrance, exit or parking area.

10) All parking areas shall be used solely for the parking and storage of motor vehicles used for personal transportation.

11) Notice of any alleged parking violations shall be posted on the vehicle. Except in the case of an emergency, the notice shall provide the vehicle owner with the right to a hearing with the Board. Vehicles parked in violation of this Declaration or parking Rules and Regulations adopted by the Board may, after notice and the opportunity to be heard, be impounded, towed and stored, at the Owner's sole expense. The Association, Board and Members of the Board shall be indemnified and held harmless from any loss, damage or claim caused by or arising out of the impounding, towing or storing of a motor vehicle pursuant hereto.

(j) Aerials, Antennas, and Satellite Systems. No aerials, antennas, satellite dishes, or satellite systems (hereinafter referred to collectively as "Satellite Dish") shall be erected, maintained or used in, on or about any Unit, the Common Areas, outdoors and above ground, whether attached to a building, structure, the exterior of a Unit or otherwise, within the Project without the prior written consent of the Board.

(k) Window Coverings. No-aluminum foil, newspapers, reflective film coatings, or any other similar materials may be used to cover the exterior windows of any residential structure on a Unit. Sun shades and tinted windows are allowed.

(l) Windows. All windows and window panes in the Project shall be harmonious, and comparable in size, design and quality so as not to detract from uniformity in appearance and quality of construction.

(m) Pets. With the prior written consent of the Board of Directors, a Unit Owner or Resident may have a total of one cat, dog or other common household pet, provided the pet in the opinion of the Board is not kept, raised, bred or maintained for commercial purposes. Notwithstanding the foregoing, no animal or fowl may be kept within a Unit which, in the good faith judgment of the Board, results in an annoyance or is obnoxious to Owners or Residents within the Project and the Board may exercise this judgment for specific pets even though others are permitted to remain. All animals permitted to be kept by this Section shall be kept on a leash, and all fecal matter shall be immediately cleaned up when on any portion of the Project except within a Unit.

(n) Insurance. Nothing shall be done or kept in, on or about any Unit or in the Common Areas or Limited Common Areas which may result in the cancellation of the insurance on the Property or an increase in the rate of the insurance on the Property, over what the Board, but for such activity, would pay.

(o) Laws. Nothing shall be done or kept in, on or about any Unit or Common Areas, or any part thereof, which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

(p) Damage or Waste. No damage to, or waste of, the Common Areas or Limited common Areas or shall be committed by any Owner or Resident, their guests or invitees; and each Owner and Resident shall indemnify and hold the Board and the other Owners in the Project harmless against all loss resulting from any such damage or waste caused by that Owner or Resident, their guests or invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee or any other Owner.

(q) Signs. No signs whatsoever (including, but not limited to commercial, political, sale or rental and similar signs) shall be erected or maintained on the Property whether in a window or otherwise, except:

- 1) such signs as may be required by legal proceedings;
- 2) one house number identification as originally placed by the Declarant with a face area of seventy-two (72) square inches or less;
- 3) such signs, the nature, number, and location of which have been approved by the Board in advance; and
- 4) street identification and traffic

directional signs erected on or adjacent to Project by Salt Lake County, or any other municipal entity, which signs shall not require prior approval from the Board. Nothing included herein shall prevent Declarant and its agents and assigns from utilizing reasonable signs, flags, markers, and sales devices in furtherance of sales activities until all Units have been sold by Declarant.

(r) External Fixtures. No external items such as, but not limited to all flag poles, clotheslines, wiring, insulation, air conditioning equipment, water softening equipment, fences, awnings, ornamental screens, screen doors, porch or patio or balcony enclosures, sunshades, lighting fixtures, walls, landscaping and planting, other than those provided in connection with the original construction of the Project, and any replacements thereof, and other than those approved by the Board, and any replacements thereof, shall be constructed, erected or maintained on the Project. The foregoing notwithstanding, nothing included herein shall be construed as preventing Declarant and its agents and assigns from engaging in all forms of construction and sales activities within the Project.

(s) External Laundering. Unless otherwise permitted by the Board, external laundering and drying of clothing and other items is prohibited.

(t) Outside Speakers and Amplifiers. No radio, stereo, broadcast or loudspeaker units and no amplifiers of any kind shall be placed upon or outside, or be directed to the outside of, any Unit without the prior written approval of the Board.

(u) Oil and Mineral Activity. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon the surface of the Project, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be installed upon the surface of the Project or within five hundred (500) feet below the surface of the Project. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon the Project.

(v) Leases. Any agreement for the leasing, rental, or occupancy of a Unit (hereinafter in this Section referred to as a "lease") shall be in writing and a copy thereof shall be delivered to the Association before the term of the Lease commences. Every lease shall provide that the terms of such lease shall be subject in all respects to the provisions of this Declaration, the Bylaws and the Association Rules. Said lease shall further provide that any failure by the Resident thereunder to comply with the terms of the foregoing documents shall be a default under the lease. If any lease does not

contain the foregoing provisions, such provisions shall nevertheless be deemed to be a part of the lease and binding on the Owner and Resident by virtue of their inclusion in this Declaration. No Owner shall be permitted to lease his Unit for transient or hotel purposes, which shall be defined as rental for any period of less than thirty (30) days. No Owner may lease less than his entire Unit. Any Owner who shall lease his Unit shall be responsible for assuring compliance by the Resident with this Declaration, the Bylaws and the Association Rules. Failure by an Owner to take legal action, including the institution of a forcible entry and detainer proceeding against his Resident who is in violation of this Declaration, the Bylaws or the Association Rules within ten (10) days after receipt of written demand so to do from the Board, shall entitle the Association, through the Board, to take any and all such action including the institution of proceedings in forcible entry and detainer on behalf of such Owner against his Resident. Neither the Association nor any agent retained by the Association to manage the Project shall be liable to the Owner or Resident for any eviction under this Section that is made in good faith. Any expenses incurred by the Association, including attorneys' fees and costs of suit, shall be repaid to it by such Owner. Failure by such Owner to make such repayment within ten (10) days after receipt of a written demand therefor shall entitle the Board to levy a specific Assessment against such Owner and his Unit for all such expenses incurred by the Association. In the event such specific Assessment is not paid within thirty (30) days of its due date, the Board may resort to all remedies of the Association for the collection thereof. Other than as stated in this Section, there is no restriction on the right of any Owner to lease or otherwise grant occupancy rights to a Unit.

Anything to the contrary notwithstanding, at least seventy percent (70%) of the Units shall be Owner occupied at all times and a single owner may not be the proprietor of more than ten percent (10%) of the Units at any one time.

(w) Landscape Maintenance. The Declarant and the Association shall have the right to maintain all landscaping in the Common Areas. The Declarant and the Association shall have the right of access to all areas of the Project which are necessary for such landscape maintenance.

(x) Floor Load/No Waterbeds. There shall be no floor load in excess of the weight for which the Unit or balcony was designed, unless special arrangements are made, and an engineering determination of floor load capacity in the area of the heavy use is approved in writing by the Association. No waterbeds are permitted to be installed, maintained, or used on the second floors of any of the Units in the Project.

(y) Single Family Occupancy. The use of each

Unit is restricted to single family occupancy. No Unit be used or rented for transient, hotel, seasonal, corporate or motel purposes. Single family occupancy is defined as a single housekeeping unit, operated on a nonprofit, noncommercial basis between its occupants, cooking and eating with a common kitchen and dining area, where all residents are Members of a family related by blood, adoption, or marriage, except for not more than two (2) additional persons not so related may reside in a Unit. No Owner shall sell or lease less than the entire Unit. Individual rooms may not be rented to separate individuals. An owner of two (2) or more adjacent Units may, however, combine those units to make a single unit and separate the single Unit into the original Units for purposes of selling one or more of the Units; provided however, that no such combination or subsequent separation shall be allowed until the Board has approved such combination or separation. No subdivision plat or further covenants, conditions, or restrictions shall be recorded by any Owner or other Person with respect to any Unit unless the Board has first approved the plat or the proposed covenants, conditions, or restrictions, such approval to be evidenced by the Association's signature on the final recorded plat or instrument imposing the covenants, conditions, or restrictions. Any plat or covenants, conditions, or restrictions recorded in violation of this Section shall be absolutely null and void. The Board's review shall be for the purpose of assuring, in the sole and absolute discretion of the Board, that the plat or covenants, conditions, and restrictions are consistent and compatible with the overall plan of development of the Property. However, in no event shall the approval of the Board of any plat or covenant, condition, or restriction be deemed an abandonment or waiver of any provision of this Declaration. The provisions of this Declaration shall be and remain superior to any such plat or covenant, conditions, or restriction

9.2. Architectural Control. No structural alterations or exterior changes whatsoever shall be commenced, completed, made, or done to a Unit or any Common Area, or maintained, without the prior written approval of the Board or any committee established by the Board for that purpose. By way of illustration but not of limitation the following are considered exterior changes: painting, landscaping, repairs, excavation, patio covers, screens, doors, evaporative coolers, fireplaces, skylights, storage buildings, solar collectors, shade screens, awnings, window coating or tinting, decorative alterations or other work which in any way alters the exterior appearance of the Property. The Board, or committee established by the Board for that purpose, may designate the design, style, model and manufacturer of any exterior improvement or alteration which is acceptable to the Board. Such designations shall be for the purpose of achieving uniformity of appearance, quality of construction, and preservation of property values. No interior structural changes whatsoever shall be commenced, completed, made, done or

maintained without the prior written approval of the Board, or any committee established by the Board for that purpose. By way of illustration but not of limitation the following are considered interior structural changes: moving, removing, adding or altering walls, doorways, and the like. Unless otherwise agreed in writing, the Unit Owner shall be responsible for the maintenance, repair and replacement of all additions; and shall execute a Release, Waiver and Indemnity agreement in favor of the Association, Board and Board Members in a form acceptable to the Board.

9.3. Lighting. Exterior lighting fixtures and walkway and landscaping lights shall be required for each unit and must be illuminated from dusk to dawn each day as determined by the Board. Exterior lighting of Limited Common Areas and Facilities shall be allowed only to the extent approved by the Board.

9.4. Variances. The Board may, at its option and in extenuating circumstances, grant variances from the Restrictions set forth in Article 9 of this Declaration if the Board determines in its discretion (a) either (i) that a Restriction would create an unreasonable hardship or burden on an Owner or Resident, or (ii) that a change of circumstances since the recordation of this Declaration has rendered such Restriction obsolete and (b) that the activity permitted under the variance will not have any substantial adverse effect on the Owners or Residents of the Project and is consistent with the high quality of life intended for residents of the Project.

ARTICLE 10. - INSURANCE

10.1. Authority to Purchase. Commencing not later than the date a Unit is conveyed to a Person other than Declarant, the Association shall have the authority to and shall obtain and maintain, to the extent reasonably available, the insurance specified in the Article; provided, however, the Association shall always comply with the insurance requirements of the Act.

10.2. Property Insurance. To the extent available, the Board shall obtain a master or blanket policy of property insurance on the entire Project including the Units and the Common Areas and Facilities (excluding land and personal property) insuring the Project against loss or damage by fire, and other hazards covered by the standard extended coverage endorsement, and against loss or damage by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage not resulting from poor design or workmanship or lack of routine maintenance. Such master policy of property insurance shall be in total amount of insurance equal to the greater of (i) 80% of the actual cash value of the insured property at the time insurance is purchased

and at each renewal date or (ii) 100% of the current replacement cost, exclusive of land, excavations, foundations and other items normally excluded from such property policies. Such master policy of property insurance shall contain an Agreed Amount Endorsement or its equivalent, if available, or an Inflation Guard Endorsement, together with such endorsements as the Association deems appropriate to protect the Association and the Owners.

10.3. Comprehensive Public Liability Insurance. To the extent available, the Association shall obtain comprehensive general liability insurance insuring the Association, the Declarant, the agents and employees of the Association and the Declarant, the Owners and Residents and the respective family Members, guests and invitees of the Owners and Residents, against liability incident to the use, ownership, or maintenance of the Common Areas and Facilities or Membership in the Association. The limits of such insurance shall not be less than \$1,000,000.00 covering all claims for death of or injury to any one person and/or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner or Resident. Such insurance shall also include protection against water damage liability, liability for non-owned and hired automobiles, and liability for the property of others. Such insurance must provide that, despite any provisions giving the carrier the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the approval of the Association. The Board shall adjust the amount of the insurance carried under this Section from time to time.

10.4. Workmen's Compensation Insurance. The Board shall purchase and maintain in effect workmen's compensation insurance for all employees of the Association to the extent that such insurance is required by law.

10.5. Fidelity Insurance. The Board shall obtain fidelity coverage against dishonest acts on the part of directors, officers, employees or volunteers who handle or who are responsible for handling the funds of the Association. Such fidelity bonds shall name the Association as obligee and shall be written in an amount equal to one hundred fifty percent (150%) of the estimated current annual Common Expenses of the Association, including reserves, and shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

10.6. Directors and Officer's Insurance. The Board shall obtain director's and officer's liability insurance

covering the officers and directors of the Association.

10.7. Premiums. Premiums upon insurance policies purchased by the Board or behalf of the Association shall be paid by the Association as part of the Common Expenses.

10.8. Policy Provisions.

(a) Any insurer that has issued an insurance policy to the Association under this Article shall also issue a certificate or memoranda of insurance to the Association and, upon request, to any Owner or Lender.

(b) The named insured under any policy of insurance shall be the Association, as trustee for the Owners, or its authorized representative, including any trustee with which the Association may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be referred to as the "Insurance Trustee" who shall have exclusive authority to negotiate losses under the policies. The policy shall provide with respect to liability arising out of his or her interest in the Common Areas and Facilities or Membership in the Association. Each Owner hereby appoints the Association, or any Insurance Trustee, as attorney-in-fact for the purpose of purchasing and maintaining insurance required by this Article, and adjustment of all losses related thereto, including: the collection and appropriate disposition of all insurance proceeds, the negotiation of all losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to administer such insurance. The Association shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the Owners and their Lenders, as their interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors or assigns of an Owner.

(c) The Association's insurance shall contain the "Specific Project Endorsement" or its equivalent. Insurance coverage obtained by the Association shall be primary insurance and may not be brought into contribution with insurance purchased by the Owners.

(d) Coverage may not be limited by (i) any act or neglect by Owners or Residents which is not within control of the Association; or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Project over which the Association has no control.

(e) Coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premiums) and the insurer may not refuse to renew the policy without at least thirty (30) days prior written notice to the Association and all

Lenders, and to any Owner to whom a certificate has been issued.

(f) All policies must contain a waiver of subrogation by the insurer as to any and all claims against the Association, Owners, Residents and their respective agents and employees, and any defenses based on co-insurance or on invalidity arising from acts of the insured.

10.9. Supplemental Insurance. The Board may obtain such other policies of insurance in the name of the Association as the Board deems appropriate or necessary to protect the interests of the Association and Owners.

10.10. Maintenance of Policies. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by Federal National Mortgage Association and Government National Mortgage Association, so long as either is a mortgagee or Owner of a Unit, except to the extent such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association.

10.11. Annual Insurance Report. Not later than sixty (60) days prior to the beginning of each fiscal year, the Board may obtain a written report by a reputable independent insurance broker or consultant setting forth the existing insurance obtained pursuant to this Article and stating whether, in the opinion of such broker or consultant, the insurance complies with the requirements of this Article and the Act. Such report may also set forth recommendations regarding current policy provisions and for additional insurance reasonably required for the protection of the Owners and Lenders in light of the insurance then available and the prevailing practice with respect to other similar Project. The Board shall be fully protected in relying on the written report furnished pursuant to this Section provided reasonable care and prudence were exercised in selecting such independent insurance broker or consultant.

10.12. Insurance Obtained by Owners. Notwithstanding the above, and pursuant to U.C.A., Section 57-8-29 (1953) of the Act, an Owner or Resident shall be permitted to insure his own Unit for his own benefit. Provided, however, no Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association, on behalf of all the Owners and their mortgagees, may realize under any insurance policy which the Association may have in force on the Property at any particular time.

10.13. Primary Coverage. When there is duplicate coverage, the Owner's insurance shall be deemed to provide primary insurance and the Association's policy shall be deemed to provide excess or

secondary coverage.

10.14. Deductible. The deductible on a claim made against the Association's liability insurance policy shall be paid by the party who would be liable for the loss, damage, claim or repair in the absence of insurance, and in the event of multiple responsible parties, the loss shall be allocated in relation to the amount each party's responsibility bears to the total. Provided, however, if the loss is caused by an act of god or nature, or by an element beyond the control of the Association, then the Owner shall be responsible for and shall pay the deductible.

ARTICLE 11. - DESTRUCTION OF IMPROVEMENTS

11.1. Automatic Reconstruction. In the event of partial or total destruction of a building or buildings or any portion of the Common Areas and Facilities within the Project, the Board shall promptly take the following action:

(a) The Board shall ascertain the cost of reconstruction by obtaining fixed price bids from at least two (2) reputable contractors, including the obligation to obtain performance and lien payment bonds.

(b) The Board shall determine the amount of insurance proceeds, if any, payable by contacting the appropriate representative of the insurer carrying the policy covering the Project.

(c) Pursuant to Section 57-8-30 of the Act, if the insurance proceeds are sufficient to reconstruct the building, said proceeds shall be applied to such reconstruction.

(d) If the Board determines: (i) that insurance proceeds will cover eighty-five percent (85%) or more, but not all, of the estimated cost of reconstruction, or (ii) that available insurance proceeds together with available reserve and/or a special Assessment equal to twenty-five percent (25%) or less of the then aggregate annual regular Assessments for all Units will completely cover the estimated cost of reconstruction, then the Board shall cause notice to be sent to all Owners and to all Lenders encumbering Units within the Project setting forth such findings and informing said Owners and Lenders that the Board intends to commence reconstruction pursuant to this Declaration. In the event that Owners representing at least twenty percent (20%) of the Allocated Interest in the votes of the Association object in writing to such reconstruction as indicated in such notice, the Board shall call a special meeting of the Owners pursuant to Section 11.2. In the event that the foregoing requirements are satisfied and the requisite number of Owners do not object in writing to such reconstruction, the Board shall cause reconstruction to take place as promptly as practicable thereafter. In connection with such reconstruction, the Board shall

levy a uniform special Assessment against each Owner at such time and in such amount as the Board shall determine is necessary to cover the costs of reconstruction in excess of insurance proceeds and available reserves.

(e) If the Board in good faith determines that none of the bids submitted under this Section reasonably reflects the anticipated reconstruction costs, the Board shall continue to attempt to obtain an additional bid which it determines reasonably reflects such costs. Such determination shall be made by the Board as soon as possible. However, if such determination cannot be made within ninety (90) days after the date of such destruction because of the unavailability or unacceptability of an insurance estimate or reconstruction bid, or otherwise, the Board shall immediately call a meeting of the affected Owners and all Lenders.

(f) If the Board determines that any Unit has become uninhabitable by reason of its total or partial destruction, Assessments may abate against the Owner thereof until the Board determines that habitability has been restored. However, if the Board determines that such abatement would adversely and substantially affect the management, maintenance and operation of the Project, it may elect to disallow such abatement.

11.2. Reconstruction by Vote. If reconstruction is not to take place pursuant to Section 11.1, as soon as practicable after same has been determined the Board shall call a special meeting of the Owners by mailing a notice of such meeting to each such Owner. Such meeting shall be held not less than ten (10) days and not more than sixty (60) days after the date of such notice. Unless the Owners, by a vote at such meeting or by the written consent of not less than eighty percent (80%) of the Allocated Interest in the votes of the Association (including every Owner of a Unit or an allocated Limited Common Area and Facility which will not be rebuilt) determine not to proceed with such reconstruction, reconstruction must take place and the Board shall levy a uniform special Assessment against each Owner at such time and in such amount as the Board shall determine is necessary to cover the costs of reconstruction in excess of insurance proceeds and available reserves.

11.3. Procedure for Minor Reconstruction. If the cost of reconstruction is equal to or less than ten percent (10%) of the estimated fair market value of all of the Units in the Project, then the Board shall contract with a licensed contractor or contractors to rebuild or repair such damaged or destroyed portions of the Project in conformance with the original plans and specifications, or if the Board determines that adherence to such original plans and specifications is impracticable or is not in conformance with applicable laws, ordinances, building codes, or other governmental rules or regulations then in effect, then such repairs or rebuilding shall be of a kind and quality substantially equivalent to the

original construction of such improvements.

11.4. Procedure for Major Reconstruction. If the cost of reconstruction is greater than ten percent (10%) of the estimated fair market value of all of the Units in the Project, all insurance proceeds, together with such amounts from available reserves or special Assessments as are needed to complete the cost of reconstruction, shall be paid directly to a bank or savings and loan association located in Salt Lake County, Utah, whose accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or the successor to either agency, as designated by the Board, as trustee (hereinafter called the "Insurance Trustee") for all Owners and Lenders. Such proceeds shall be received, held and administered by the Insurance Trustee subject to the provisions of an insurance trust agreement which shall be consistent with the provisions of this Declaration and which shall be entered into between the Insurance Trustee and the Board. Disbursement of such funds shall be made only upon the signatures of two Members of the Board and upon the terms and conditions provided in this Section. As soon as practicable after notification of the receipt of insurance proceeds by the Insurance Trustee, the Board shall enter into a contract with a licensed contractor or contractors for the repair or rebuilding of all of the damaged or destroyed Units and Common Areas and Facilities according to the original plans and specifications of said improvements or, if the Board determines that adherence to such original plans and specifications is impracticable or not in conformity with applicable statutes, ordinances, building codes, or other governmental rules and regulations then in effect, then of a quality and kind substantially equivalent to the original construction of such improvements. The contract with such licensed contractor or contractors shall provide for payment to the contractor or contractors of a specified sum for performance and execution of the work therein described, and shall have provisions for periodic disbursement of funds by the Insurance Trustee, which shall be consistent with procedures then followed by prudent lending institutions doing business in Salt Lake County, Utah. Such periodic disbursements of funds shall be for specific dollar amounts and shall not be paid until the contractor who is engaged by the Board shall furnish to the Board before the commencement of construction a full performance and lien payment bond written by a good and responsible corporate surety. Disbursements to the contractor shall be made subject to the prior presentation of an architect's certificate or other documentation containing such provisions as may be appropriate in the circumstances and deemed suitable by the Board. The Board may employ a licensed architect to supervise the repair and rebuilding to insure that all work, services and supplies are in conformity with the requirements of the construction contract.

11.5. Determination not to Reconstruct Without Termination. If Owners of not less than eighty percent (80%) of the Allocated

Interests in the votes of the Association (including every Owner of a Unit or an allocated Limited Common Area and Facility which will not be rebuilt after a casualty) vote not to rebuild and the entire Project is not repaired or replaced, and the Project is not terminated in accordance with the Act, the insurance proceeds shall be distributed as provided by the Act and the Allocated Interests are automatically reallocated as provided by the Act. In such event the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

11.6. Negotiations with Insurer. The Association shall have full authority to negotiate in good faith with representatives of the insurer of any totally or partially destroyed building or any other portion of the Common Areas and Facilities, and to make settlements with the insurer for less than full insurance coverage on the damage to such building or any other portion of the Common Areas and Facilities. Any settlement made by the Association in good faith shall be binding upon all Owners and Lenders.

11.7. Repair of Units. Installation of improvements to, and repair of any damage to, the interior of a Unit shall be made by and at the individual expense of the Owner of that Unit and, in the event of a determination to reconstruct after partial or total destruction, shall be completed as promptly as practicable and in a lawful and workmanlike manner.

11.8. Priority. Nothing contained in this Article shall entitle an Owner to priority over any Lender under a lien encumbering his Unit as to any portion of insurance proceeds allocated to such Unit.

ARTICLE 12. - EMINENT DOMAIN

12.1. Total Taking of a Unit. If a Unit is taken by eminent domain, or sold under threat thereof, or if part of a Unit is taken by eminent domain, or sold under threat thereof, leaving the Owner with a remnant which may not be practically or lawfully used for any purpose permitted by this Declaration, the award must compensate the Owner for his Unit and Allocated Interest in the Common Areas and Facilities, regardless of whether any Common Areas and Facilities are taken. Upon such a taking, unless the decree otherwise provides, that Unit's Allocated Interest in the Common Areas and Facilities shall automatically be reallocated to the remaining Units in proportion to their respective interests immediately before the taking. Upon such a taking, the Association shall prepare, execute, and record an amendment to the Declaration in compliance with the Act. Any remnant of a Unit remaining after part of a Unit is taken becomes a Common Area and Facility.

12.2. Partial Taking of a Unit. Except as provided in Section 12.1, if part of a Unit is taken by eminent domain, or sold under threat thereof, so that such Unit may still be practically and

lawfully used under this Declaration, the award must compensate the Owner for the reduction in the value of his Unit and Allocated Interest in the Common Areas and Facilities, regardless of whether any Common Areas and Facilities are taken. Upon such a taking, unless the decree otherwise provides, that Unit's Allocated Interest in the Common Areas and Facilities shall remain the same, but if the decree provides for a reduction of the Allocated Interest for such Unit, the reduced amount shall automatically be reallocated to that Unit and the remaining Units in proportion to their respective Allocated Interests immediately before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced Allocated Interest.

12.3. Taking of a Limited Common Area and Facility. If the portion of the Project taken by eminent domain, or sold under threat thereof, is comprised of or includes any Limited Common Area and Facility or portion thereof, the portion of the award attributable to the Limited Common Area and Facility so taken shall be divided among the Owners of the Units to which such Limited Common Area and Facility was allocated at the time of the acquisition.

12.4. Taking of the Common Areas and Facilities. If the portion of the Project taken by eminent domain, or sold under threat thereof, shall not be comprised of, or include, any Unit or Limited Common Area and Facility, the Board shall, as soon as practicable, cause the award to be utilized for the purpose of repairing or restoring the portion of the Project so taken, and the portion of the award not used for restoration shall be divided among the Owners in proportion to their Allocated Interest in the Common Areas and Facilities before the taking.

12.5. Taking of Entire Project. In the event the Project in its entirety is taken by eminent domain, or sold under threat thereof, the Project is terminated and the provisions of the Act apply.

12.6. Priority and Power of Attorney. Nothing contained in this Article shall entitle an Owner to priority over any Lender under a lien encumbering his Unit as to any portion of any condemnation award allocated to such Unit. Each Owner hereby appoints the Association as attorney-in-fact for the purpose of negotiations and settlement with the condemning authority for the acquisition of the Common Areas and Facilities, or any part thereof. In the event a taking involves all or part of any Unit or the Common Areas and Facilities or Limited Common Areas and Facilities, the award or proceeds shall be payable to the Association for the use and benefit of the Owners and their Lenders as their interests may appear. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors or assigns of an Owner.

ARTICLE 13. - RIGHTS OF LENDERS

13.1. Notices of Lenders. A Lender shall not be entitled to receive any notice which this Declaration requires the Association to deliver to Lenders for notice, approval or consent regarding a proposed action or otherwise, unless and until such Lender, or its mortgage servicing contractor, has delivered to the Association a written notice stating that such Lender is the holder of a loan encumbering a Unit within the Project and setting forth the information described in Section 13.6. Notwithstanding the foregoing, if any right of a Lender under this Declaration is conditioned on a specific written request to the Association, in addition to having delivered the notice provided in this Section a Lender must also make such request in writing delivered to the Association. Except as provided in this Section, a Lender's rights pursuant to this Declaration, including, without limitation, the priority of any mortgage lien over the lien of Assessments levied by the Association hereunder shall not be affected by the failure to deliver a notice or request to the Association.

13.2. Priority Of Lenders. No breach of the Restrictions herein contained, nor the enforcement of any lien provision herein, shall affect, impair, defeat or render invalid the lien or charge of any Lender made in good faith and for value encumbering any Unit, but all of said Restrictions shall be binding upon and effective against any Owner whose title to a Unit is derived through foreclosure or trustee's sale, or otherwise.

13.3. Relationship With Assessment Liens.

(a) The lien provided for in Article 6 for the payment of Assessments shall be subordinate to the lien of any Lender which was recorded prior to the date any such Assessment becomes due.

(b) If any Unit which is subject to a monetary lien created by this Declaration is also subject to the lien of a Lender, then: (i) the foreclosure of any lien created by this Declaration shall not operate to affect or impair the lien of such Lender; and (ii) the foreclosure of the lien of a Lender or the sale under a power of sale included in a mortgage or deed of trust shall not operate to affect or impair the lien hereof, except that any Person who obtains an interest thereafter shall take title free of any lien created by this Declaration for any Assessments which became due after the recordation of the mortgage or deed of trust, or any personal obligation for such charges that shall accrue subsequent to such foreclosure.

(c) Without limiting the provisions of subsection (b) of this Section, any Lender who obtains title to a Unit by reason of any foreclosure, or deed or assignment in lieu of foreclosure, or any Person who obtains title at a private or judicial foreclosure sale, shall take title to such Unit free of any lien or claim for unpaid Assessments against such Unit which accrued prior to the time such Lender or purchaser takes title to such Unit, except for liens

or claims for a share of such Assessments resulting from a pro rata reallocation of such Assessments to all Units within the Project.

(d) Nothing in this Section shall be construed as releasing any Person from his personal obligation to pay for any Assessments levied pursuant to this Declaration during the period such Person is an Owner.

13.4. Required Lender Approval. Except upon the prior written approval of seventy-five percent (75%) of all Lenders which have provided notice to the Association as described in Section 13.1 and Section 13.6, based on one vote for each Unit encumbered by a loan, neither the Association nor the Board shall be entitled by action or inaction to do any of the following:

(a) Abandon or terminate by any act or omission the legal status of the Project, except for abandonment or termination provided by the Act and/or this Declaration in the case of substantial destruction by fire or other casualty or in the case of a taking by eminent domain; or

(b) Amend any provisions governing the following:

- 1) voting rights;
- 2) reallocation of interests in the Common Areas and Facilities or Limited Common Area and Facilities, or rights to their use;
- 3) redefinition of any Unit boundaries;
- 4) convertibility of Units into Common Areas and Facilities or vice versa;
- 5) expansion or contraction of the Project, or the addition, annexation, or withdrawal of property to or from the Project;
- 6) hazard or fidelity insurance requirements;
- 7) any provision that expressly benefits Lenders (including their insurers or guarantors).

Any Lender who receives, by certified or registered mail, a written request, with a return receipt requested, to approve a change and who does not return a negative response within thirty (30) days shall be deemed to have approved such request.

13.5. Other Rights Of Lenders. Any Lender (and such Lender's insurer or guarantor) shall, upon written request to the Association, be entitled:

(a) To inspect current copies of this Declaration (any amendments), the Association's Articles, Bylaws, Association

Rules, and other books and records of the Association during normal business hours; and

(b) To receive an audited annual financial statement of the Association within ninety (90) days following the end of the Association's fiscal year.

13.6. Notices Of Action. Upon written request to the Association identifying the name and address of the Lender (and the name and address of the Lender's insurer or guarantor, if desired) and the Unit Number or address, any such Lender (or any such insurer or guarantor) will be entitled to timely written notice of:

(a) Any condemnation or casualty loss which affects a material portion of the Project or any Unit on which there is a first lien held by such Lender;

(b) Any delinquency in the payment of Assessments or charges owed by an Owner of a Unit subject to the lien of a Lender, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

(d) Any proposed action by the Owners or the Association which would amount to a material change in the Declaration as identified in Section 13.4 hereof.

ARTICLE 14. - LIMITATIONS UPON PARTITION AND SEVERANCE

14.1. No Partition. The right to partition the Project is hereby suspended, except that the right to partition shall revive and the Project may be sold as a whole when the conditions for such action set forth in Article 11 dealing with Destruction of Improvements, and Article 12 dealing with Eminent Domain have been met; provided, however, nothing contained in this Section shall be construed as limiting partition by joint Owners, upon the prior written approval of an applicable Lender, of one or more Units as to individual ownership of such Units provided the Project is not terminated.

14.2. No Severance. The elements of a Unit and other rights appurtenant to the ownership of a Unit, including interest in Common Areas and Facilities and Limited Common Areas and Facilities, if any, are inseparable, and each Owner agrees that he shall not, while this Declaration is in effect, make any conveyance of less than an entire Unit and such appurtenances. Any conveyance made in contravention of this Section, including under any conveyance, encumbrance, judicial sale or other transfer (whether voluntary or involuntary) shall be void.

14.3. Proceeds of Partition Sale. If an action is brought for the partition of the Project by sale, whether upon the occurrence of an event of destruction and a decision not to reconstruct or the taking of all or a portion of the Project by eminent domain, Owners shall share in the proceeds of such sale in the same proportion as their Allocated Interest in the Common Areas and Facilities (or as otherwise provided by the Act), but in such event, the liens and provisions of all Lenders or Assessment liens encumbering Units within the Project so encumbered shall extend to each applicable Owner's interest in the proceeds of such partition and sale. The interest of an Owner in such proceeds shall not be distributed to such Owner except upon the prior payment in full of any Assessment lien or lien of a Lender encumbering such proceeds.

ARTICLE 15. - GENERAL PROVISIONS

15.1. Enforcement. The Association or any Owner shall have the right to enforce, by proceedings at law or in equity, all Restrictions and other provisions now or hereafter imposed by this Declaration, or any amendments thereto, including the right to prevent the violation of any such Restrictions, and the right to recover damages and other sums for such violation. The Association or any Owner shall also have the right to enforce by proceedings at law or in equity the provisions of the Bylaws and Association Rules and any respective amendments thereto.

15.2. No Waiver. Failure by the Association or by any Owner to enforce any Restriction or provision herein contained, or contained in the Bylaws or Association Rules, in any certain instance or on any particular occasion shall not be deemed a waiver of such right of enforcement as to any such future breach of the same or any other Restriction or provision.

15.3. Cumulative Remedies. All rights, options and remedies of Declarant, the Association, the Owners or the Lenders under this Declaration are cumulative, and no one of them shall be exclusive of any other, and Declarant, the Association, the Owners and the Lenders shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

15.4. Severability. Invalidation of any one or a portion of the Restrictions or provisions set forth in this Declaration or in the Bylaws or Association Rules by judgment or court order shall in now way affect any other Restrictions or provisions contained herein or therein which shall remain in full force and effect.

15.5. Covenants To Run With The Land; Term. The Restrictions and other provisions of this Declaration shall run with and bind the Project as equitable servitudes and also as covenants running with the land and shall inure to the benefit of and be

enforceable by the Association or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time the Restrictions and other provisions shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed and acknowledged by Owners of not less than seventy-five percent (75%) of the Allocated Interests in the votes of the Association and their Lenders, has been recorded prior to the end of any such period agreeing to change or revoke the Restrictions and other provisions of this Declaration in whole or in part.

15.6. Allocation Upon Termination. Unless provided otherwise herein, upon any liquidation or termination of all or part of the Project, the Association shall represent the Owners in any proceedings, negotiations, settlements or agreements related thereto. Each Owner hereby appoints the Association as attorney-in-fact for such purpose, including the allocation of any losses, awards or proceeds resulting from such termination or liquidation. Any proceeds generated by such a termination or liquidation shall be made payable to the Association, who will hold such proceeds for the benefit of the Owners and their Lenders. Owners shall share in the proceeds of such termination or liquidation in the same proportion as their Allocated Interest in the Common Areas and Facilities (or as otherwise provided by the Act), but in such event, the liens and provisions of all Lenders or Assessment liens encumbering Units within the Project so encumbered shall extend to each applicable Owner's interest in such proceeds. The interest of an Owner in such proceeds shall not be distributed to such Owner except upon the prior payment in full of any Assessment lien or lien of a Lender encumbering such proceeds.

15.7. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a residential condominium community and for the maintenance of the Project. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

15.8. Gender and Number. Whenever the context of this Declaration requires, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and the neuter, and vice versa.

15.9. Nuisance. The result of every act or omission whereby any provision or Restriction contained in this Declaration or any provision contained in the Bylaws or Association Rules is violated in whole or in part is hereby declared to be and shall constitute a nuisance, and every remedy allowed at law or in equity against a nuisance, either public or private, shall be applicable with respect to the abatement thereof and may be exercised by the Association or any Owner. Such remedy shall be deemed cumulative to

all other remedies set forth in this Declaration and shall not be deemed exclusive.

15.10. Attorneys' Fees. In the event any action is instituted to enforce any of the provisions contained in this Declaration, the Bylaws or Association Rules, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment reasonable attorneys' fees and costs of suit.

15.11. Notices. Any notice to be given to an Owner, a Lender or the Association under the provisions of this Declaration shall be in writing and shall be delivered as follows:

(a) Notice to an Owner shall be delivered personally or placed in the first class United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Association for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Owner's Unit. Any notice so deposited in the mail shall be deemed delivered seventy-two (72) hours after such deposit. In the case of co-Owners, any such notice may be delivered or sent to any one of the co-Owners on behalf of all co-Owners and shall be deemed delivered to all such co-Owners.

(b) Notice to a Lender shall be delivered by first class United States mail, postage prepaid, to the most recent address furnished by such Lender in writing to the Association for the purpose of notice or, if no such address shall have been furnished, to any office of the Lender in Salt Lake County, Utah, or if no such office is located in Salt Lake County, to any office of such Lender. Any notice so deposited in the mail shall be deemed delivered seventy-two (72) hours after such deposit.

(c) The declaration of an officer or authorized agent of the Association declaring under penalty of perjury that a notice has been mailed to any Owner or Owners, or to any Lender or Lenders, to the address or addresses for the giving of notice pursuant to this Section, shall be deemed conclusive proof of such mailing.

(d) Notice to the Association shall be delivered by registered or certified United States mail, postage prepaid, addressed to the office of the statutory agent of the Association or as follows:

Century Park East Owners Association
3370 South 300 East
Salt Lake City, Utah 84115

Any notice so deposited in the mail shall be deemed delivered upon the date of receipt.

15.12. Effect of Declaration. This Declaration is made for the purposes set forth in the recitals in this Declaration and Declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances, regulations and the like applicable thereto. Declarant shall have no liability whatsoever if any of the provisions of this Declaration, the Bylaws or Association Rules are determined to be unenforceable in whole or in part or under certain circumstances.

15.13. Personal Covenant. To the extent the acceptance of a conveyance of a Unit creates a personal covenant between the Owner of such Unit and Declarant, other Owners or the Association, such personal covenant shall terminate and be of no further force or effect from and after the date when a Person ceases to be an Owner except to the extent this Declaration provides for personal liability with respect to the Assessments incurred during the period a Person is an Owner.

15.14. Nonliability of Officials. To the fullest extent permitted by law, neither the Board nor any officer of the Association shall be liable to any Owner or the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval, course of action, act, omission, error or negligence if such Board Member or officer acted in good faith within the scope of his or their duties.

15.15. Use of Funds Collected by the Association. All funds collected by the Association, including Assessments and contributions to the Association paid by Owners, if any, shall be held by the Association in a fiduciary capacity to be expended in their entirety for non-profit purposes of the Association in managing, maintaining, caring for and preserving the Common Areas and Facilities and for other permitted purposes as set forth in this Declaration. No part of said funds shall inure to the benefit of any Owner (other than as a result of the Association managing, maintaining, caring for and preserving the Common Areas and facilities and other than as a result of expenditures made for other permitted purposes as set forth in this Declaration).

15.16. Notification of Sale and Transfer Fee. Concurrently with the consummation of the sale or other transfer of any Unit, or within fourteen (14) days after the date of such transfer, the transferee shall notify the Association in writing of such transfer and shall accompany such written notice with any non-refundable transfer fee payable pursuant to the Association Rules, to cover Association documentation and processing. The Board may establish a transfer fee, from time to time, which shall be no more than the amount of the then current regular monthly assessment. The written notice shall set forth the name of the transferee and his transferor, the street address of the Unit purchased or acquired by

the transferee, the transferee's mailing address, the date of the sale or transfer and the name and address of the transferee's Lender, if any. Prior to the receipt of such written notice, all notices required or permitted to be given by the Association to the Owner shall be deemed to be duly made or given to the transferee if duly and timely made and given to the transferee's predecessor in interest. The transfer fee shall be the personal obligation of the new Owner and shall be secured by the lien in Section 6.1 hereof. Notwithstanding the other provisions hereof, this Section shall not apply to a Lender who becomes an Owner by a foreclosure proceeding or any deed or assignment in lieu of foreclosure.

15.17. Owner/Resident Liability and Indemnification. Each Owner and Resident shall be liable to the remaining Owners or Residents and to the Association for any damage to a Unit or the Common Areas and Facilities that may be sustained by reason of the negligence of that Owner or Resident, their family Members, tenants, guests or invitees. Each Owner, by acceptance of a deed for a Unit, and Resident, by acceptance of possession of a Unit, agrees personally and for family Members, tenants, guests and invitees to indemnify each and every other Owner, and to hold such other Owners harmless from, and to defend such Owners against, any claim of any person for personal injury or property damage occurring within the Unit of that particular Owner, including any Limited Common Areas and Facilities, if any, except to the extent that the injury or damage occurred by reason of the willful or negligent act or omission of the Association or other Owner or Resident, their family Members, tenants, guests or invitees.

15.18. Conflicting Provisions. In the case of any conflict between this Declaration and the Bylaws, or Association Rules, this Declaration shall control. In the case of any conflict between this Declaration and the Act, to the extent the Act does not legally allow the Declaration to contain provisions contrary to the Act, the Act shall control and this Declaration shall be deemed modified accordingly. Notwithstanding the above, this Declaration shall be deemed modified and amended only to the extent necessary to come into compliance with the Act.

ARTICLE 16. - AMENDMENTS

16.1. Amendments by Declarant Prior to First Sale. Except as provided elsewhere in this Declaration, prior to the conveyance of the first Unit to an Owner other than a Declarant, this Declaration and any amendments thereto may be amended or revoked by the execution by Declarant of an instrument amending or revoking the same.

16.2. Amendments by Declarant After First Sale. Except as provided elsewhere in this Declaration, Declarant (without obtaining the approval of Owners, the Association, or existing Lenders) may unilaterally amend or modify this Declaration in the exercise of its

rights set forth in this Declaration. Also, notwithstanding anything herein to the contrary, Declarant shall have the unilateral right (without obtaining the approval of the Owners, the Association, or existing Lenders) to amend this Declaration until the Turnover Date (as defined in Section 5.3 of the Declaration), if such amendment is required solely: (i) to comply with applicable law or to correct any error or inconsistency of the Declaration and if such amendment does not adversely affect the rights of any Owner or Lender, or (ii) to comply with the rules or guidelines, in effect from time to time, of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments (including, without limitation, the Veterans Administration, Federal Housing Administration, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or any similar agency). If such amendment bears recitation that it is recorded based on such technical error or the requirements of any of the foregoing agencies, such amendment shall not require approval of any Owners or Lenders.

16.3. General Amendment Requirements. Except as permitted by Article 3, Section 16.1, Section 16.2, or as otherwise permitted or required by the Act, this Declaration may be amended only by vote or agreement of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated. Prior to the Turnover Date, this Declaration shall not be amended without Declarant's prior written consent.

16.4. Protection of Declarant Rights. An amendment shall not terminate or decrease any unexpired Development Right, Specific Declarant Right, or period of Declarant control unless the Declarant approves or consents in writing.

16.5. Execution of Amendments. An amendment or revocation which only requires the execution of an instrument by Declarant as hereinabove provided shall be effective when executed by Declarant and when recorded in the office of the County Recorder of Salt Lake County, Utah. An amendment which requires the affirmative written assent or vote of the Owners as hereinabove provided shall be effective when executed by the President and Secretary of the Association who shall certify that the amendment has been so approved and the Declarant if the Declarant's consent is also required, and when the amendment has been recorded in the office of the County Recorder of Salt Lake County, Utah.

16.6. Lender Approval. Subject to the foregoing, any provision of this Declaration which expressly requires the approval of a specified percentage of the Lenders for action to be taken under said provision can be amended only with the affirmative written assent or vote of not less than the same percentage of the Lenders, provided that in the event approval is requested in writing

from a Lender with respect to a proposed amendment and a negative response is not returned within thirty (30) days following the Lender's receipt of the request, by certified or registered mail, with a return receipt requested, the Lender shall be deemed to have approved the proposed amendment.

ARTICLE 17 - DECLARANT'S SALES PROGRAM

17.1. Declarant's Sales Program. Anything to the contrary notwithstanding, until Declarant has sold all the Units owned by it in the Project or the expiration of a reasonable sales period following seven (7) years after the date on which this Declaration is filed for record in the office of the County Recorder of Utah County, Utah, whichever first occurs (hereinafter referred to as the "Occurrence"), neither the Owners, the Association nor the Committee shall interfere with the completion of improvements and sale of all remaining Units, and Declarant shall have the following rights in furtherance of any sales, promotions or other activities designed to accomplish or facilitate the sale of all Units owned by Declarant:

(a) Sales Office and Model Units. Declarant shall have the right to maintain one (1) or more sales offices and one (1) or more model Units at any one time. Such office and/or models may be one or more of the Units owned by the Declarant, one or more separate structures or facilities placed on the Property for the purpose of aiding Declarant's sales effort, or any combination of the foregoing;

(b) Promotional. Declarant shall have the right to maintain a reasonable number of promotional, advertising and/or directional signs, banners or similar devices at any place or places on the Property.

(c) Common Area Use. Declarant shall have the right to use the Common Areas of the Project including but not limited to the recreational facilities and amenities to facilitate sales.

(d) Relocation and Removal. Declarant shall have the right from time to time to locate or relocate any of its sales offices, models, or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Section. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to remove from the Project any signs, banners or similar devices and any separate structure or facility which was placed on the Property for the purpose of aiding Declarant's sales effort.

17.2. Limitation on Improvements by Association. Until the Occurrence described above, neither the Association nor the Committee shall, without the written consent of Declarant, make any improvement to or alteration in any of the Common Areas and

Facilities created or constructed by Declarant, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as originally created or constructed by Declarant.

17.3. Completion Obligation. Declarant hereby covenants in favor of each Owner that within two (2) years from the date of any contract of sale:

(a) Units. Each Unit which an Owner has contracted to purchase, the Building within which such Unit is contained or is to be contained, and the appurtenant Limited Common Area shall be substantially constructed, and ready for use or occupancy (as the case may be); and

(b) Common Area. There shall be substantially completed and usable as part of the Common Areas all planned landscaping, green space, sidewalks, parking facilities, roads, fences, outdoor lighting, and utility lines and conduits adjacent to the Unit or Building in which a Unit is located, and necessary for its use.

17.4. Declarant's Rights Assignable. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering all Units or Buildings in the Project title to which is vested in Declarant shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to Declarant (in its capacity as Declarant) herein.

17.5. Transfer of Management. Anything to the contrary notwithstanding, Declarant may at any time relinquish its reserved right to select the Members of the Board and may elect to transfer the management of the Project to a Board elected by the Owners. Upon the occurrence of the Event referred to above, or if the Declarant elects to transfer control sooner, Declarant shall notify Owners in writing of the effective date of such transfer (the "Transfer Date") at least forty five (45) days prior thereto. Thereupon, the Owners shall call a meeting to elect the Members of the Management Board to take office as of the Transfer Date. Declarant covenants to cooperate with the Owners in effecting an orderly transition of management. Moreover, Declarant shall cause all obligations for Common Expenses of the Association prior to the Transfer Date to be paid in full on or before such date, and shall transfer any Association funds to the newly elected Board.

17.6. Certain Provisions Applicable to Declarant. Anything to the contrary notwithstanding, for so long as Declarant continues to own any of the Units the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to

relieve the Declarant from any obligations of an Owner to pay Common Area or other Assessments, except as herein otherwise provided, as to each Unit owned by Declarant in accordance with the Declaration:

(a) Declarant specifically disclaims any intent to have made any warranty or representation in connection with the Project or the Declaration except as specifically set forth herein or in any agreement for sale of a Unit, and no person shall rely upon any warranty or representation not so specifically made therein.

(b) No amendment may be made to the Declaration without the written consent of Declarant so long as Declarant retains the ownership of at least five (5) Units in the Project; provided, however, that the obligation to acquire said written consent of the Declarant shall cease upon the occupancy of the Occurrence referred to above.

ARTICLE 18 - MECHANICS LIENS

18.1. Mechanics Liens. Mechanics liens shall be filed in the office of the County Recorder of Utah County as follows:

(a) Association Goods or Services. Mechanics liens for labor, materials or supplies purchased by the Association shall be filed against ALL UNITS in the Project and their appurtenant interest in the Common Area, and shall be indexed in the public records under the name of the Association and Community. If the Association has encumbered the Common Areas and thereafter defaults on its obligations, the lienholder must exercise its rights against the Common Areas before it may proceed against any particular Unit. Any Owner wishing to release that lien as to his or her Unit may pay the pro rata share of the total amount of the lien and that shall be sufficient to release the lien against his or her Unit.

(b) Unit Good or Services. Mechanics liens filed for labor, materials or supplies benefitting a particular Unit shall be filed against that Unit and its appurtenant interest in the Common Area.

(c) Constructive Consent. Any person or entity who elects to perform labor or provide materials at this Project agrees to be bound by and subject to the terms of this Section.

ARTICLE 19 - EFFECTIVE DATE

19.1. Effective Date. This Declaration, any amendment or supplement hereto, and any amendment or supplement to the Survey Map shall take effect upon its being filed for record in the office of the County Recorder of Salt Lake County, Utah.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of this 26th day of February, 1996.

DECLARANT:
GRANITE COVE DEVELOPMENT, LLC

By: Gary R. Strang
Title: Partner

STATE OF UTAH

COUNTY OF SALT LAKE

On this, the 26th day of February, 1996,
the above officer, Gary R. Strang, personally
appeared before me, and duly acknowledged himself to be the
Partner of GRANITE COVE DEVELOPMENT, LLC, and
that he, as such Partner, being authorized so to
do, executed the foregoing instrument for the purpose therein
contained and the capacity therein stated.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Melinda K. Orth

NOTARY PUBLIC
Residing At: 9939 So Orchard View Dr. So Jordan, UT 84065
My Commission Expires: 4-15-96

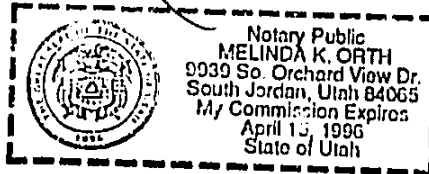


EXHIBIT "A"
LEGAL DESCRIPTION

The Property described in the foregoing Declaration is located in Salt Lake County, Utah and is described more particularly as follows:

SURVEYOR'S CERTIFICATE


I, Kenneth W. Watson, do hereby certify that I am a Registered Civil Engineer, and Land Surveyor, and that I hold certificate No. 152300/158397, as prescribed under the laws of the State of Utah. I further certify that by authority of the Owners, I have made a survey of the tract of land shown on this plat and described below, hereafter to be known as CENTURY PARK EAST CONDOMINIUMS.

BOUNDARY DESCRIPTION

PARCEL LEGAL DESCRIPTION

BEGINNING AT THE NORTHEAST CORNER OF LOT 11, BLOCK 17, TEN ACRE PLAT "A", BIG FIELD SURVEY: SAID POINT ALSO BEING SOUTH 00°18'16" WEST 607.253 FEET AND SOUTH 89°55'08" WEST 33.000 FEET FROM A MONUMENT FOUND IN 3300 SOUTH AND 300 EAST STREET, AND RUNNING THENCE SOUTH 00°18'16" WEST 198.000 FEET, 89°55'08" WEST 343.200 FEET, THENCE SOUTH 00°18'16" WEST 8.100 FEET, THENCE SOUTH 89°55'08" WEST 157.150 FEET, THENCE NORTH 00°18'16" EAST 51.000 FEET, THENCE SOUTH 89°55'05" WEST 210.768 FEET, THENCE NORTH 00°08'07" EAST 155.100 FEET, THENCE NORTH 89°55'08" EAST 711.576 FEET TO THE POINT OF BEGINNING.
AREA CONTAINING 3.05 ACRES (133,065 SQ.FT.)

2.12.96
DATE


KENNETH W. WATSON, P.E., L.S.
REG. PROFESSIONAL ENGINEER (#152300)
REG. PROFESSIONAL LAND SURVEYOR (#158397)


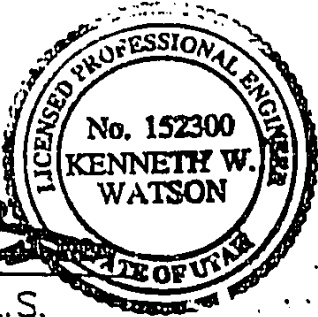


EXHIBIT "B"
PLAT MAP

EXHIBIT "C"
 PERCENTAGES OF UNDIVIDED OWNERSHIP INTEREST

<u>Unit No.</u>	<u>Percentage of Ownership</u>	<u>Par Value</u>
A12	0.0166667 (1/60)	1,000
B12	0.0166667 (1/60)	1,000
C12	0.0166667 (1/60)	1,000
D12	0.0166667 (1/60)	1,000
E12	0.0166667 (1/60)	1,000
F12	0.0166667 (1/60)	1,000
A18	0.0166667 (1/60)	1,000
B18	0.0166667 (1/60)	1,000
C18	0.0166667 (1/60)	1,000
D18	0.0166667 (1/60)	1,000
E18	0.0166667 (1/60)	1,000
F18	0.0166667 (1/60)	1,000
A28	0.0166667 (1/60)	1,000
B28	0.0166667 (1/60)	1,000
C28	0.0166667 (1/60)	1,000
D28	0.0166667 (1/60)	1,000
E28	0.0166667 (1/60)	1,000
F28	0.0166667 (1/60)	1,000
A24	0.0166667 (1/60)	1,000
B24	0.0166667 (1/60)	1,000
C24	0.0166667 (1/60)	1,000
D24	0.0166667 (1/60)	1,000
E24	0.0166667 (1/60)	1,000
F24	0.0166667 (1/60)	1,000
A50	0.0166667 (1/60)	1,000
B50	0.0166667 (1/60)	1,000
C50	0.0166667 (1/60)	1,000
D50	0.0166667 (1/60)	1,000
E50	0.0166667 (1/60)	1,000
F50	0.0166667 (1/60)	1,000
A58	0.0166667 (1/60)	1,000
B58	0.0166667 (1/60)	1,000
C58	0.0166667 (1/60)	1,000
D58	0.0166667 (1/60)	1,000
E58	0.0166667 (1/60)	1,000
F58	0.0166667 (1/60)	1,000
A64	0.0166667 (1/60)	1,000
B64	0.0166667 (1/60)	1,000
C64	0.0166667 (1/60)	1,000
D64	0.0166667 (1/60)	1,000
E64	0.0166667 (1/60)	1,000
F64	0.0166667 (1/60)	1,000

EXHIBIT "C" CONTINUED
 PERCENTAGES OF UNDIVIDED OWNERSHIP INTEREST

<u>Unit No.</u>	<u>Percentage of Ownership</u>	<u>Par Value</u>
A72	0.0166667 (1/60)	1,000
B72	0.0166667 (1/60)	1,000
C72	0.0166667 (1/60)	1,000
D72	0.0166667 (1/60)	1,000
E72	0.0166667 (1/60)	1,000
F72	0.0166667 (1/60)	1,000
A78	0.0166667 (1/60)	1,000
B78	0.0166667 (1/60)	1,000
C78	0.0166667 (1/60)	1,000
D78	0.0166667 (1/60)	1,000
E78	0.0166667 (1/60)	1,000
F78	0.0166667 (1/60)	1,000
A86	0.0166667 (1/60)	1,000
B86	0.0166667 (1/60)	1,000
C86	0.0166667 (1/60)	1,000
D86	0.0166667 (1/60)	1,000
E86	0.0166667 (1/60)	1,000
F86	0.0166667 (1/60)	1,000

ARTICLES OF INCORPORATION

CENTURY PARK EAST

OWNERS ASSOCIATION

The undersigned natural person over the age of twenty-one (21) years, acting as incorporator of a corporation under the Utah Nonprofit Corporation and Cooperative Association Act, adopts the following Articles of Incorporation, hereinafter referred to as the "Articles", for such corporation and certifies:

ARTICLE FIRST

Name: The name of this corporation is Century Park East Owners Association, hereinafter called the "Association".

ARTICLE SECOND

Duration: This corporation shall exist perpetually unless sooner dissolved by law.

ARTICLE THIRD

Purposes: The Association is organized and shall be operated as a nonprofit corporation for the purpose of maintaining, operating and regulating the common areas and facilities of the Century Park East Condominium Project, pursuant to the Utah Condominium Ownership Act and the Declaration of Condominium for the Century Park East Condominiums.

ARTICLE FOURTH

Powers: The Association shall have all powers granted to the Association by the Utah Nonprofit Corporation and Cooperative Association Act, Utah Code Annotated (1953), Section 16-6-18 through 16-6-111, and the Utah Condominium Ownership Act, Utah Code Annotated (1953), Section 57-8-1 through 57-8-36, as amended, including but not limited to the following:

- A. To exercise all powers and duties reasonably necessary to manage, operate, control and regulate the Century Park East Condominium Project.
- B. To enforce the Act, Declaration, Bylaws, any administrative rules and regulations made pursuant thereto, and to pay all expenses incidental thereto.
- C. To maintain, repair, and replace the common areas and facilities.
- D. To determine, levy, collect, and enforce payment by lawful means of common expense assessments levied against members of the Association to defray the costs incurred in operating, maintaining, repairing and replacing the common areas and facilities.
- E. To make, amend and repeal administrative rules and regulations governing the use of the Century Park East Condominium Project.
- F. To engage the services of a manager or management company, attorneys, accountants, or other employees, agents or professionals, and to pay to said persons a reasonable compensation for services rendered by them.
- G. To purchase, hold, sell, convey, mortgage or lease any interest in real or personal property subject to the restrictions, limitations, and provisions of the Declaration.
- H. To have bank accounts in the name of the Association.
- I. To commence, respond to, settle or otherwise resolve legal actions on behalf of or against two or more members of the Association.

J. To do each and every thing necessary, suitable or proper for the accomplishment of any of the purposes or the attainment of any one or more of the subjects herein enumerated, or which may at any time appear conducive to or expedient for protection or benefit of this corporation, and to do said acts as fully and to the same extent as natural persons might, or could do, in any part of the world as principals, agents, partners, trustees or otherwise, either alone or in conjunction with any other person, association or corporation.

ARTICLE FIFTH

Members: The members of the Association shall consist of all persons owning a unit of Century Park East Condominium Project, in fee simple as shown in the records of the County Recorder of Salt Lake County, Utah. Members of the Association shall also include any mortgagee, trustee, or beneficiary under a deed of trust who has acquired title to a unit pursuant to any remedy under the mortgage or deed of trust, or any proceeding or procedure in lieu thereof.

The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his unit.

The members of the Association shall be entitled to at least one vote for each unit owned by them based upon their percentage of ownership interest in the Common Areas of the Project as set forth in the Declaration.

ARTICLE SIXTH

Amendment: These Articles of Incorporation may be amended by the affirmative vote of a majority of the undivided ownership interest in the Common Areas in the Project as set forth in the Declaration.

ARTICLE SEVENTH

Initial Registered Office and Agent: The address of this corporation's initial registered office is 3370 South 300 East, Salt Lake City, UT. The name of the initial registered agent at such address is Gary R. Strang.

ARTICLE EIGHTH

Management Committee: The affairs of the Association will be managed by a governing board, consisting of the number of members as shall be determined by the Declaration and Bylaws, but not less than three nor more than nine members.

Committee members of the Association shall be elected, removed and vacancies shall be filled in the manner provided by the Declaration and Bylaws. The names and addresses of persons who are to serve as members of the Board until the first annual meeting of unit owners or until their successors are elected and qualify, are:

Name: <u>Deborah V. Moore</u>	Address: <u>P.O. Box 571304</u> <u>Salt Lake City, UT 84157</u>
Name: <u>Gary R. Strang</u>	Address: <u>P.O. Box 571304</u> <u>Salt Lake City, UT 84157</u>
Name: <u>Dean Magnesen</u>	Address: <u>P.O. Box 571304</u> <u>Salt Lake City, UT 84157</u>

ARTICLE NINTH

Indemnification: Every Board member and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably

EXHIBIT "C"

BYLAWS

CENTURY PARK EAST CONDOMINIUMS

OWNERS ASSOCIATION

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BYLAWS
OF
CENTURY PARK EAST OWNERS ASSOCIATION
A Utah Nonprofit Corporation

The administration of the Century Park East Condominium Project and the Century Park East Owners Association (the "Association") shall be governed by the Declaration of Condominium for Century Park East Condominiums (the "Declaration"), the Articles of Incorporation of the Century Park East Owners Association (the "Articles"), these Bylaws, and the Utah Condominium Ownership Act, as amended, Utah Code Annotated, as amended Sections 57-8-1 through 57-8-36, and the Utah nonprofit Corporation and Cooperative Association Act, Utah Code Annotated (1953), Sections 16-6-18 through 16-6-111 (1953) (the "Act").

1. Association of Unit Owners

The Association is a Utah nonprofit corporation. The name in which contracts shall be entered into, title to property shall be acquired, held, dealt in, and disposed of, bank accounts shall be opened, and suits shall be brought and defended by the Board of Directors or officers thereof on behalf of and as agents for the Unit Owners in the manner specified by the Act, the Declaration, the Articles, or these Bylaws, is: "Century Park East Owners Association".

2. Meetings of the Association

2.1 Annual Meeting.

The first regular meeting of the Association shall be held on the Turnover Date at a time and place determined by the Declarant. Thereafter, there shall be an annual meeting of the association on the second Tuesday of each October at 3370 South 300 East, Salt Lake City, Utah 84115 or at such other place or time (not more than sixty (60) days before or after such date) as may be designated by written notice by the Board of Directors delivered to the Unit Owners not less than fifteen (15) days prior to the date fixed for said meeting. If an annual meeting is not held within three (3) months after the time provided in these Bylaws, an annual meeting may be called by any six (6) Unit Owners having voting rights or by members having the right to cast ten percent (10%) of the votes entitled to be cast at such meetings, whichever is greater. At or prior to an annual meeting, the Board of Directors shall furnish to the Unit Owners for their review and ratification: (i) a budget for the coming fiscal year that shall itemize the estimated Common Expenses of the coming fiscal year with the estimated allocation thereof to each Unit Owner; and (ii) a statement of the Common Expenses itemizing receipts and disbursements for the previous and current fiscal

year, together with the allocation thereof to each Unit Owner. Within ten (10) days after the annual meeting, the budget statement shall be delivered to the Unit Owners who are not present at the annual meeting.

2.2 Special Meetings.

Special meetings of the association may be held at any time at the Property or at such other reasonable place to consider matters which, by the terms of the Declaration or the Bylaws, require the approval of all or some of the Unit Owners, or for any other reasonable purpose. Special meetings shall be called by written notice, signed by a majority of the Board of Directors, or by Unit Owners representing at least one-third (1/3) in interest of the undivided Ownership of the Common Areas and facilities and delivered to all Unit Owners not less than fifteen (15) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting, and the matters to be considered.

2.3 Rules of Order and Conduct of Meetings.

Robert's Rules of Order (latest edition) shall govern the conduct of the association's meeting when not in conflict with the Declaration, the Articles of Incorporation, or these Bylaws. The Board may retire to executive session to discuss confidential, privileged or private matters and may control the electronic reproduction of Board and Association meetings.

3. Membership and Voting

3.1 Membership in the Association.

The members of the Association shall be the fee Owners of the Units, including a mortgagee, trustee or beneficiary under a deed of trust who acquires title pursuant to any remedy under the mortgage or deed of trust, or any proceeding or procedure in lieu thereof. The Board of Directors shall maintain a list of Owners which shall be updated on a regular basis. Disputes over the membership list shall be resolved by reference to the Official Records of the Salt Lake County Recorder's Office.

3.2 Percentage Interest Determines Number of Votes.

At any meeting of the Association of Unit Owners, each Unit Owner, including Declarant, either in person or by proxy, shall be entitled to the same number of votes as the percentage of undivided interest of the Common Areas and facilities assigned to his Unit in Exhibit "C" to the Declaration.

3.3 Voting Where More Than One Unit Owner.

If there is more than one Unit Owner with respect to a particular Unit, any or all of such Unit Owners may attend any meeting of the Association, but it shall be necessary for all such Unit Owners present to act unanimously in order to cast the votes pertaining to their Unit.

3.4 Voting in Person or Proxy.

All votes may be cast either in person or by proxy. All proxies shall be in writing. Proxies for the annual meeting shall be delivered to the secretary at least five (5) days prior thereto. Proxies for special meetings of the Association must be of record with the secretary at least two (2) days prior to such meeting. Proxies must be individual Unit Owners or the legal representative of an organizational Owner.

3.5 Quorum.

The presence in person or by proxy at any meeting of the Association of Unit Owners holding at least fifty percent (50%) of the undivided Ownership of the Common Areas and facilities in response to notice of all Unit Owners of record properly given shall constitute a quorum. In the event that Unit Owners holding at least fifty percent (50%) of the undivided Ownership of the Common Areas and facilities are not present in person or by proxy, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and any number of Unit Owners present at such subsequent meeting will constitute a quorum.

3.6 Percentage Vote Required.

When a quorum, as provided herein, is present at any meeting, the vote of Unit Owners representing more than fifty percent (50%) of the undivided percentage interest in the 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 Board of Directors, unless the question is one upon which, by express provisions of the Act, the Utah Nonprofit Corporation and Cooperative Association Act, the Declaration, the Articles, or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

4. Officers

4.1 Election, Resignation, Removal of Officers.

All officers and employees of the Association shall serve at the will of the Board of Directors. The officers shall be a president, secretary, and treasurer. The Board of Directors may appoint such other assistant officers as the Board of Directors may deem necessary. No officer shall be required to be a Unit Owner, but the president must be a member of the Board of Directors. No officer shall receive

compensation for serving as such. Officers shall be annually elected by the Board of Directors. The Board of Directors shall require that officers (and other employees of the Association) responsible for handling funds belonging to or administered by the Association be subject to fidelity bond coverage. Resignation of any officer shall be in writing directed to the Board of Directors which shall act promptly thereon.

4.2 President.

The president shall be the chief executive of the Board of Directors and shall preside at all meetings of the Unit Owners and of the Board of Directors and may exercise the powers ordinarily assigned to and exercised by the presiding officer of an association, including the appointment of Boards. The president shall exercise general supervision over the property and its affairs. He shall sign on behalf of the Association all conveyances, mortgages and contracts of material importance to its business. He shall do and perform all acts which the Board of Directors may require.

4.3 Secretary.

The secretary shall keep minutes of all proceedings of the Board of Directors and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Unit Owners and the Board of Directors. In the absence or inability of the president, the secretary shall perform the functions of the president.

4.4 Treasurer.

The treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of funds and the keeping of records to a manager or managing company.

4.5 Ratification of Actions.

The membership may ratify actions of the officers subsequent thereto and thereby give full force and effect to such actions as though approved in advance.

5. Board of Directors

5.1 Role and Composition of Board of Directors.

The management and maintenance of the property and the business and affairs of the Association shall be managed by a governing board, referred to in the Declaration and herein as the Board of Directors, consisting of three (3) members, who shall be individual Unit Owners or the legal representatives of organizational Unit Owners.

5.2 Powers, Duties and Responsibilities of Board of Directors.

The Board of Directors shall have the right to exercise for and in behalf of the Association the powers, duties, and responsibilities as are now or may hereafter be provided by the Act, the Declaration, and these Bylaws, including but not limited to the following so long as any action taken pursuant to the exercise of such powers, duties, and responsibilities has been authorized by any vote or consent of the Unit Owners that may be required by this Declaration or the Bylaws:

5.2.1 To make and enforce all house rules and administrative rules and regulations covering the operation and maintenance of the Property.

5.2.2 To engage the services of a manager or managing company, accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefor.

5.2.3 To operate, maintain, repair, improve and replace the Common Areas and facilities.

5.2.4 To determine and pay the Common Expenses.

5.2.5 To assess and collect the proportionate share of Common Expenses and all assessments from the Unit Owners.

5.2.6 To enter into contracts, deeds, leases or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

5.2.7 To open bank accounts on behalf of the Association and to designate the signatories therefor.

5.2.8 To purchase, hold, sell, convey, mortgage or lease any interest in real property for and in behalf of the Association subject to the restrictions, limitations and provisions of the Declaration, so long as the Board of Directors has obtained the prior written approval of at least seventy-five percent (75%) of the Lenders (based on one vote for each mortgage owned) and Owners.

5.2.9 To sue and be sued.

5.2.10 To purchase and maintain adequate insurance as required by the Declaration.

5.2.11 To repair or restore the Property following damage or destruction, or a permanent taking by the power of, or power in the nature of, eminent domain or by an action or deed in lieu of condemnation, not resulting in the removal of the Property from the provisions of the Act.

5.2.12 To purchase or lease, and sell or otherwise acquire or dispose of, on behalf of the Association, items of personal property necessary to or convenient in the management of the business and affairs of the Association and the Board of Directors and in the operation of the Property, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances, and office supplies.

5.2.13 To keep adequate books and records.

5.2.14 With the approval of at least 75% of the undivided Ownership interest in the Common Area, to borrow funds and enter into promissory notes.

5.2.15 With the approval of at least 75% of the undivided Ownership interest in the Common Areas, to sell, lease or encumber portions of the Common Areas and facilities.

5.2.16 To have a corporate seal.

5.2.17 To approve and sign checks and issue payment vouchers.

5.2.18 To pay off liens against any portion of the Property.

5.2.19 To do all other acts necessary for the operation and maintenance of the Property, including the maintenance and repair of any Unit if the same is necessary to protect or preserve the Property, provided however, that the management shall operate no other business for profit.

5.3 Waiver of Liability.

Members of the Board of Directors, the officers and any assistant officer, agents and employees of the Association (i) shall not be liable to the Unit Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or gross neglect; (ii) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to any Unit Owner or any person or entity, direct or imputed, by virtue of acts performed by them, or acts performed for them in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse or condition of the Property, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

5.4 Indemnification of Board of Directors and Officers.

The Unit Owners shall indemnify and hold harmless, any person, his heirs and personal representatives, from and against all personal liability and all expenses including counsel fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or

completed action, suit or proceedings, whether civil, criminal, administrative or investigative instituted by any one or more Unit Owners, or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board of Directors or an officer or assistant officer of the Association, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith, provided, in the case of any settlement, that the Board of Directors shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Unit Owners or of the Board of Directors or otherwise. The indemnification by the Unit Owners as contained herein shall be paid by the Management committee on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such.

5.5 Election of Board of Directors.

Beginning with the first annual meeting and at every annual meeting thereafter, the Association shall elect the members of the Board of Directors for the forthcoming year. At least thirty (30) days prior to any annual meeting of the Association, the Board of Directors shall select from the Unit Owners a nominating committee of not less than three (3) members (none of whom shall be members of the then Board of Directors) who shall recommend to the annual meeting one nominee for each position on the Board of Directors to be filled at the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by ten (10) or more Unit Owners and signed by the nominee named therein indicating his willingness to serve as a member of the Board of Directors if elected. Members of the Board of Directors shall not be required to be Unit Owners, but must be natural persons and residents of the state of Utah.

5.6 Term of Board of Directors Members.

Members of the Board of Directors shall serve for a term of two (2) years; provided, however, that one member of the Board of Directors elected at the first annual meeting shall serve for an initial term of one (1) year and the two other members shall serve for initial terms of two (2) years. The terms of no more than two members will end each year. The members of the Board of Directors shall serve until their respective successors are qualified and elected, or until their death, resignation or removal. Any member of the Board of Directors who fails to attend three consecutive Board of Directors meetings or fails to attend at least 25% of the Board of Directors meetings held during any calendar year shall forfeit his membership on the Board of Directors.

5.7 Resignation and Removal.

Any member of the Board of Directors may resign at any time by giving written notice to the president of the Association or the remaining Board of Directors members. Any member of the Board of Directors may be removed from membership on the Board by an affirmative vote of at least 67% of the undivided Ownership interest in the Common Area. Whenever there shall occur a vacancy on the Board of Directors due to death, resignation, removal or any other cause, the remaining members shall elect a successor member to serve until the next annual meeting of the Association, at which time said vacancy shall be filled by the members of the Association for the unexpired term, if any.

5.8 Compensation.

The members of the Board of Directors shall receive no compensation for their services unless expressly approved by a majority of the undivided Ownership interest in the Common Area; provided, however, that any member of the Board of Directors may be employed by the Association in another capacity and receive compensation for such employment, if otherwise allowed.

5.9 Board of Directors Meetings.

The meetings of the Board of Directors shall be held at regular intervals at such time and at such places within the state of Utah as the Board of Directors shall determine but at least once per month. Two (2) members of the Board of Directors shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board of Directors. The Board of Directors shall annually elect all of the officers of the Association. A regular meeting of the Board of Directors shall be held immediately after the adjournment of each annual Owners meeting, at which time the Board of Directors shall elect all of the officers of the Association.

5.10 Regular Meetings.

Regular meetings of the Board of Directors may be held without call or notice.

5.11 Special Meetings.

Special meetings of the Board of Directors may be called by the president or by any two Board members. The person or persons calling a special meeting of the Board of Directors shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called; if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

5.12 Waiver of Notice.

Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at a meeting shall constitute a waiver of notice of such meeting except if a Board of Directors member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Board of Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

5.13 Board of Directors Membership Affidavit.

After the election of the members of the Board of Directors at the first annual meeting of the Association, they shall execute, acknowledge an record and affidavit stating the names of the members of the newly elected Board of Directors. Thereafter, any two (2) persons who are designated of record as being members of the most recent Board of Directors (regardless of whether or not they shall still be members) may execute, acknowledge and record an affidavit stating the names of all of the members of the then current Board of Directors. The most recently recorded of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the Board of Directors and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

5.14 Fiscal Year.

The fiscal year shall be determined by the Board of Directors.

5.15 Ratification of Board of Directors Actions.

The membership of the Association may ratify actions taken by the Board of Directors subsequent to such actions and thereby give such action the full force and effect as though approved in advance.

5.16 Fidelity Bond.

The Board of Directors shall require that all officers and employees of the Board of Directors who handle or are responsible for the funds of the Owners Association be adequately bonded. The premium on such fidelity bonds shall be an expense of the Owners Association and payable as such by the Board of Directors.

6. Common Expenses and Assessments

6.1 Apportionment of Expenses.

Each Owner shall be liable for a proportionate share of the Common Expenses, such shares being the same as the percentage of undivided interest in the Common Areas and facilities appurtenant to the Unit owned by the Unit Owner as set forth in Exhibit "C" to the Declaration.

6.2 Annual Estimate of Common Expenses.

Prior to the annual meeting of the Association, the Board of Directors shall estimate the Common Expenses as defined in the Declaration and capital contributions for the following year.

6.3 Owners Duty to Pay Assessments.

Each Unit Owner shall be obligated to pay to the Board of Directors assessments made pursuant to this paragraph on or before the first day of each month, or in such other reasonable manner as the Board of Directors may from time to time determine.

6.4 Failure to Estimate Common Expenses. No Waiver.

The failure by the Board of Directors before the expiration of any year, to estimate the Common Expenses as required herein, shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or these Bylaws, or a release of the Unit Owner from the obligation to pay any past or future assessments, and the estimated Common Expenses fixed for the previous and current year shall continue until a new estimate is fixed.

6.5 Waiver of Use of Common Areas No Exemption.

No Unit Owner may exempt himself from liability for Common Expenses by waiver of the use or enjoyment of any of the Common Areas and facilities or by abandonment of his Unit.

6.6 Accounting Records.

The treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Common Areas and facilities, specifying and itemizing the maintenance, repair and replacement expenses of the Common Areas and facilities and any other expenses incurred. In accordance with the actions of the Board of Directors assessing Common Expenses against the Units and Unit Owners, the treasurer shall keep an accurate record of such assessments and of the payments thereof by each Unit Owner. The books and accounts of the

Association shall be kept in accordance with generally accepted accounting procedures under the direction of the treasurer. At the close of each fiscal year, the books and records of the Association shall be audited by a certified public accountant approved by the Association if at least seventy-five (75%) of the Owners of undivided interest in the Common Areas and facilities elect to do so. The books and accounts of the Association shall be available for inspection at the office of the Association by any Unit Owner or his authorized representative during regular business hours.

7. Collection of Assessments

7.1 Personal Liability of Each Owner.

All Common Expense assessments shall be a separate, distinct and personal liability of the Owner of each Unit at the time each assessment is made. The buyer and seller under an executory contract of sale shall be jointly and severally liable. The Board of Directors shall have the rights and remedies contained in the Act, the Declaration, the Articles, and these Bylaws to enforce the collection of assessments for Common Expenses.

7.2 Purchaser's Statement of Unpaid Assessments.

Any person who shall have entered into a written agreement to purchase a Unit shall be entitled to obtain a written statement from the treasurer setting forth the amount of unpaid assessments charged against the Unit and its Owners, and if such statement does not reveal the full amount of the unpaid assessments as of the date it is rendered, neither the purchaser nor the Unit shall be liable for the payment of an amount in excess of the unpaid assessments shown thereon, provided that the former Unit Owner grantor shall remain so liable. Any such excess which cannot be promptly collected from the former Unit Owner grantor shall be reassessed by the Board of Directors as a Common Expense to be collected from all Unit Owners, including without limitation the purchaser of the Unit, his successors and assigns. The new Unit Owner shall, and the former Unit Owner shall not, be liable for any assessments made after the date of transfer of title to a Unit, even though the Common Expenses for the expenses incurred or the advances made by the Board of Directors for which the assessment is made relate in whole or in part to any period prior to that date.

7.3 Obligation for Unpaid Assessments When Units Sold at Sheriff's Sale.

In the event that title to a Unit is transferred at a sheriff's sale pursuant to execution upon any lien against the Unit, the Board of Directors shall give notice in writing to the sheriff of any unpaid

assessments for Common Expenses which are a lien against the Unit, and for any expenses of or advances by the Board of Directors which have not theretofore been reduced to a lien, which shall be paid out of the proceeds of the sale prior to the distribution of any balance to the former Unit Owner against whom the execution was issued. The purchaser at such sheriff's sale and the Unit involved shall not be liable for unpaid assessments for Common Expenses and for any expenses of or advances by the Board of Directors which became due prior to the sheriff's sale of the Unit. Any such unpaid assessments which cannot be promptly collected from the former Unit Owner shall be reassessed by the Board of Directors as a Common Expense to be collected from all of the Unit Owners, including the purchaser who acquired title at the sheriff's sale, his successors and assigns. To protect its right to collect unpaid assessments for Common Expenses which are a lien against a Unit, and for any expenses of and advances by the Board of Directors, the Board of Directors may on behalf of all the Unit Owners, purchase the Unit at sheriff's sale, provided such action is authorized by the affirmative vote of a majority of the members of the Board of Directors.

7.4 Current Statement of Unpaid Assessments.

In addition to the statements issuable to purchasers of Units, the Board of Directors shall provide a current statement of unpaid assessments for Common Expenses and for any expenses of and advances by the Board in respect of the Unit, to the Unit Owner, to any person who shall have entered into a binding agreement to purchase the Unit and to any mortgagee on request at reasonable intervals.

7.5 Reassessment of Delinquent Assessments.

In all cases where all or part of any assessments for Common Expenses and for any expenses of and advances by the Board of Directors cannot be promptly collected from the persons or entities liable therefor under the Act, the Declaration, or these Bylaws, the Board of Directors shall reassess the same as a Common Expense, without prejudice to its rights of collection against such persons or entities.

7.6 Lien for Unpaid Assessments.

7.6.1 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: (a) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; and (b) encumbrances on the interest of the Unit Owner recorded prior to the date that 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 the Declaration shall have been recorded, 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.

7.6.2 To evidence a lien for sums assessed pursuant to this section, the Board of Directors, or its designated agent, 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 a notice shall be signed by such body and may be recorded in the office of the County Recorder of Salt Lake County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such liens may be enforced by foreclosure by the Board of Directors 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 cost and expenses of such proceeding, the cost and expenses of filing the notice of lien, and all reasonable attorney's fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The lien shall also secure, and the Owner shall also be required to pay to the Board of Directors any assessments against the Unit which shall become due during the period of foreclosure. The Board of Directors 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.

7.6.3 A release of lien shall be executed by the Board of Directors, or its designated agent, and recorded in the office of the County Recorder of Salt Lake County, Utah upon payment of all sums and secured by a lien which has been made the subject of a recorded notice of lien.

7.6.4 Any encumbrancer holding a lien on 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 Board of Directors with respect to such lien, including priority.

7.6.5 The assessing body 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 assessing body written notice of such encumbrance.

7.6.6 In any foreclosure of a lien for assessments, the Unit Owner subject to the lien shall be required to pay a reasonable rental for the Unit, and the Board of Directors shall be entitled to the appointment of a receiver to collect the same.

7.7 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 Board of Directors. Suit to recover a money judgment for such personal obligation shall be maintainable by the Board of Directors 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 personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit.

7.8 Right to Restrict Use of Common Areas.

In addition to and not limited by any other remedy provided for herein, the Board of Directors may restrict or deny the use and enjoyment of any Common Area or facility to any Owner, his family, guests or assigns, who is delinquent in the payment of any regular or special assessment.

7.9 Right to Receive Rent.

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

7.10 Right to Collect Interest.

Assessments and any installments thereof not paid on or before ten (10) days after the date when due shall bear interest at the maximum rate of interest permitted by Utah law, or at such rate of interest as may be set by the Board of Directors, from the date when due until paid. All payments on account shall be first applied to interest and then to the assessment payment first due.

8. Litigation

8.1 Action Brought on Behalf of the Association.

If any action is brought by one or more but less than all Unit Owners on behalf of the Association and recovery is had, the plaintiff's expenses, including reasonable counsel's fees, shall be a Common Expense; provided, however, that if such action is brought against the Unit Owners or against the Board of Directors, 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 Unit Owners, the plaintiff's expenses, including counsel fees, shall not be

charged to or borne by the other Unit Owners, as a Common Expense or otherwise.

8.2 Complaints Brought Against the Association, Board of Directors, or Officers.

Complaints brought against the Association, the Board of Directors or the officers, employees or agents thereof, in their respective capacities as such or the property as a whole, shall be directed to the Board of Directors, which shall promptly give written notice thereof to the Unit Owners and any mortgagees and shall be defended by the Board of Directors, and the Unit Owners and mortgagees shall have no right to participate other than through the Board of Directors in such defense. Complaints against one or more, but less than all Unit Owners, shall be directed to such Unit Owners, who shall promptly give written notice thereof to the Board of Directors and to the mortgagees having an interest in such Units, and shall be defended by such Unit Owners.

9. Abatement and Restraint of Violations of Unit Owners

The violation of any house rules or administrative rules or regulations adopted by the Board of Directors or the breach of any provision contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws:

9.1 To enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or

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

10. Sub-Committees

The Board of Directors by resolution adopted by a majority of the members of the Board of Directors may designate one or more special committees, each committee to consist of two (2) or more Unit Owners which, to the extent provided in said resolution, shall advise and make recommendations to the Board of Directors regarding the matters set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Board of Directors. Such special committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required. The members of such special committee or committees designated shall be appointed by the Board of Directors or the president. The Board of Directors or the president may appoint Unit Owners to fill vacancies on each of said special committees occasioned

by death, resignation, removal or inability to act for any extended period of time.

11. Application of Bylaws

All present and future Unit Owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration and these Bylaws, and all rules made pursuant hereto and any amendment thereof. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that the provisions of the Declaration and these Bylaws (and any rules and regulations made pursuant thereto), as they may be amended from time to time, are accepted, ratified, and will be complied with.

12. Notices, Waiver of Notice

Any notice permitted or required to be delivered and provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered twenty-four (24) hours after a copy of the same has been deposited in the U. S. Postal Service, postage prepaid, return receipt requested. Notice to Unit Owners shall be addressed to each Unit Owner at the address given by such Unit Owner to the Board of Directors for the purpose of service of such notice or to the Unit of such Unit Owner if no such address has been given to the Board of Directors. Such address may be changed from time to time by notice in writing to the Board of Directors. Notice to the Board of Directors shall be addressed to:

Century Park East Owners Association
3370 South 300 East
Salt Lake City, Utah 84115

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

13. No Waiver

The failure of the Board of Directors or its contractors to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of the Declaration or Bylaws, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver of relinquishment, for the future, of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Board of Directors or its contractor of the payment of any assessment from a Unit Owner, with knowledge of the breach of any covenant hereof,

