

WHEN RECORDED, MAIL TO:
Thomas G. Bennett
Ballard Spahr LLP
201 So. Main, Suite 800
Salt Lake City, UT 84111-2221



W2777002

E# 2777002 PG 1 OF 93
LEANN H KILTS, WEBER COUNTY RECORDER
05-FEB-16 1102 AM FEE \$215.00 DEP CWC
REC FOR: SMHG

DECLARATION OF CONDOMINIUM
FOR
VILLAGE NESTS AT POWDER MOUNTAIN

Table of Contents

	Page
ARTICLE 1 DEFINITIONS	2
ARTICLE 2 DESCRIPTION OF THE IMPROVEMENTS AND SUBMISSION TO THE ACT	5
2.1. IMPROVEMENTS	5
2.2. SUBMISSION TO THE ACT	6
ARTICLE 3 DESCRIPTION OF UNITS	6
3.1. UNIT BOUNDARIES	6
3.2. AS CONSTRUCTED	6
ARTICLE 4 DESCRIPTION AND OWNERSHIP OF COMMON AREAS AND FACILITIES	7
4.1. DESCRIPTION OF THE COMMON AREAS	7
4.2. CALCULATION OF UNDIVIDED INTEREST	7
ARTICLE 5 DESCRIPTION OF LIMITED COMMON AREAS AND FACILITIES	7
5.1. DESCRIPTION	7
5.2. USE	7
5.3. REALLOCATION	8
ARTICLE 6 OPTION TO CONTRACT	8
6.1. WITHDRAWABLE LAND	8
6.2. EXERCISE OF THE OPTION TO CONTRACT	8
6.3. EFFECTIVENESS OF WITHDRAWAL	8
6.4. UNDIVIDED INTEREST	8
6.5. THIRD PARTY UNITS	9
6.6. RESERVATION OF EASEMENTS OVER PROJECT	9
ARTICLE 7 CERTAIN ADDITIONAL DEVELOPMENTAL RIGHTS	9
7.1. COMPLETION OF IMPROVEMENTS	9
7.2. OFFICES AND SIGNS	9
7.3. DECLARANT CONTROL PERIOD	10
7.4. AMENDMENT OF CONDOMINIUM PLAT	10
7.5. NO ACTIONS ADVERSE TO DEVELOPMENTAL RIGHTS	10
ARTICLE 8 NATURE AND INCIDENTS OF UNIT OWNERSHIP	10
8.1. NATURE OF UNITS	10
8.2. USE OF PROPERTY	10
8.3. ALTERATION OF UNITS	10
8.4. RIGHT OF ENTRY	11
8.5. TRANSIENT RENTAL	11
8.6. RULES GOVERNING USE	11
ARTICLE 9 TITLE TO UNITS	11
9.1. MANNER IN WHICH TITLE MAY BE HELD	11
9.2. TITLE INSEPARABLE	11
9.3. NO PARTITION	11
9.4. RIGHT TO MORTGAGE	12

9.5.	LABOR AND SERVICES; INDEMNIFICATION	12
9.6.	ENFORCEMENT BY CONDOMINIUM ASSOCIATION	12
9.7.	LEGAL DESCRIPTION OF UNITS	12
9.8.	NOTICE OF OWNERSHIP AND ADDRESS	13
ARTICLE 10 RESTRICTIONS ON USE		13
10.1.	RESTRICTIONS OF USE OF UNITS AND COMMON AREAS AND FACILITIES	13
10.2.	ARCHITECTURAL CONTROL	15
10.3.	PROHIBITION ON FRACTIONAL OWNERSHIP	15
10.4.	SUBMISSION TO MASTER DECLARATION	16
10.5.	COOPERATION WITH COMMUNITY ASSOCIATION	17
10.6.	ENFORCEMENT OF MASTER DECLARATION	17
10.7.	CONDOMINIUM ASSOCIATION RULES	17
10.8.	NO IMPLIED USE RIGHTS	17
ARTICLE 11 CONDOMINIUM ASSOCIATION AND MANAGEMENT COMMITTEE		17
11.1.	MEMBERSHIP IN CONDOMINIUM ASSOCIATION	17
11.2.	MEMBERSHIP IN COMMUNITY ASSOCIATION	18
11.3.	MANAGEMENT COMMITTEE	18
11.4.	POWERS OF MANAGEMENT COMMITTEE	18
11.5.	LIMITATION ON LIABILITY OF MANAGEMENT COMMITTEE	20
11.6.	INDEMNIFICATION OF MANAGEMENT COMMITTEE	20
11.7.	NO SALE OF PROPERTY	20
11.8.	COMMON AREA MANAGER	21
11.9.	PROVIDING PAYOFF INFORMATION; WRITTEN STATEMENT	21
11.10.	REGISTRATION WITH THE DEPARTMENT OF COMMERCE	21
11.11.	WORKING CAPITAL CONTRIBUTION	21
ARTICLE 12 VOTING		22
12.1.	VOTING RIGHTS	22
12.2.	PERMANENT CHARACTER	22
ARTICLE 13 ASSESSMENT OF UNITS BY THE CONDOMINIUM ASSOCIATION		22
13.1.	LEVYING ASSESSMENTS	22
13.2.	CAPITAL IMPROVEMENTS	27
13.3.	RESERVES	28
13.4.	LEASED UNITS	29
13.5.	TERMINATION OF DELINQUENT OWNER'S RIGHTS	31
ARTICLE 14 MAINTENANCE, ALTERATION AND IMPROVEMENT		31
14.1.	MAINTENANCE OF COMMON AREAS AND FACILITIES	31
14.2.	NO LIABILITY FOR LATENT DEFECTS	32
14.3.	RIGHT OF ENTRY	32
14.4.	OWNER'S OBLIGATION TO MAINTAIN UNITS	32
14.5.	FAILURE TO MAINTAIN	32
14.6.	PROHIBITION ON LIENS	33
14.7.	RELEASE OF LIENS	33
ARTICLE 15 EASEMENTS		34

15.1.	ENCROACHMENT ON UNITS	34
15.2.	EASEMENT FOR BUILDINGS	34
15.3.	EASEMENT OVER COMMON AREAS AND FACILITIES	34
15.4.	CONDOMINIUM ASSOCIATION EASEMENT	34
15.5.	CONSTRUCTION EASEMENT	34
15.6.	EASEMENT FOR INFRASTRUCTURE	34
15.7.	GRANT IMPLIED	35
15.8.	COMMUNICATION AND DATA FACILITIES	35
15.9.	UTILITY EASEMENT	35
15.10.	PUBLIC SAFETY EASEMENT	36
15.11.	STREETS, PARKING AND FACILITIES	36
15.12.	PRIVATE TRAILS	36
ARTICLE 16 INSURANCE		36
16.1.	INSURANCE POLICIES	36
16.2.	ENDORSEMENTS	38
16.3.	DEDUCTIBLES	38
16.4.	ADDITIONAL PROVISIONS	39
16.5.	MANAGEMENT COMMITTEE DUTIES	39
16.6.	DESIGNATION OF INSURED	39
16.7.	ADDITIONAL INSUREDS	39
16.8.	INSURANCE PROVIDER PERFORMANCE REQUIREMENTS	40
16.9.	REGULAR REVIEW	40
16.10.	OWNER TO INSURE	40
ARTICLE 17 DESTRUCTION OR DAMAGE		41
17.1.	APPOINTMENT OF CONDOMINIUM ASSOCIATION	41
17.2.	REPAIR AND RECONSTRUCTION	41
17.3.	CONDOMINIUM ASSOCIATION'S DUTIES	41
17.4.	DILIGENCE	43
17.5.	REPAIR FUND	43
17.6.	AMENDMENT OF ARTICLE 17	43
ARTICLE 18 TERMINATION		43
18.1.	VOTE REQUIRED	43
18.2.	REMOVAL FROM THE ACT	43
18.3.	TERMINATION AGREEMENT	44
18.4.	SALE OF PROPERTY FOLLOWING TERMINATION	44
18.5.	DISTRIBUTION OF PROCEEDS	44
ARTICLE 19 EMINENT DOMAIN		44
19.1.	NOTICES	44
19.2.	CONDEMNATION OF COMMON AREAS AND FACILITIES	44
19.3.	CONDEMNATION OF UNITS	45
19.4.	REMOVAL FROM THE ACT	45
19.5.	RESULT OF CONDEMNATION	45
19.6.	AMENDMENT FOLLOWING CONDEMNATION	45
ARTICLE 20 MORTGAGEE PROTECTION		46

20.1.	ROSTER OF ELIGIBLE MORTGAGEES	46
20.2.	NOTICE TO ELIGIBLE MORTGAGEES.	46
20.3.	ASSESSMENT LIEN SUBORDINATE	46
20.4.	AMENDMENT OF ARTICLE 20	47
ARTICLE 21 AMENDMENT		47
21.1.	AMENDMENT BY OWNERS	47
21.2.	AMENDMENT BY DECLARANT	47
21.3.	AMENDMENT AT REQUEST OF GOVERNMENTAL AGENCY	47
21.4.	PLAT AMENDMENTS	48
21.5.	PRESERVATION OF DEVELOPMENTAL RIGHTS AND CONTROL	48
ARTICLE 22 ENFORCEMENT		48
22.1.	COMPLIANCE WITH PROJECT DOCUMENTS	48
22.2.	NO FORFEITURE; EXCEPTIONS	49
22.3.	JUDICIAL AUTHORITY REQUIRED	49
22.4.	ENFORCEMENT OF MASTER DECLARATION	49
ARTICLE 23 BINDING ARBITRATION AND ENFORCEMENT OF GOVERNING DOCUMENTS		49
23.1.	OPT-OUT RIGHT	49
23.2.	ARBITRATION TERMS DEFINED	49
23.3.	ARBITRATION OF CLAIMS	51
23.4.	FEES	51
23.5.	GOVERNING LAW	51
23.6.	APPEAL OF ARBITRATOR'S DECISION	52
23.7.	JURY TRIAL WAIVER	52
23.8.	CLASS ACTION BAN	52
23.9.	SEVERABILITY	52
23.10.	NOTICE OF CLAIM; RIGHT TO ADDRESS	52
ARTICLE 24 GENERAL PROVISIONS		53
24.1.	NOTICES	53
24.2.	NO WAIVER	53
24.3.	DECLARANT	54
24.4.	AGENT FOR SERVICE OF PROCESS	54
24.5.	SEVERABILITY	54
24.6.	CONFLICT	54
24.7.	CAPTIONS	54
24.8.	GOVERNING LAW	54
24.9.	EFFECTIVE DATE	54
EXHIBIT A LEGAL DESCRIPTION OF PROPERTY		1
EXHIBIT B SCHEDULE OF UNITS, SQUARE FOOTAGE, VOTES AND UNDIVIDED INTERESTS IN COMMON AREAS		1
EXHIBIT C CONDOMINIUM ASSOCIATION BYLAWS		1

DECLARATION OF CONDOMINIUM

FOR

VILLAGE NESTS AT POWDER MOUNTAIN

This Declaration of Condominium for Village Nests at Powder Mountain ("Condominium Declaration") is made and executed by SMHG Phase I LLC, a Delaware limited liability company ("Declarant"), for itself, its successors and assigns, pursuant to the provisions of Title 57, Chapter 8, Utah Code Ann., as amended ("Act").

RECITALS

- A. Declarant holds both legal and equitable title to the real property located in Weber County, State of Utah, more particularly described on the attached Exhibit A ("Property"), upon which Declarant desires to develop a residential condominium project ("Project").
- B. The Project will be part of a larger master planned community known as Powder Mountain ("Community") and will be subject to the terms and conditions of that certain Master Declaration of Covenants, Conditions, Easements and Restrictions for Powder Mountain, as amended or supplemented from time to time ("Master Declaration"), which is recorded against the Project. The Condominium Declaration is designed to complement the Master Declaration and local governmental regulations, and where conflicts occur, the more restrictive requirements shall prevail.
- C. Recorded simultaneously herewith is a Condominium Plat of the Project as required by the Act?
- D. Declarant shall organize and cause the Village Nests at Powder Mountain Association, Inc. ("Condominium Association") to be incorporated as a Utah non-profit corporation, which Condominium Association will maintain the Common Areas and Facilities within the Project as hereinafter described, provide for the management and operation of the Common Areas and Facilities, levy and collect Common Assessments, and administer and enforce the terms of this Condominium Declaration.
- E. The covenants, conditions and restrictions contained in this Condominium Declaration and in the Exhibits hereto are intended to be enforceable equitable servitudes and shall run with the land.
- F. The Project is intended to be a condominium project pursuant to the Act.
- G. All capitalized terms used in this Condominium Declaration and not defined in connection with their initial use shall be defined as set forth in Article I, below. All of the foregoing Recitals are incorporated into and made a part of this Condominium Declaration for all purposes.

NOW, THEREFORE, Declarant hereby declares, covenants and agrees as follows:

**ARTICLE 1
DEFINITIONS**

Unless the context clearly indicates otherwise, certain terms as used in this Condominium Declaration and the foregoing Recitals shall have the meanings set forth in this Article 1.

1.1. “Act”

shall mean the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code Ann., as amended).

1.2. “Amendment”

shall mean any amendment to this Condominium Declaration made in accordance herewith.

1.3. “Articles”

shall mean the Articles of Incorporation of the Condominium Association.

1.4. “Building(s)”

shall mean the buildings constructed as part of the Project, as described in Section 2.1.

1.5. “Bylaws”

shall mean the Bylaws of the Condominium Association, a copy of which is attached hereto as Exhibit C, as amended from time to time.

1.6. “Common Area Manager”

shall mean the person, firm or company designated by the Condominium Association to manage, in whole or in part, the affairs of the Condominium Association and the Common Areas and Facilities.

1.7. “Common Areas and Facilities”

shall mean all portions of the Project other than the Units, as described in Article 4 hereof.

1.8. “Common Assessments”

shall mean those assessments described in Article 13 to fund the Common Expenses, and include Regular Common Assessments, Special Assessments and any other assessments levied by the Condominium Association.

1.9. “Common Expense Fund”

shall mean one or more deposit or investment accounts of the Condominium Association into which are deposited the Common Assessments.

1.10. “Common Expenses”

shall mean all expenses of the administration, maintenance, repair, or replacement of the Common Areas and Facilities, not including the Limited Common Areas and Facilities or the Garages, all premiums for insurance obtained by the Management Committee on behalf of the Condominium Association for the benefit of the Project, and all other expenses denominated as Common Expenses by the Management Committee, this Condominium Declaration or by the Act, which are assessed by the Management Committee against the Owners.

1.11. “Community”

shall mean and refer to that certain planned community situated in Weber County, Utah, more particularly described in Recital C above, of which the Project is a part.

1.12. “Community Association”

shall mean the Powder Mountain Owners Association, Inc., a Utah nonprofit corporation, and its successors and assigns.

1.13. “Condominium Association”

or “Association” shall mean the Village Nests at Powder Mountain Association, Inc., Utah a non-profit corporation, organized for the purposes set forth in this Condominium Declaration.

1.14. “Condominium Declaration”

shall mean this Declaration of Condominium for Village Nests at Powder Mountain, and all amendments, modifications and supplements hereto.

1.15. “Condominium Plat”

or “Plat” shall mean the Village Nests at Powder Mountain Plat recorded in the office of the County Recorder for Weber County, State of Utah, as it may be amended from time to time pursuant to this Condominium Declaration and the Act. The initial Plat may be amended at such time as the Buildings are constructed in the event there are material changes in the Building or Unit boundaries or elevations as constructed. Such an amendment to the Plat is expressly authorized and may be undertaken by Declarant without the joinder or consent of any other Owners.

1.16. “Cost of Living Index”

shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers: U.S. City Average, All Items 1982-1984 = 100 compiled by the Bureau of Labor Statistics,

United States Department of Labor. The Index for March 2013 is the reference base index. Declarant may select any other comparable index which measures changes in the cost of living.

1.17. “County”

shall mean Weber County, Utah.

1.18. “Declarant”

shall mean SMHG Phase I LLC, a Delaware limited liability company, its successors and assigns, as provided in the Act and in Section 24.3 below. Declarant is a Neighborhood Developer for purposes of the Master Declaration.

1.19. “Declarant Control Period”

shall mean the period of Declarant control of the Condominium Association described in Section 7.3 below.

1.20. “Developmental Rights”

shall mean the exercise of any of the rights set forth in Article 6 hereof, and the exercise of any other right reserved by Declarant pursuant to this Condominium Declaration.

1.21. “Eligible Mortgagee”

shall mean and refer to a First Mortgagee that has requested notice of certain matters from the Condominium Association in accordance with Section 20.1 of this Condominium Declaration.

1.22. “Garage(s)”

shall mean the Building or Buildings without Units and containing private parking garages for use by those Units as designated on the Plat.

1.23. “Garage Assessments”

shall mean the assessments levied by the Condominium Association against the Owners of Units with appurtenant Limited Common Areas and Facilities located in the Garages to pay the Garage Expenses.

1.24. “Garage Expenses”

shall mean all expenses of the administration, maintenance, repair, or replacement of the Garages, all premiums for insurance obtained by the Management Committee for the Garages, and all other expenses denominated as Garage Expenses by the Management Committee or this Condominium Declaration or by the Act, which are assessed by the Management Committee against the Owners of Units with appurtenant Limited Common Areas and Facilities located in the Garages.

1.25. "Limited Common Areas and Facilities"

shall mean a portion of the Common Areas and Facilities designated by the Condominium Declaration or the Act, and as may be shown on the Plat, for the exclusive use of one or more, but fewer than all, of the Units.

1.26. "Management Committee"

shall mean the Board of Directors of the Condominium Association, appointed or elected in accordance with this Condominium Declaration and the Bylaws.

1.27. "Master Declaration"

shall mean and refer to that certain Master Declaration of Covenants, Conditions, Easements and Restrictions for Powder Mountain, and all amendments, modifications and supplements thereto as more particularly described in Recital C above.

1.28. "Mortgage"

shall mean any mortgage, deed of trust or other security instrument by which a Unit or any part thereof or interest therein is encumbered. A "First Mortgage" is a Mortgage having priority as to all other Mortgages encumbering a Unit.

1.29. "Mortgagee"

shall mean any person or entity named as the mortgagee or beneficiary under any Mortgage by which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage. A "First Mortgagee" shall mean any person or entity holding a First Mortgage including any insurer or guarantor of a First Mortgage.

1.30. "Owner"

shall mean any person or entity, including Declarant, at any time owning a Unit within the Project, or any portion thereof or interest therein. The term "Owner" shall not refer to any Mortgagee, unless such Mortgagee has acquired title for other than security purposes.

1.31. "Parking Space(s)"

shall mean those enclosed parking areas within the Buildings designated as Limited Common Areas and Facilities on the Plat. There are or will be two (2) Parking Spaces in each of the Garages, and two (2) Parking Spaces in each of the Buildings comprising Units 1-8. In each of the Buildings comprising Units 1-8 one of the Parking Spaces in the Building shall be designated as Limited Common Area appurtenant to such Unit, and the other Parking Space will be designated as Limited Common Area appurtenant to a Unit that does not include a Parking Space within its boundaries, as designated on the Plat. The Parking Spaces shall not include any structural components of the Buildings, but shall only include the unfinished interior surfaces of the perimeter walls, ceilings, and floors.

1.32. “Project”

shall mean the Property, the Units, the Common Areas and Facilities and all improvements submitted by this Condominium Declaration to the provisions of the Act.

1.33. “Property”

shall mean that certain real property situated in the County of Weber, State of Utah, more particularly described on the attached Exhibit A, on which the Units and other improvements are located.

1.34. “Regular Common Assessments”

shall mean the annual assessments levied by the Condominium Association to pay the budgeted Common Expenses.

1.35. “Special Assessments”

shall mean assessments which the Condominium Association may levy from time to time, in addition to the Regular Common Assessments, for unexpected Common Expenses or other purposes as provided herein.

1.36. “Square Feet” or “Square Footage”

shall mean the gross square feet of ground or floor space within each Unit, as calculated by Declarant in its sole and exclusive discretion, as set forth in the Plat and Exhibit B hereto. Because this Condominium Declaration and the Plat are prepared and recorded prior to construction of the Project, based on the architectural plans and specifications for the Project, there will likely be differences in Square Footage between the Plat and the as-built Project. The Square Footage shall be determined as Declarant shall exclusively assign and as measured and unilaterally calculated by Declarant during the Declarant Control Period; and, thereafter if necessary, by the Management Committee on a consistent basis, as set forth in the Plat and Exhibit B hereto. Certain spaces within the Units including, without limitation, attics and other areas may, but need not, be omitted from the calculation or be partially discounted by the use of a ratio, so long as the same basis of calculation is employed for all Units in the Project. The calculation of square footage as contained in this Condominium Declaration and as shown on the Plat is final and binding upon all Owners irrespective of any later measurement of such square footages, unless otherwise determined by Declarant in its sole discretion.

1.37. “Supplemental Plat”

shall mean any amendment to the Plat made in accordance with this Condominium Declaration and the Act.

1.38. “Total Votes of the Association”

shall mean the total number of votes appertaining to all Units, as described in Section 12.1 hereof.

1.39. “Unit”

shall mean and refer to an individual portion of the Project designated as a Unit on the Plat and designed for separate ownership and occupancy.

1.40. “Unit Number”

shall mean the number, letter or combination of numbers and letters that identifies only one Unit in the Project.

ARTICLE 2

DESCRIPTION OF THE IMPROVEMENTS AND SUBMISSION TO THE ACT

2.1. Improvements

. The initial improvements will consist of twenty-two freestanding Buildings; two of the Buildings shall be Garages, and twenty of the Buildings shall be Units. The Buildings will be of wood frame construction. The roofs will be flat, with fire-resistant shake shingles. Exteriors will be of natural stone and wood siding. The Buildings containing Units will be supplied with telephone, cable television, electricity, natural gas, water, and sewer service.

2.2. Submission to the Act

. Declarant hereby submits the Property, the Buildings and all other improvements thereon to the provisions of the Act. All of the Project is and shall be held, conveyed, hypothecated, encumbered, leased, subleased, rented, used and improved as a residential condominium project. All of the Project is and shall be subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of the Project and in furtherance of a plan for improvement of the Project and division thereof into Units; further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, the successors and assigns of the Declarant, and any person acquiring, leasing, subleasing or owning an interest in the real property and improvements comprising the Project, their assigns, lessees, sublessees, heirs, executors, administrators, devisees and successors. In addition to the foregoing, each and all of the provisions of the Master Declaration, including any assessment provisions thereof, shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, the successors and assigns of the Declarant, and any person acquiring, leasing, subleasing or owning an interest in the real property and improvements comprising the Project, their assigns, lessees, sublessees, heirs, executors, administrators, devisees and successors.

ARTICLE 3

DESCRIPTION OF UNITS

3.1. Unit Boundaries

. The boundary lines of each Unit are as set forth on the Plat and consist of the entirety of the structure comprising such Unit, including all foundations, walls, ceilings, floors, roof, doors, and windows thereof. A Unit shall include any heating and refrigerating elements or related

equipment, utility lines and outlets, electrical and plumbing fixtures, pipes, and all other related equipment required to provide heating, air-conditioning, hot and cold water, electrical, or other utility services to the Unit. A Unit shall not include the Parking Spaces within the Building designated as Limited Common Areas and Facilities. All Parking Spaces shall be used exclusively for storage and for parking vehicles, and shall not be utilized for, or converted to, habitable space. The Plat and/or Exhibit B hereto contain the Unit Number of each Unit in the Project.

3.2. As Constructed

. Notwithstanding the description of Units described in Section 3.1 above, for the purposes of interpreting this Condominium Declaration and the Plat, the boundaries of all Units constructed in substantial accordance with the Plat and this Condominium Declaration shall be conclusively presumed to be the actual as-built structures rather than the description and depiction of the Units set forth on the Plat, regardless of the settling or lateral movement of the Units and Buildings and regardless of minor variances between boundaries shown on the Plat and the constructed boundaries of the Units or Buildings. It is acknowledged that the Plat is prepared from the architectural drawings of the Project, prior to construction, and that there will be variances between the boundaries and other features shown on the Plat and the actual construction of the Project.

ARTICLE 4

DESCRIPTION AND OWNERSHIP OF COMMON AREAS AND FACILITIES

4.1. Description of the Common Areas

. The Common Areas and Facilities shall mean and include the Property on which all Units are located and all portions of the Project not included as part of any Unit, including, but not by way of limitation: the Garages; the yards, sidewalks, walkways, paths, ski runs, trails, grass, shrubbery, trees, planters, driveways, roadways, landscaping, gardens and related facilities upon the Property; and, in general, all other parts of the Project designated by Declarant as Common Areas and Facilities and existing for the use of one or more of the Owners. In the event of a conflict between this Condominium Declaration and the Plat, the provisions of the Condominium Declaration shall control.

4.2. Calculation of Undivided Interest

. The undivided interest in the Common Areas and Facilities appurtenant to each Unit in the Project shall be allocated equally among each Unit in the Project. The undivided interest in the Common Areas and Facilities appurtenant to each Unit shall be a fraction, the numerator of which is one and the denominator of which is the total number of Units in the Project, set forth in Exhibit B attached hereto. Alternatively, such fraction may be expressed as a decimal number or percentage. Except as otherwise provided in this Condominium Declaration, the undivided interest appurtenant to each Unit shall have a permanent character and shall not be altered without the unanimous consent of all of the Owners expressed in a duly recorded Amendment. The sum of the undivided interests in the Common Areas and Facilities allocated to all Units shall at all times equal one hundred percent (100%). Declarant is authorized to round the

undivided interest of one or more Units in order to cause the total to equal one hundred percent (100%).

ARTICLE 5

DESCRIPTION OF LIMITED COMMON AREAS AND FACILITIES

5.1. Description

. Limited Common Areas and Facilities means those parts of the Common Areas and Facilities which are limited to and reserved for the use of the Owners of one or more, but fewer than all, of the Units. Without limiting the foregoing, the Limited Common Areas and Facilities shall include the Parking Spaces; any balcony, deck, patio, entryway, or porch adjacent to a Unit; individual water and sewer service lines, and any plumbing or other installation servicing a Unit, including, but not limited to, all such items designated as Limited Common Areas and Facilities on the Plat or as provided for by the Act. Any deck, balcony, patio, entryway, or fireplace chimney which is accessible from, associated with, and which adjoins a particular Unit, without further reference thereto, shall be used in connection with such Unit to the exclusion of the use thereof by the other Owners, except by invitation. Notwithstanding the foregoing, each Parking Space, including any driveway and entrance or access thereto, shall be for the exclusive use of the Unit as designated on the Plat, which Unit may not necessarily adjoin such Parking Space. No reference thereto need be made in any instrument of conveyance, encumbrance, or other instrument.

5.2. Use

. The use and occupancy of designated Limited Common Areas and Facilities shall be reserved to specific Units as shown on the Plat or as specified in this Condominium Declaration. Control of the Limited Common Areas and Facilities shall include maintenance, upkeep, repair, refurbishment, design and appearance, and the right to establish rules for use by licensees or invitees of such Limited Common Areas and Facilities.

5.3. Reallocation

. Owners may not reallocate Limited Common Areas and Facilities between or among Units in which they have an interest. Notwithstanding the foregoing, Declarant hereby reserves the right and grants to the Condominium Association the right to reallocate Limited Common Areas and Facilities to the fullest extent permitted under the Act.

ARTICLE 6

OPTION TO CONTRACT

Declarant hereby reserves the unilateral and exclusive option, pursuant to Section 57-8-13.8 of the Act, to withdraw land from the Project (the "Option to Contract") without the prior consent of the Owners, Mortgagees, Management Committee or any other Person having any right or interest in all or any portion of the Project. Each Option to Contract may be exercised at any time prior to the expiration of seven (7) years from the date of recording of this Condominium Declaration. The terms and conditions of the Option to Contract shall be as follows:

6.1. Withdrawable Land

. The real property subject to this Option to Contract consists of all of the Property, sometimes hereinafter referred to as the "Withdrawable Land," being more particularly described in Exhibit A. Accordingly, there is no land to which the Option to Contract does not apply.

6.2. Exercise of the Option to Contract

. The Option to Contract may be exercised as to the entire parcel described in Section 6.1 above, or to any portion thereof, and in any order and at different times.

6.3. Effectiveness of Withdrawal

. A withdrawal of the Withdrawable Land from the Project shall be deemed to have occurred at the time of the recordation of an Amendment to this Condominium Declaration and a Supplemental Plat (if necessary or required), executed by Declarant, containing the legal description of the Withdrawable Land being withdrawn, or any portion thereof. After the recording of such Amendment to this Condominium Declaration reflecting Declarant's exercise of the Option to Contract, or any part thereof, title to each such portion of the Withdrawable Land shall be vested in and held by Declarant and none of the Owners, Mortgagees, the Management Committee nor any other Person having any right or interest in all or any portion of the Project prior to or subsequent to withdrawing all or portions of the Withdrawable Land shall have any claim or title to or interest in such Withdrawable Land. Any withdrawn land may be utilized by Declarant for any lawful purpose in Declarant's sole and exclusive discretion, and shall no longer be subject to this Condominium Declaration.

6.4. Undivided Interest

. The undivided ownership interest in the Common Areas and Facilities, the corresponding responsibility for Common Assessments and the votes for all Units in the Project shall be changed at the time Declarant records an Amendment to this Condominium Declaration and Supplemental Plat (if necessary or required) reflecting Declarant's exercise of the Option to Contract in accordance with the provisions set forth in this Article 6. Said changes in ownership interest and votes, as calculated in accordance with Section 4.2 above, shall be reflected in an amended Exhibit B to this Condominium Declaration to be recorded as part of the Amendment. It is contemplated that there may be multiple Amendments filed by Declarant and such Amendments are hereby expressly authorized.

6.5. Third Party Units

. Declarant shall have no right to withdraw Units which have been conveyed to a third-party purchaser other than an affiliate of Declarant. Notwithstanding the foregoing, Declarant has the right to withdraw any Unit owned by Declarant or an affiliate of Declarant.

6.6. Reservation of Easements over Project

. If all or part of the Withdrawable Land is withdrawn from the Project, the owner(s) of the Withdrawable Land, including Declarant, shall have an easement over and across the Project

for vehicular, pedestrian and construction access to and from such Withdrawable Land, for utilities, and for such other purposes as Declarant or such other owner of the Withdrawable Land may deem necessary or desirable in order to develop and use such Withdrawable Land; and Declarant shall have the right to execute and record separate easement agreements to evidence the aforesaid easements over the Project and may unilaterally amend this Condominium Declaration to include reference to the recorded easement(s) as authorized by Article 15 below. Unilateral preparation and recordation by Declarant of an easement pursuant to this Section 6.6 shall conclusively determine the existence, location and extent of the easements that are necessary or desirable as contemplated by this Section 6.6.

ARTICLE 7

CERTAIN ADDITIONAL DEVELOPMENTAL RIGHTS

The following additional Developmental Rights are hereby granted or reserved by Declarant:

7.1. Completion of Improvements

. Declarant hereby reserves an easement throughout the Project for a period of twenty (20) years from the recording of this Condominium Declaration for the purpose of completing all improvements contemplated by the Condominium Declaration and the Plat.

7.2. Offices and Signs

. Declarant hereby reserves the right to maintain sales offices, management offices, signs advertising the Project and models in any of the Units which it owns or leases or on the Common Areas and Facilities of the Project for a period of twenty (20) years from the recording of this Condominium Declaration. Declarant may relocate sales offices, management offices and models to other Units or Common Areas and Facilities at any time. Declarant may maintain an unlimited number of sales offices or model units in the size and locations at the Project as it shall determine in its sole and exclusive discretion. All signage shall comply with the County regulations as they may be amended from time to time. Declarant shall have the right to show Units and the Common Areas and Facilities to prospective purchasers and to arrange for the use of parking, the Common Areas and Facilities, and other portions of the Project by prospective purchasers.

7.3. Declarant Control Period

. There is hereby established a Declarant Control Period, during which period Declarant or persons designated by it shall have the authority to appoint and remove the Condominium Association officers and members of the Management Committee. The Declarant Control Period shall terminate no later than the earlier of:

7.3.1. three (3) years after the first Unit is conveyed to an Owner; or

7.3.2. after Units to which three-fourths (3/4) of the undivided interest in the Common Areas and Facilities appertain have been conveyed to Owners; or

7.3.3. the surrender by Declarant of such right by written notice to the Management Committee.

7.4. Amendment of Condominium Plat

. Declarant may unilaterally amend the Plat at such time as the Buildings are constructed in the event there are material changes in the Buildings or Unit boundaries or elevations as constructed, as determined by Declarant in its sole and exclusive discretion. Such an Amendment to the Plat is not required, but is expressly authorized and may be undertaken by Declarant without the joinder or consent of any other Owners.

7.5. No Actions Adverse to Developmental Rights

. The Association, the Management Committee, or any Owner may not take any action or adopt any rule or regulation that interferes or diminishes any Developmental Rights hereunder, without Declarant's prior written consent. Any action taken in violation of this Section 7.5 shall be null and void and have no force or effect

ARTICLE 8 NATURE AND INCIDENTS OF UNIT OWNERSHIP

8.1. Nature of Units

. Each Unit is and shall hereafter be a parcel of real property which may be separately held, conveyed, devised, mortgaged, encumbered, leased, rented, used, occupied, improved and otherwise affected in accordance with the provisions of this Condominium Declaration.

8.2. Use of Property

. Subject to the limitations contained in this Condominium Declaration, and subject to any rules and regulations adopted by the Declarant or the Condominium Association, each Owner shall have the non-exclusive right to use and enjoy the Common Areas and Facilities and the exclusive right to occupy and use his or her Unit and any Limited Common Areas and Facilities designated for exclusive use by such Owner or all Owners.

8.3. Alteration of Units

. Each Owner shall have the exclusive right to maintain and repair all of a Unit, including the right to paint, repaint, tile, wax, paper, carpet or otherwise decorate the interior and exterior surfaces of the walls, ceilings, floors and doors forming the boundaries of such Owner's Unit and the surfaces of all walls, ceilings, floors and doors within such boundaries; provided, however, any modification (including without limitation re-painting and re-staining) of the exterior of any Unit shall be subject to architectural control provisions described in Section 10.2, below. Each Owner shall keep the interior of his or her Unit, including without limitation, interior walls, windows, ceilings, floors and permanent fixtures and appurtenances thereto, in a sanitary condition and in a good state of repair. In the event that any such Unit should develop an unsanitary condition or fall into a state of disrepair and in the event that the Owner of such Unit should fail to correct such condition or state of disrepair promptly following written notice

from the Management Committee, the Management Committee shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to enter said Unit and correct or eliminate said unsanitary condition or state of disrepair. Owners may not subdivide their Units.

8.4. Right of Entry

. The Management Committee shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to enter into any Unit for the purpose of maintenance, repairs, including emergency repairs, and for the purpose of abating a nuisance, or a known or suspected dangerous or unlawful activity.

8.5. Transient Rental

. Nothing in this Declaration shall limit the rights of Declarant or any other Owner to operate the Unit(s) owned by it for transient rental purposes. In accordance with Section 57-8-10(9)(h) of the Act, the Condominium Association shall not restrict or prohibit rentals of Units within the Project unless an Amendment to this Condominium Declaration is unanimously approved by all Owners (100% of the Total Votes of the Association), including Declarant, in accordance with the amendment procedures set forth in this Condominium Declaration.

8.6. Rules Governing Use

. The Condominium Association shall have the power to establish specific rules and regulations governing the use of decks, balconies, Parking Spaces, and Garages, in addition to the Common Areas and Facilities.

ARTICLE 9 TITLE TO UNITS

9.1. Manner in Which Title May Be Held

. Title to a Unit within the Project may be held or owned by any person or entity and in any manner in which title to any other real property may be held or owned in the State of Utah.

9.2. Title Inseparable

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

9.3. No Partition

. The Common Areas and Facilities shall be owned in common by all of the Owners, and no Owner may bring any action for partition or division of any part thereof.

9.4. Right to Mortgage

. Each Owner shall have the right to encumber his or her interest in a Unit with a Mortgage. However, no Owner shall attempt to or shall have the right to encumber the Common Areas and Facilities or any part thereof except the undivided interest therein appurtenant to his or her interest in a Unit. Any Mortgage of any Unit within the Project shall be subordinate to all of the provisions of this Condominium Declaration, and in the event of foreclosure the provisions of this Condominium Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure, or otherwise.

9.5. Labor and Services; Indemnification

. No labor performed or services or materials furnished with the consent or at the request of an Owner may be the basis for the filing of a lien against the Unit of any other Owner, or against any part thereof, or against any other property of any other Owner (including interest in any portion of the Common Areas and Facilities) unless the other Owner expressly consented to or requested the performance of such labor or furnishing of such services. Express consent shall be deemed to have been given by the Owner in the case of emergency repairs thereto. Labor performed or services or materials furnished for the Common Areas and Facilities, if authorized by the Condominium Association and provided for in this Condominium Declaration, shall be deemed to be performed or furnished with the express consent of each Owner and may be the basis for the filing of a lien against each of the Units. In the event a lien against two or more Units or any part thereof becomes effective, the Owner may remove his or her Unit from the lien by payment to the holder of the lien of the fraction of the total sums secured by such lien which is attributable to his or her Unit. Each Owner shall indemnify and hold harmless each of the other Owners and the Condominium Association from and against any liability or loss arising from the claim of any mechanic's lien for labor performed or for materials furnished in work on such Owner's Unit against the Unit of another Owner or against the Common Areas and Facilities, or any part thereof.

9.6. Enforcement by Condominium Association

. At its own initiative or upon the written request of any Owner (if the Condominium Association determines that further action by the Association is proper), the Condominium Association shall enforce the indemnity provided by the provisions of Section 9.5 above by collecting from the Owner of the Unit on which the labor was performed or materials furnished the amount necessary to discharge by bond or otherwise any such mechanic's lien, including all costs and reasonable attorneys' fees incidental to the lien, and obtain a release of such lien. In the event that the Owner of the Unit on which the labor was performed or materials furnished refuses or fails to so indemnify within seven (7) days after the Condominium Association shall have given notice to such Owner of the total amount of the claim, or any portions thereof from time to time, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section 9.6, and such amount to be indemnified shall automatically become a

default Assessment determined and levied against such Unit, and enforceable by the Condominium Association in accordance with Article 13 below.

9.7. Legal Description of Units

. Every contract for the sale of a Unit, and every other instrument affecting title to a Unit within the Project, may describe a Unit by the name of the Project, the recording date for this Condominium Declaration, the County wherein the Project is located and its Unit Number as indicated in this Condominium Declaration or as shown on the Plat. Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Areas and Facilities, and to incorporate all the rights incident to ownership of a Unit within the Project and all of the limitations on such ownership as described in this Condominium Declaration.

9.8. Notice of Ownership and Address

. Any person, on becoming an Owner, will furnish the Secretary of the Condominium Association with a photocopy of the recorded deed or other instrument or such other evidence as may be specified by the Management Committee under the bylaws or the Condominium Association rules, vesting the person with the interest required to make him or her an Owner. At the same time, the Owner will provide the Condominium Association with the single name and address to which the Condominium Association will send any notices given pursuant to the governing documents of the Project. The Owner will state in such notice the voting interest in the Condominium Association to which the Owner believes he is entitled and the basis for that determination. In the event of any change in the facts reported in the original written notice, including any change of ownership, the Owner will give a new written notice to the Condominium Association containing all of the information required to be covered in the original notice. The Condominium Association will keep and preserve the most recent written notice received by the Condominium Association with respect to each Owner.

ARTICLE 10
RESTRICTIONS ON USE

10.1. Restrictions of Use of Units and Common Areas and Facilities

. The Units and Common Areas and Facilities, including but not limited to the Limited Common Areas and Facilities, except as otherwise permitted in writing by the Management Committee, shall be used in accordance with the following restrictions:

10.1.1. No Unit shall be used for commercial purposes; provided, however, that nothing in this Section 10.1.1 shall prevent Declarant or an affiliated entity or a duly authorized agent from using any Unit owned or leased by Declarant as sales offices and model Units or a property management office as provided in Section 7.2 hereof, or any Owner, including Declarant, or his or her duly authorized agent from renting or assigning the use of his or her Unit from time to time.

10.1.2. No noxious, offensive or illegal activity shall be carried on in or upon any part of the Project nor shall anything be done on or placed in or upon any part of the

Project which is or may become a nuisance or may cause unreasonable embarrassment, disturbance or annoyance to Owners.

10.1.3. No activities shall be conducted, or improvements constructed, in or upon any part of the Project which are or may become unsafe or hazardous to any person or property.

10.1.4. No signs, flags or advertising devices of any nature including, without limitation, political, informational or directional signs or devices, shall be erected or maintained on any part of the Project, except (i) as may be necessary temporarily to caution or warn of danger, (ii) as required by law, (iii) for Unit identification signs, provided the size, color, content and location of such signs have been approved in writing by the Management Committee, and (iv) as may be used by Declarant as part of its sales program.

10.1.5. The Master Declaration and Community Rules (as defined in the Master Declaration) include provisions governing the kind and number of pets that may be kept by an Owner. All such provisions shall be binding upon the Project and all Owners, occupants and guests. In addition, the rules and regulations of the Association may further regulate the kind and number of such pets from time to time.

10.1.6. The draperies, shades and other interior window coverings in Units shall present a uniform appearance from the outside of the Units. All draperies, shades or other interior window coverings shall be installed only with the prior written approval of the Management Committee. The Management Committee shall have the right to establish rules requiring window coverings to present a uniform appearance from the exterior of Units.

10.1.7. No Unit or portion thereof may be further divided or subdivided (either physically or legally) or a fractional portion thereof sold or conveyed so as to be held in divided ownership as more fully described in Section 10.3 below (as opposed to community property, tenancy in common, or other form of joint undivided ownership). In the event of any conflict, the provisions of Section 10.3 shall control.

10.1.8. No Owner shall make or permit to be made any exterior alteration, improvement or addition in or to any Unit without the approval of the Architectural Review Committee (as described and defined in the Master Declaration). No Owner shall do any act that would impair the structural soundness or integrity of any Building or the safety of property, impair any easement or hereditament appurtenant to the Project, or make or permit to be made any alteration, improvement or addition to the Common Areas and Facilities (including Limited Common Areas and Facilities).

10.1.9. There shall be no obstruction of the Common Areas and Facilities by any Owner. Owners shall neither store nor leave any of their property in the Common Areas and Facilities, other than Limited Common Areas and Facilities appurtenant to their Unit, except with the prior consent of the Management Committee.

10.1.10. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would result in cancellation of the insurance on the Project or any part thereof, nor shall anything be done or kept in any Unit which would increase the rate of insurance on the Project or any part thereof over what the Condominium Association but for such activity, would pay, without the prior written consent of the Management Committee. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would be in violation of any statute or rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas and Facilities or any part thereof shall be committed by any Owner or guest, lessee, licensee or invitee of any Owner, and each Owner shall indemnify and hold the Condominium Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or her or his or her guests, lessees, licensees or invitees.

10.1.11. No Owner shall violate the rules and regulations for the use of Units and Common Areas and Facilities as adopted from time to time by Declarant or the Management Committee.

10.1.12. Any lease agreement between an Owner and a lessee respecting a Unit shall be subject in all respects to the provisions of this Condominium Declaration, the Articles and Bylaws, and any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All such lease agreements shall be in writing. Other than the foregoing, there is no restriction on the right of any Owner to lease or rent his or her Unit. An Owner shall be responsible and liable for any damage to the Project caused by his, her or its tenants.

10.2. Architectural Control

Except for those improvements initially installed by Declarant in constructing the Project, all improvements (whether temporary or permanent), alterations, repairs, excavation, grading, landscaping or other work which in any way alters the exterior appearance of any Unit are subject to the prior written approval of the Architectural Review Committee. No changes or deviations in or from the plans and specifications once approved by the Architectural Review Committee shall be made without the prior written approval of the Architectural Review Committee. No exterior or structural addition to or change or alteration to a Unit or the Common Areas and Facilities or Limited Common Areas and Facilities (including the construction of any additional skylight, window, awning or door) shall be made until the plans and specifications showing the nature, kind, shape, height, color, materials, and location of the same shall have been submitted to and approved in writing by the Architectural Review Committee as to harmony of external design and location in relation to surrounding structures and topography. The alterations and changes described in this Section 10.2 shall also be in compliance with and have received any other approvals required by the Master Declaration and any applicable zoning and other laws, rules and regulations.

10.3. Prohibition on Fractional Ownership

No Unit, or portion thereof, shall be used for the operation of or developed as a Fractional Program.

10.3.1. For purposes of this Condominium Declaration, "Fractional Program" specifically means:

10.3.1.1. Any and all use and occupancy arrangements falling within the definition of "timeshare interests" under the Utah Timeshare and Camp Resort Act (Utah Code Ann. §§ 57-19-1, et seq.);

10.3.1.2. Units used for the operation of a timesharing, fractional ownership, interval ownership, private residence club or similar program whereby the right to exclusive use of the Unit rotates among participants in the program, regardless of whether such program utilizes a fixed or floating schedule, a first come-first served reservation system or any other arrangement;

10.3.1.3. Units used for the operation of a reservation or time-use system among co-owners of a Unit, regardless of whether or not any co-owner may later opt out of such system and regardless of whether the reservation or time-use system is recorded or unrecorded, fixed or floating, if one or more of the following conditions exist: (i) the ownership interest in such Unit is marketed for sale to the public subject to such system; or (ii) the co-owners are or were required as a condition of purchase of the ownership interest in such Unit to subject the interest to a pre-determined reservation or time-use system among co-Owners; or

10.3.1.4. Units used in the marketing, offering or selling of any club membership interest, limited liability company interest, limited partnership interest, program interest or other interest whereby the interest-holder acquires a right to participate in a reservation or time-use system among the interest-holders, or among the interest-holders and others, involving the Unit, or involving the Unit and other alternate or substitute properties, regardless of whether such interest is equity or non-equity, regardless of whether or not any interest-holder may later opt out of such system and regardless of whether the reservation or time-use system is recorded or unrecorded, fixed or floating.

10.3.2. Notwithstanding the foregoing, a Fractional Program does not include: ownership of a Unit by a family trust so long as all beneficiaries of the trust are closely related family members; ownership of a Unit by an entity where all members, partners, or shareholders of such entity are closely related family members; or ownership of a Unit by an entity where there are four (4) or fewer members, partners, or shareholders of such entity who are not closely related family members. For purposes herein, "closely related family members" refer to an individual's spouse, children, grandchildren, parents, grandparents, and siblings, whether by blood, marriage, or adoption.

10.3.3. The prohibition in this Section 10.3 shall not apply to Master Developer (as defined in the Master Declaration) or the Declarant. Master Developer

and/or Declarant may create a Fractional Program in any Units owned by Master Developer, Declarant, or their successors or assigns in accordance with the Master Declaration.

10.4. Submission to Master Declaration

. All of the Project is and shall be subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth in the Master Declaration, each and all of which are declared and agreed to be for the benefit of the Project; further, each and all of the provisions of the Master Declaration, shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, the successors and assigns of said Declarant, and any person acquiring, leasing, subleasing or owning an interest in the Project, their assigns, lessees, sublessees, heirs, executors, administrators, devisees and successors. Each Owner, by accepting a deed to a Unit, recognizes that (a) the Project is subject to the Master Declaration, and (b) the Condominium Association shall be a member of the Community Association on behalf of each Owner. Each Owner, by accepting a deed to a Unit, acknowledges that he has received a copy of the Master Declaration. The Owner agrees to perform all of his or her obligations under the Master Declaration as they may from time to time exist, including, but not limited to, the obligation to pay assessments as required under the Master Declaration and other governing documents of the Community Association.

10.5. Cooperation with Community Association

. The Condominium Association may contract or cooperate with the Community Association or with other homeowners' associations or entities within the Community as convenient or necessary to provide services and privileges, such as access to recreational and transportation facilities in the Community, and to fairly allocate costs among the parties utilizing such services and privileges which may be administered by the Condominium Association or such other organizations, for the benefit of Owners and their family members, guests, tenants and invitees. The costs associated with such efforts by the Condominium Association (to the extent not chargeable to other organizations) shall be a Common Expense.

10.6. Enforcement of Master Declaration

. The Condominium Association shall have the power, subject to the primary power of the Board of Directors of the Community Association, to enforce the covenants and restrictions contained in the Master Declaration, but only as said covenants and restrictions relate to the Project, and to collect regular, special, and default assessments on behalf of the Community Association.

10.7. Condominium Association Rules

. All Owners are given notice that use of their Units and the Common Areas and Facilities is limited by the rules and regulations of the Condominium Association as modified from time to time. By acceptance of a deed, each Owner acknowledges and agrees that the use and enjoyment and marketability of the Owner's Unit can be affected by this provision and that the rules and regulations may change from time to time.

10.8. No Implied Use Rights

. No interest in or right to use any amenity located on or near the Project, such as spas, club facilities, ski facilities or the like, shall be conveyed to an Owner pursuant to this Condominium Declaration. The owners of nearby facilities shall have the right, in their sole discretion, to remove, relocate, discontinue operation, restrict access to, charge fees for the use of, sell interests in or otherwise deal with such assets in their sole discretion without regard to any prior use of or benefit to any residents of the Project.

ARTICLE 11 CONDOMINIUM ASSOCIATION AND MANAGEMENT COMMITTEE

11.1. Membership in Condominium Association

. The persons or entities who are at the time of reference Owners shall, together with all other Owners, be members of the Condominium Association, the characteristics and nature of which are determined by the Act, the Condominium Declaration, the Bylaws, the Articles and other applicable Utah law.

11.2. Membership in Community Association

. The Condominium Association shall be a member of the Community Association for each Unit. Each Owner hereby waives its right to vote and otherwise directly participate in the Community Association, and acknowledges that the Management Committee shall exercise all rights as a member of the Community Association for each Unit. The Management Committee shall also receive all notices from the Community Association on behalf of all Owners.

11.3. Management Committee

. The management and maintenance of the Project and the administration of the affairs of the Condominium Association shall be conducted by a Management Committee consisting of not less than three (3) nor more than five (5) natural persons as provided in the Bylaws. The Management Committee shall be elected as provided in this Condominium Declaration and in the Bylaws.

11.4. Powers of Management Committee

. Except as otherwise provided herein, the Management Committee shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the Act, the Utah Revised Nonprofit Corporation Act, Utah Code Ann. §§ 16-6a-101 *et seq.* ("Nonprofit Act"), this Condominium Declaration and the Bylaws, including but not limited to the following:

11.4.1. To make and enforce all rules and regulations covering the operation and maintenance of the Project and the Units.

11.4.2. To engage the services of the Common Area Manager, accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefor.

11.4.3. To operate, maintain, repair, improve and replace the Common Areas and Facilities, including the Garages.

11.4.4. To determine and pay the Common Expenses and Garage Expenses.

11.4.5. To assess and collect the proportionate share of Common Expenses from the Owners, as provided in Article 13 hereinafter.

11.4.6. To assess and collect the proportionate share of Garage Expenses from the Owners of Units with appurtenant Limited Common Areas and Facilities located in the Garages.

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

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

11.4.9. To purchase, hold, sell, convey, mortgage or lease any one or more Units in the name of the Condominium Association or its designee.

11.4.10. To bring, prosecute and settle litigation for itself, the Condominium Association and the Project, provided that it shall make no settlement which results in a liability against the Management Committee, the Condominium Association or the Project in excess of \$100,000 (as measured in year 2013 dollars and thereafter adjusted by the Cost of Living Index) without the prior approval of a majority of the Total Votes of the Condominium Association at a meeting or by written ballot distributed to Owners by mail; provided, any settlement which would be paid from proceeds of insurance which may be settled by the Condominium Association's insurance carrier and which in either case results in no actual liability of funds of the Condominium Association in excess of \$100,000 shall not require Condominium Association approval.

11.4.11. To obtain insurance for the Condominium Association with respect to the Units and the Common Areas and Facilities, including without limitation the Garages, as well as worker's compensation insurance.

11.4.12. To repair or restore the Project 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 Project from the provisions of the Act.

11.4.13. To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Owners, items of personal property necessary to or convenient to the management of the business and affairs of the Condominium Association and the Management Committee and to the operation of the Project, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies.

11.4.14. To borrow money for the purpose of improving the Common Areas and Facilities in a manner designed to promote the enjoyment and welfare of the Owners.

11.4.15. To pledge, hypothecate or otherwise encumber current or future Assessments for any purpose permitted under this Condominium Declaration.

11.4.16. To keep adequate books and records and implement the policies and procedures for the inspection of the books and records of the Project by Owners in accordance with the terms of the Bylaws. Such books and records shall include detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Areas and Facilities, specifying and itemizing the maintenance and repair expenses of the Common Areas and Facilities and any other expenses incurred. The Condominium Association or the Management Committee shall make available to the Owners, Mortgagees and the holders, insurers and guarantors of the First Mortgage on any Unit current copies of this Condominium Declaration, the Articles, Bylaws and other rules governing the Project and other books, records and financial statements of the Condominium Association. "Available" shall mean available for inspection, no later than fourteen (14) days after written request, during normal business hours or under other reasonable circumstances.

11.4.17. To do all other acts necessary for the operation and maintenance of the Project, including the maintenance and repair of any Unit if the same is necessary to protect or preserve the Project.

11.4.18. To prepare, adopt, amend and disseminate budgets and other information from time to time in accordance with the terms of the Bylaws.

11.4.19. To grant easements and rights-of-way over the Common Areas and Facilities and to approve signage for the Project.

11.4.20. The Management Committee may convey or subject to a Mortgage all or portions of the Common Areas and Facilities of the Project if Owners entitled to cast a majority of the Total Votes of the Association agree to that action at a meeting or by written ballot distributed to Owners by mail, electronic mail or other means of written communication. Any such agreement shall comply with all other applicable provisions of the Act.

11.5. Limitation on Liability of Management Committee

. Members of the Management Committee, the officers and any assistant officers, agents and employees of the Condominium Association shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Condominium Association in their capacity as such; shall have no personal liability in tort to any Owner or any person or entity, direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or bad faith, nor for acts performed for them in their capacity as such; and shall have no personal liability arising out of the use,

misuse or condition of the Project, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

11.6. Indemnification of Management Committee

. When a member of the Management Committee is sued for liability for actions undertaken in his or her role as a member of the Management Committee, the Condominium Association shall, subject to the provisions of the Nonprofit Act, indemnify him or her for his or her losses or claims, and undertake all costs of defense, until and unless it is proven that he or she acted with willful misconduct, intent to inflict harm on the Condominium Association or an Owner, or with gross negligence. After such proof the Condominium Association is no longer liable for the cost of defense, and may recover costs already expended from the member of the Management Committee who so acted. Members of the Management Committee are not personally liable to the victims of crimes occurring at the Project. Punitive damages may not be recovered against the Condominium Association, but may be recovered from individual Owners, their guests and invitees whose activity gave rise to the damages.

11.7. No Sale of Property

. Neither the Management Committee nor the Common Area Manager shall sell any property of the Condominium Association except as permitted by the Act and Section 11.4.20 of this Condominium Declaration.

11.8. Common Area Manager

. The Condominium Association acting through the Management Committee may enter into a contract with a Common Area Manager for the management of the Project consistent with the limitations and grant of authority of Section 11.4 hereof. The Common Area Manager so engaged shall be responsible for managing the Project for the benefit of the Condominium Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Condominium Association, be authorized to perform any of the functions or acts required to be performed by the Condominium Association itself.

11.9. Providing Payoff Information; Written Statement

. The Management Committee may charge a reasonable fee for providing Condominium Association payoff information needed in connection with the closing of an Owner's financing, refinancing or sale of a Unit. Such fee shall not exceed the maximum amount (if any) set forth in the Act. The Management Committee must provide payoff information within five (5) business days after the closing agent for a transaction requests such information. Such request shall include all information required by the Act and be delivered in accordance with the requirements set forth in the Act. Even when not needed in connection with the closing of an Owner's financing, refinancing or sale of a Unit, an Owner may request in writing a written statement from the Management Committee indicating any unpaid Assessments with respect to the Owner's Unit. The Condominium Association may charge the Owner requesting the statement a fee not to exceed the maximum amount (if any) set forth in the Act.

11.10. Registration with the Department of Commerce

. The Condominium Association shall register with the Department of Commerce within ninety (90) days of the recordation of this Condominium Declaration. Within ninety (90) days after a change of any information provided in the Condominium Association's registration with the Utah Department of Commerce, the Management Committee shall submit an updated registration in the manner established by the Utah Department of Commerce and the Act.

11.11. Working Capital Contribution

. In addition to certain other amounts due to the Condominium Association and Declarant at the time of closing of the sale of a Unit, each Owner other than the Declarant hereby agrees and acknowledges that he, she or it shall pay to the Condominium Association a non-refundable working capital contribution ("Capital Contribution") at the time he, she or it acquires a Unit as a contribution to the Condominium Association's working capital fund in accordance with the following provisions:

11.11.1. The purpose of the Capital Contribution is to ensure that the Condominium Association will have cash available for the operation of the Project. The working capital funds for the Project may, but shall not be required to, be maintained in a segregated account for the use and benefit of the Condominium Association. Each Owner's Capital Contribution amount shall be a sum equal to three (3) monthly installments of the annual Assessments for its Unit. Each Owner's Capital Contribution shall be collected and transferred to the Condominium Association at the time of the closing of the sale of that Unit. Interest on such Capital Contribution shall accrue to the benefit of the Condominium Association. Each Owner's obligation to pay the Capital Contribution shall be enforceable in the same manner as payment of Assessments and shall be secured by the Assessment lien. The Capital Contribution shall not be considered advance payment of any regular Assessment.

11.11.2. Upon the conveyance of a Unit in connection with any sale of a Unit, the purchaser, as the new Owner, must pay at closing a Capital Contribution in accordance with the provisions of Section 11.11.1 above.

ARTICLE 12 VOTING

12.1. Voting Rights

. At any meeting of the Condominium Association, each Owner of a Unit, including Declarant, either in person or by proxy, shall be entitled to vote the number of votes appurtenant to each respective Unit as set forth in Exhibit B. The voting rights appurtenant to each Unit shall vest upon execution and recording of this Condominium Declaration.

12.2. Permanent Character

. The number of votes appurtenant to each Unit shall have a permanent character, and, except as otherwise permitted and provided for in this Condominium Declaration, shall not be altered without the unanimous consent of all Owners expressed in a duly recorded Amendment.

ARTICLE 13
ASSESSMENT OF UNITS BY THE CONDOMINIUM ASSOCIATION

13.1. Levying Assessments

. The making and collection of Common Assessments by the Condominium Association from Owners of Units for their share of Common Expenses, and Garage Assessment from Owners of Units with appurtenant Limited Common Areas and Facilities located in the Garages for their share of Garage Expenses, shall be pursuant to the Bylaws and subject to the following provisions:

13.1.1. Liability for Common Expenses

. Each Owner, including Declarant, for each Unit which it owns, shall be liable for a proportionate share of the Common Expenses, such share being the same as the ownership interest in the Common Areas and Facilities appurtenant to the Unit owned by him or her. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for capital reserve expenses. Such combined expenses shall constitute the Common Expenses, and the funds received from Common Assessments under this Article 13 shall be the Common Expense Fund. Common Assessments shall include Regular Common Assessments, Special Assessments and any other assessments levied by the Condominium Association, except for the Garage Assessments. Until the Condominium Association makes an assessment for Common Expenses, the Declarant shall pay all Common Expenses. After an assessment has been made by the Condominium Association, Regular Common Assessments must be made at least annually, based on a budget adopted at least annually by the Condominium Association in accordance with the provisions of this Condominium Declaration and the Bylaws. Regular Common Assessments shall be levied against each separate Unit, and shall commence as to each Unit in the Project on the first day of the month following issuance of a temporary or permanent certificate of occupancy for the Unit or any other document evidencing that the Unit is physically habitable or ready for occupancy, whether subject to conditions or otherwise, is issued by the appropriate authority.

13.1.2. Declarant Subsidy

. To the extent permitted by law, Declarant may pay the Condominium Association an amount less than its proportionate share of Common Expenses or other permitted Common Assessments for which it owes, provided Declarant has executed a subsidy agreement requiring Declarant to pay monies which are sufficient, together with the Common Assessments paid by all other Owners, to enable the Condominium Association to timely pay all of the Common Expenses. Any subsidy agreement shall require Declarant to pay its full proportionate share of all reserves for replacement and capital improvements assessed against the Units that it owns.

13.1.3. Limit on Regular Common Assessments

. The Condominium Association may not impose a Regular Common Assessment per Unit which is more than twenty-five percent (25%) greater than the previous year's

Regular Common Assessment, without first obtaining the affirmative vote of Owners, cast at a meeting of the Condominium Association at which a quorum is present. The Condominium Association shall provide notice, by first class mail to all Owners, of any change in the Regular Common Assessments not less than thirty (30) nor more than sixty (60) days prior to the date the increased Regular Common Assessment is due.

13.1.4. Special Assessments

. In addition to the Regular Common Assessments, the Condominium Association may levy in any calendar year, Special Assessments applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon any Common Areas and Facilities, including the necessary fixtures and personal property related thereto, and other costs, expenses of operation or shortfalls in the collection of Common Assessments from the Owners. However, in any fiscal year, except as otherwise provided in this Condominium Declaration, the Management Committee shall not, without the affirmative vote of Owners, cast at a meeting at which a quorum is present, levy Special Assessments which in the aggregate exceed twenty percent (20%) of the budgeted gross expenses of the Condominium Association for that fiscal year. The portion of any Special Assessment levied against a particular Unit shall be equal to the percentage of undivided interest in the Common Areas and Facilities appurtenant to such Unit. These provisions with respect to the imposition or allocation of Special Assessments shall not apply when the special assessment against an Owner is a remedy utilized by the Management Committee to reimburse the Condominium Association for costs incurred in bringing the Owner and/or his or her Unit into compliance with the provisions of this Condominium Declaration, the Bylaws, rules and regulations of the Condominium Association, or any other governing instrument for the Project. The Management Committee shall provide notice by first class mail to all Owners of any Special Assessments not less than thirty (30) nor more than sixty (60) days prior to the date such Assessment is due.

13.1.5. Garage Assessments

. Each Owner of a Unit with appurtenant Limited Common Areas and Facilities located in a Garage shall be liable for a share of the Garage Expenses. The Garage Expenses for each Garage shall be equally divided between the Units with appurtenant Parking Spaces located in such Garage. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for capital reserve expenses. Until the Condominium Association makes an assessment for Garage Expenses, the Declarant shall pay all Garage Expenses. After an assessment has been made by the Condominium Association, Garage Assessments must be made at least annually, based on a budget adopted at least annually by the Condominium Association in accordance with the provisions of this Condominium Declaration and the Bylaws. Garage Assessments shall be levied against each applicable Unit, and shall commence as to each Unit in the Project on the first day of the month following issuance of a temporary or permanent certificate of occupancy for the appurtenant Garage.

13.1.6. Interest; Late Fees

. All Common Assessments and Garage Assessments shall be due as determined pursuant to the Bylaws. Common Assessments and Garage Assessments and any installments thereof not paid on or before ten (10) days after the date when due shall bear interest at the rate of eighteen percent (18%) per annum, or at such lower rate of interest as may be set by the Management Committee, from the date when due until paid. Furthermore, Owners who do not pay their Common Assessments or Garage Assessments when due shall be subject to a reasonable late fee, established by the Management Committee from time to time. All payments of Common Assessments and Garage Assessments shall be first applied to accrued interest and late fees, costs of collection, and then to the Common Assessment or Garage Assessment payment first due. All Common Assessments to pay a judgment against the Condominium Association may be made only against the Units in the Project at the time the judgment was entered, in proportion to their share of Common Expenses. If any Common Expense or Garage Expense is caused by the misconduct of any Owner, the Condominium Association may assess that expense exclusively against such Owner's Unit(s). If the Owners' percentage interests in the Common Areas and Facilities are reallocated, assessments for Common Expenses and any installment thereof not yet due must be recalculated in accordance with the reallocated percentage interests of the Owners.

13.1.7. Lien for Assessments

. There shall be a lien upon the applicable Unit for all unpaid Common Assessments and Garage Assessments, together with late fees, interest and costs (including attorneys' fees) charged pursuant to the Condominium Declaration and the Act. The lien for unpaid Common Assessments or Garage Assessments and related charges shall be effective upon recordation in the Office of the Weber County Recorder of a written notice of lien by the Management Committee or the Common Area Manager. The written notice of lien shall set forth the amount of the Common Assessment or Garage Assessment, the date(s) due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. No notice of lien shall be recorded until there is a delinquency in payment of the Common Assessment or Garage Assessment. Such lien may be enforced by sale or foreclosure by the Management Committee or Common Area Manager conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law including specifically, but without limitation, the method recognized under the laws of the State of Utah for the enforcement of a mechanics lien which has been established in accordance with the provisions of Chapter 1, Title 38, Utah Code Annotated, as amended from time to time.

13.1.8. Foreclosure

. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Condominium Association any Common Assessments or Garage

Assessments against the Unit which shall become due during the period of foreclosure, together with interest and late fees as set forth herein, and all such Common Assessments and Garage Assessments shall be secured by the lien being foreclosed. In furtherance of such foreclosure rights, the Condominium Association may bring an action at law against the Owner personally obligated to pay the same or the Condominium Association may foreclose the lien in accordance with the provisions of the Act. The Declarant, Association and each Owner hereby convey and warrant pursuant to Utah Code Annotated Sections 57-1-20 and 57-8-45 to GT Title Services, with power of sale, the Units and all improvements to the Units for the purpose of securing payment of assessments under the terms of this Condominium Declaration. Provided, however, the Association reserves the right to substitute and appoint a successor trustee as provided for in Title 57, Chapter 1, Utah Code Annotated. Each Owner hereby conveys all of its right, title and interest in its Unit to such trustee, in trust, with a power of sale, for the sole purpose of securing each Owner's obligations under the Condominium Declaration, including but not limited to the obligation to pay all Common Assessments and Garage Assessments. The Condominium Association may, through the Common Area Manager or other duly authorized agent, bid on the Unit at any foreclosure sale and acquire, hold, lease, mortgage and convey the same.

13.1.9. Priority of Lien

. The lien of the Condominium Association shall be superior (prior) to all other liens and encumbrances except liens and encumbrances recorded before recordation of this Condominium Declaration, a First Mortgage on a Unit as provided for in Section 20.3 hereof and assessments, liens and charges in favor of the state or any political subdivision thereof, for taxes and other governmental assessments or charges past due and unpaid on the Unit. The lien procedures described herein do not prohibit actions to recover sums for which the Act creates a lien or prohibit the Condominium Association from taking a deed in lieu of foreclosure.

13.1.10. Nonjudicial Foreclosure. At least thirty (30) calendar days before initiating a nonjudicial foreclosure, the Condominium Association shall provide notice ("Foreclosure Notice") to the Owner that is the intended subject of the nonjudicial foreclosure. The Foreclosure Notice shall: (i) notify the Owner that the Condominium Association intends to pursue nonjudicial foreclosure with respect to the Owner's Unit to enforce the Condominium Association's lien for unpaid assessments; (ii) notify the Owner of the Owner's right to demand judicial foreclosure in the place of nonjudicial foreclosure; (iii) be sent to the Owner by certified mail, return receipt requested and be included with other Condominium Association correspondence to the Owner; and (iv) be in substantially the following form:

**NOTICE OF NONJUDICIAL FORECLOSURE
AND RIGHT TO DEMAND JUDICIAL
FORECLOSURE**

The Village Nests at Powder Mountain Association,
Inc., a Utah corporation (the "Association"), the

association for the project in which your unit is located, intends to foreclose upon your unit and allocated interest in the common areas and facilities using a procedure that will not require it to file a lawsuit or involve a court. This procedure is being followed in order to enforce the Association's lien against your unit and to collect the amount of an unpaid assessment against your unit, together with any applicable late fees and the costs, including attorney fees, associated with the foreclosure proceeding. Alternatively, you have the right to demand that a foreclosure of your property be conducted in a lawsuit with the oversight of a judge. If you make this demand and the Association prevails in the lawsuit, the costs and attorney fees associated with the lawsuit will likely be significantly higher than if a lawsuit were not required, and you may be responsible for paying those costs and attorney fees. If you want to make this demand, you must state in writing that 'I demand a judicial foreclosure proceeding upon my unit,' or words substantially to that effect. You must send this written demand by first class and certified U.S. mail, return receipt requested, within 15 days after the date of the postmark on the envelope in which this notice was mailed to you. The address to which you must mail your demand is _____ (insert the address of the Association for receipt of a demand).

13.1.11. Demand for Judicial Foreclosure. The Condominium Association may not use a nonjudicial foreclosure to enforce a lien if an Owner mails the Condominium Association a written demand for judicial foreclosure: (i) by U.S. mail, certified with a return receipt requested; (ii) to the address stated in the Foreclosure Notice; and (iii) within 15 days after the date of the postmark on the envelope of the Foreclosure Notice.

13.1.12. Liability upon Conveyance

. In a voluntary conveyance of a Unit, the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his or her Common Assessments or Garage Assessments up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee. The Management Committee, upon written request, shall furnish to an Owner a statement setting forth the amount of unpaid assessments against the Unit. This statement shall be furnished within ten (10) business days after receipt of the request and upon payment of a reasonable fee (not to exceed the maximum amount (if any) allowed by the Act) and is binding on the Condominium Association, the

Management Committee, the Common Area Manager and every Owner, in favor of all who rely on such statement in good faith. The grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth in the statement furnished under this Section 13.1.10.

13.1.13. Action to Recover

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

13.1.14. Lien Unaffected

. The lien to secure unpaid assessments shall not be affected by the sale or transfer of the Unit unless foreclosure by a First Mortgagee is involved in which case any First Mortgagee who obtains title to a Unit pursuant to the remedies in the Mortgage or through foreclosure will not be liable for Common Assessments or Garage Assessments or charges accrued before the acquisition of the title to the Unit by the First Mortgagee, but such acquisition shall not relieve any Owner from paying further assessments.

13.2. Capital Improvements

. The Condominium Association through the Management Committee shall include in the Common Assessments or Garage Assessments, as applicable, amounts representing sums to be used for the replacement of or additions to capital items or improvements in the Project, including the Garages. Said amounts shall be dedicated for the uses provided in this Section 13.2. Upon the transfer of a Unit, the capital reserves previously paid by the transferring Owner shall remain the property of the Condominium Association, for the use and benefit of the Condominium Association in making future repairs, replacements, improvements and capital additions to the Project. In utilizing such reserves, there shall be no single improvement exceeding the sum of One Hundred Thousand Dollars (\$100,000) (as measured in year 2013 dollars and thereafter adjusted by the Cost of Living Index) made by the Management Committee without the same having been first voted on and approved by the majority of the votes of those present in person or by proxy at a meeting of the Condominium Association duly called for that purpose or otherwise so approved without a meeting, or approved by the two applicable Unit Owners for the use of reserves for improvements to a Garage. The foregoing shall not apply in connection with damage or destruction referred to in Article 17 hereof or to such structural alterations or capital additions or capital improvements to the Common Areas and

Facilities as are necessary in the Management Committee's reasonable judgment to preserve or maintain the integrity of the Common Areas and Facilities.

13.3. Reserves

13.3.1. Use of Reserve Funds. The Management Committee shall not expend funds designated as reserves for any purpose other than the repair, restoration, replacement or maintenance of major components of the Common Areas and Facilities for which the Condominium Association is responsible and for which the reserve fund was established or for litigation involving such matters. Furthermore, the Association shall not use money in a reserve fund for daily maintenance expenses, unless a majority of the Total Votes of the Association consent and vote to approve the use of the reserve fund money for that purpose. Upon the approval of a majority of the Total Votes of the Association, the Management Committee may authorize the temporary transfer of money from the reserve account to the Condominium Association's operating account from time to time to meet short term cash flow requirements and pay other expenses. Any such funds so transferred shall constitute a debt of the Condominium Association, and shall be restored and returned to the reserve account within three (3) years of the date of the initial transfer; provided, however, the Management Committee may, upon making a documented finding that a delay in the restoration of such funds to the reserve account would be in the best interests of the Project and Condominium Association, delay such restoration until the time it reasonably determines to be necessary. The Management Committee shall exercise prudent fiscal management in the timing of restoring any transferred funds to the reserve account and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limit specified above. Any such Special Assessment shall not be subject to the limitations set forth in Section 13.1.4 hereof.

13.3.2. Reserve Analysis. At least once every six (6) years the Management Committee shall cause a reserve analysis to be conducted of the reserve account of the Association and its adequacy to satisfy anticipated future expenditure requirements. The Management Committee shall, thereafter, review the reserve analysis at least every three (3) years and shall consider and implement necessary adjustments to reserve account requirements and funding as a result of that review. Any reserve analysis shall include, at a minimum:

13.3.2.1. Identification of the major components which the Condominium Association is obligated to repair, replace, restore or maintain which, as of the date of the analysis, have a useful life of less than thirty (30) years.

13.3.2.2. Identification of the probable remaining useful life of the components identified in Section 13.3.2 above, as of the date of the study.

13.3.2.3. An estimate of the cost of repair, replacement, restoration or maintenance of each major component identified in Section 13.3.2 above, during and at the end of its useful life.

13.3.2.4. An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore or maintain each major component during and at the end of its useful life, after subtracting total reserve funds as of the date of the study.

13.3.2.5. A reserve funding plan that recommends how the Association may fund the annual contribution described in Section 13.3.2.4 above.

13.3.3. Providing Reserve Analysis to Owners. Each year the Association shall provide a summary of the most recent reserve analysis, including any updates, to each Owner. Owners may receive a complete copy of the reserve analysis upon a request submitted to the Board.

13.3.4. Reserve Fund Line Item. The Association's budget shall include a reserve fund line item as determined by the Management Committee, based on the reserve analysis and the amount the Management Committee determines is prudent under the circumstances. Within forty five (45) days after the day on which the Association adopts its budget, the Owners may veto the reserve fund line item by the vote of fifty one percent (51%) of the Total Votes of the Association at a special meeting called by the Owners for the purpose of voting whether to veto the reserve fund line item. If the Owners veto a reserve fund line item and a reserve fund line item exists in a previously approved budget of the Association that was not vetoed, the Association shall fund the reserve account in accordance with that prior reserve fund line item.

13.4. Leased Units

. If an Owner fails to pay Assessments and other amounts due under this Condominium Declaration for a period of more than sixty (60) days after such amounts are due and payable, the Condominium Association may require a Tenant (defined below) under a Lease (defined below) with an Owner to pay the Condominium Association all future Lease payments due to the Owner beginning with the next monthly or periodic payment due from the Tenant and until the Condominium Association is paid the Amount Owning (defined below). Notices and collection of payments shall comply with the following provisions, provided, however, that if the requirements under the Act are less restrictive, the Condominium Association need only comply with the requirements thereunder. As used in this Section "Amount Owning" means the total of any assessment or obligation under this Condominium Declaration that is due and owing together with any applicable interest, late fee, and cost of collection; "Lease" means an arrangement under which a Tenant occupies a Unit, including nightly rentals, in exchange for the Owner and/or such Owner's rental or other property manager, receiving a consideration or benefit, including a fee, service, gratuity, or other compensation; and "Tenant" means a person, other than the Owner, who has exclusive occupancy of an Owner's Unit whether on a nightly rental or other basis, provided, however, if an Owner has contracted with a rental or other

property manager to rent such Owner's Unit, the manager shall be considered the Tenant for purposes of this Section 13.4.

13.4.1. Landlord Notice. Before requiring a Tenant to pay Lease payments to the Condominium Association, the Common Area Manager or Management Committee shall give the Owner notice ("Notice to Landlord"), in accordance with this Condominium Declaration. The Notice to Landlord shall state: (i) the amount of the assessment due, including any interest, late fee, collection cost, and attorney fees; (ii) that any costs of collection, including attorney fees, and other assessments that become due may be added to the total amount due and be paid through the collection of Lease payments; and (iii) that the Condominium Association intends to demand payment of future Lease payments from the Owner's Tenant if the Owner does not pay the Amount Owing within fifteen (15) days.

13.4.2. Tenant Notice. If an Owner fails to pay the Amount Owing within fifteen (15) days after the applicable Common Area Manager or Management Committee gives the Notice to Landlord, the Common Area Manager or Management Committee may exercise the Condominium Association's rights to collect Lease payments by delivering written notice ("Notice to Tenant") to the Tenant. The Notice to Tenant shall state that: (i) due to the Owner's failure to pay an assessment within the required time, the Common Area Manager or the Management Committee has notified the Owner of the Condominium Association's intent to collect all Lease payments until the Amount Owing is paid; (ii) the law requires the Tenant to make all future Lease payments, beginning with the next monthly or other periodic payment, to the Condominium Association, until the Amount Owing is paid; and (iii) the Tenant's payment of Lease payments to the Condominium Association does not constitute a default under the terms of the Lease with the Owner. The Common Area Manager or Management Committee shall mail a copy of the Notice to Tenant to the Owner.

13.4.3. Lease Payments. A Tenant to whom the Notice to Tenant has been given shall pay to the Condominium Association all future Lease payments as they become due and owing to the Owner: (i) beginning with the next monthly or other periodic payment after the Notice to Tenant is delivered to the Tenant; and (ii) until the Condominium Association notifies the Tenant that the Amount Owing is paid. An Owner shall credit each payment that the Tenant makes to the Condominium Association under this Section against any obligation that the Tenant owes to the Owner as though the Tenant made the payment to the Owner. An Owner may not initiate a suit or other action against a Tenant for failure to make a Lease payment that the Tenant pays to the Condominium Association as required under this Section. Within five (5) business days after the Amount Owing is paid, the Common Area Manager or Management Committee shall notify the Tenant in writing (and mail a copy thereof to the Owner) that the Tenant is no longer required to pay future Lease payments to the Condominium Association. For any Unit subject to a nightly rental contract, the amount paid to the Association pursuant to this Section 13.4.3 shall be the amount that would otherwise be paid to the Owner.

13.4.4. Separate Account. The Condominium Association shall deposit money paid to the Condominium Association under this Section 13.4 in a separate

account and disburse that money to the Condominium Association until the Amount Owing is paid and any cost of administration, not to exceed the maximum amount set forth in the Act (if any) is paid. The Condominium Association shall, within five (5) business days after the Amount Owing is paid, pay to the Owner any remaining balance.

13.5. Termination of Delinquent Owner's Rights

. The Management Committee may terminate a Delinquent Owner's (defined below) right to receive a utility service for which the Owner pays as a Common Expense or Garage Expense and may also terminate the right of access to and use of recreational facilities at the Project (collectively, the "Owner's Rights"). Before terminating an Owner's Rights, the Common Area Manager or the Management Committee shall give the Delinquent Owner notice ("Notice of Delinquency") of such termination. The Notice of Delinquency shall state: (i) that the Condominium Association will terminate any of the Owner's Rights, if the Condominium Association does not receive payment of the assessment owed to the Condominium Association within fourteen (14) days after the Delinquent Owner receives the Notice of Delinquency; (ii) the amount of the assessment due, including any interest or late payment fee; and (iii) the Owner's right to request a hearing. A Delinquent Owner may submit a written request to the Management Committee for an informal hearing to dispute the assessment. Such request shall be submitted within fourteen (14) days after the date the Delinquent Owner receives the Notice of Delinquency. The Management Committee shall conduct the informal hearing in accordance with the standards provided in the Bylaws. If a Delinquent Owner requests a hearing, the Condominium Association may not terminate the Owner's Rights until after the Management Committee conducts the hearing and enters a final decision. If the Condominium Association terminates an Owner's Rights, the Condominium Association shall take immediate action to reinstate the service or right following the Owner's payment of the assessment, including any interest, late payment fee or other charges. The Condominium Association may assess an Owner for the cost associated with reinstating a utility service that the Condominium Association terminates and demand that the estimated cost to reinstate the utility service be paid before the service is reinstated, if the estimated cost is included in the Notice of Delinquency. As used in this Section, "Delinquent Owner" means an Owner who fails to pay an assessment or other amounts owed to the Condominium Association when due.

ARTICLE 14 MAINTENANCE, ALTERATION AND IMPROVEMENT

14.1. Maintenance of Common Areas and Facilities

. The maintenance, replacement and repair of the Common Areas and Facilities shall be the responsibility of the Condominium Association, and the cost thereof shall be a Common Expense. All incidental damages caused to a Unit by the maintenance, replacement and repairs of the Common Areas and Facilities or utility services shall be repaired promptly and the cost thereof charged to the Condominium Association as a Common Expense. The maintenance, replacement and repair of the Garages shall be the responsibility of the Condominium Association, and the cost thereof shall be a Garage Expense. Notwithstanding the foregoing, maintenance of the Parking Spaces shall be the responsibility of the Owner of the Unit to which each Parking Space is appurtenant.

14.2. No Liability for Latent Defects

. NOTWITHSTANDING THE DUTY OF THE CONDOMINIUM ASSOCIATION TO MAINTAIN AND REPAIR PORTIONS OF THE PROJECT, AND EXCEPT TO THE EXTENT COVERED BY CONDOMINIUM ASSOCIATION INSURANCE AS DESCRIBED IN ARTICLE 16, THE CONDOMINIUM ASSOCIATION SHALL NOT BE LIABLE TO OWNERS FOR INJURY OR DAMAGE, OTHER THAN FOR THE COST OF MAINTENANCE AND REPAIR, CAUSED BY ANY LATENT CONDITION OF THOSE PORTIONS OF THE PROJECT TO BE MAINTAINED AND REPAIRED BY THE CONDOMINIUM ASSOCIATION, OR CAUSED BY THE ELEMENTS OR OTHER OWNERS OR PERSONS.

14.3. Right of Entry

. Some of the Common Areas and Facilities are or may be located within the Units or may be conveniently accessible only through the Units. The Condominium Association, its agents and contractors, shall have the irrevocable right to have access to each Unit and to all Common Areas and Facilities from time to time during such reasonable hours as may be necessary for the cleaning, repair or replacement of any Common Areas and Facilities or for making any emergency repairs at any time and when necessary to prevent damage to the Common Areas and Facilities or to any Unit. The Condominium Association shall also have the irrevocable right to have access to any Unit when necessary in connection with any cleaning, maintenance, repair, replacement, painting, landscaping, construction or reconstruction for which the Condominium Association is responsible or for the purpose of abating a nuisance or a known or suspected dangerous or unlawful condition. Following advance written notice to the Unit Owner, such entry shall be made at reasonable times and in a manner that that does not disrupt the operations or use of such Unit and with as little inconvenience to the Owners as is practicable under the circumstances and any damage caused thereby shall be repaired by the Condominium Association.

14.4. Owner's Obligation to Maintain Units

. Notwithstanding anything in this Condominium Declaration to the contrary, the Owner at the Owner's expense shall maintain and keep in repair such Owner's Unit, including the structure, foundation, and roof of the Building in which the Unit is located. All fixtures, equipment, and utilities installed and included in a Unit serving only that Unit, commencing at a point where the fixtures, equipment and utilities enter the Unit, shall be maintained and kept in repair by the Owner of that Unit. An Owner shall not allow any action or work that will impair the structural soundness of the improvements, impair the proper functioning of the utilities, heating, ventilation, or plumbing systems or integrity of any Building, or impair any easement or hereditament. Any alterations to the exterior of the Unit shall be approved by the Architectural Review Committee in accordance with the Master Declaration. Notwithstanding anything to the contrary in this Condominium Declaration, an Owner at its sole cost and expense, shall have the obligation to maintain and keep in repair all appurtenant Limited Common Areas and Facilities, including, without limitation, decks, patios, balconies, and Parking Spaces. No Owner shall alter any Common Areas and Facilities or Limited Common Areas and Facilities without the prior written consent of the Condominium Association.

14.5. Failure to Maintain

. In the event that portions of a Unit or other improvements are not properly maintained and repaired, and if the maintenance responsibility for the unmaintained improvement lies with the Owner of the Unit, or in the event that such improvements are damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction, then the Management Committee, on behalf of the Condominium Association, after written notice to the Owner and the expiration of a thirty (30) day cure period, shall have the right to enter upon the Unit to perform such work as is reasonably required to restore the Unit and other improvements to a condition of good order and repair; provided, however, if such repair and reconstruction due to an event of casualty cannot be reasonably performed within such thirty (30) day cure period, the Owner shall have such time as reasonably required to perform such repair and reconstruction so long as the work has been commenced within such cure period and is diligently pursued to completion. All costs incurred by the Condominium Association in connection with the restoration shall be reimbursed to the Condominium Association by the Owner of the Unit, upon demand. All unreimbursed costs shall be a lien upon the Unit until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid assessment levied in accordance with Article 13 of this Condominium Declaration.

14.6. Prohibition on Liens

. No labor performed or materials furnished for use and incorporated in any Unit with the consent of or at the request of the Owner of the Unit or the Owner's agent, contractor or subcontractor shall be the basis for the filing of a lien against a Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Areas and Facilities except as to the undivided interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed or such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners and the Condominium Association from and against any liability or loss arising from the claim of any mechanic's lien for labor performed or for materials furnished in work on such Owner's Unit against the Unit of another Owner or against the Common Areas and Facilities, or any part thereof.

14.7. Release of Liens

. At its own initiative or upon the written request of any Owner (if the Condominium Association determines that further action by the Condominium Association is proper), the Condominium Association shall enforce the indemnity provided by the provisions of Section 14.6 above by collecting from the Owner of the Unit on which the labor was performed or materials furnished the amount necessary to discharge by bond or otherwise any such mechanic's lien, including all costs and reasonable attorneys' fees incidental to the lien, and obtain a release of such lien. In the event that the Owner of the Unit on which the labor was performed or materials furnished refuses or fails to so indemnify within seven (7) days after the Condominium Association shall have given written notice to such Owner of the total amount of the claim, or any portions thereof from time to time, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section 14.7, and such amount to be indemnified shall

automatically become a default assessment determined and levied against such Unit, and enforceable by the Condominium Association in accordance with Article 13 below.

ARTICLE 15 EASEMENTS

15.1. Encroachment on Units

. If any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas and Facilities, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such easements shall extend for whatever period the encroachment exists. Such encroachments shall not be considered to be encumbrances either on the Common Areas and Facilities or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any improvement constructed or to be constructed within the Project, by error in the Plat, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

15.2. Easement for Buildings

. It is contemplated that Declarant or another party may construct additional Buildings which may encroach upon portions of the Common Areas and Facilities, and Declarant shall also have an easement over, across and within the Common Areas and Facilities for such purposes.

15.3. Easement over Common Areas and Facilities

. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas and Facilities as necessary for access to his or her Unit and to any Limited Common Areas and Facilities appurtenant to his or her Unit, and shall have the right to the horizontal, vertical and lateral support of his or her Unit.

15.4. Condominium Association Easement

. The Condominium Association shall have an easement to make such use of the Common Areas and Facilities as may be necessary or convenient to perform the duties and functions that each is obligated or permitted to perform pursuant to this Condominium Declaration, including, without limitation, the right to construct and maintain in the Common Areas and Facilities for use by the Owners and the Condominium Association.

15.5. Construction Easement

. The Declarant shall have a temporary construction easement over the Common Areas and Facilities for the purpose of doing all things that are reasonably necessary as a part of constructing the Project including all future Buildings and other physical improvements as well as Common Areas and Facilities. The Owners do hereby acknowledge and agree that there will be construction activities, traffic, noise, dust, odors and vibrations which may temporarily disrupt

their quiet enjoyment of their Units and the Common Areas and Facilities appurtenant thereto, and such Owners do hereby waive any right to object to such construction activity. Declarant's construction activities pursuant to the easement granted hereunder shall not be deemed to be a violation of the restrictions set forth in Article 10 hereof.

15.6. Easement for Infrastructure

. Declarant, for itself and its successors and assigns, including Owners, retains and hereby grants to the Condominium Association a right and easement in and about the Buildings for the construction and installation of any duct work, additional plumbing, or other additional services or utilities in the Common Areas and Facilities in connection with the improvement or alteration of any Unit, including the right of access to such areas of the Common Areas and Facilities as is reasonably necessary to accomplish such improvements. In the event of a dispute among Owners with respect to the scope of the easement reserved in this Section 15.6, the decision of the Management Committee shall be final.

15.7. Grant Implied

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

15.8. Communication and Data Facilities

. Declarant reserves a non-exclusive easement for itself and its assignees to construct, operate, maintain, repair and replace all types of communication and data facilities within the Project. Declarant further reserves a right of access to such facilities over, across, and through all other Common Areas and Facilities of the Project in order to access the facilities to exercise the rights established herein. Declarant may transfer by easement, license agreement or other conveyance the rights reserved hereunder to one or more communication or data services providers. Declarant may exercise all of the rights under this Section 15.8 without the consent of any Owner, Mortgagee or the Condominium Association. The Condominium Association, on behalf of all Owners, agrees to execute such further and additional instruments as may be requested by Declarant documenting the rights hereunder, in form satisfactory to the Declarant, and any assignee of its rights hereunder.

15.9. Utility Easement

. There is hereby created a general easement upon, across, over, in, and under all of the Property for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electricity, data, and other communication systems. By virtue of this easement, it shall be expressly permissible and proper for the companies providing electrical, telephone, data transmission, and other communication services to erect and maintain the necessary equipment on or beneath the Property and to affix and maintain electrical, communications, and telephone wires, circuits, and conduits under the Property. Any utility company using this general easement shall use its best efforts to install and maintain the utilities provided without unduly disturbing the uses of the Owners, the Condominium Association, and Declarant; shall prosecute its installation and maintenance

activities as promptly as reasonably possible; and shall restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by the general easement request a specific easement by separate recordable document, Declarant or the Management Committee shall have, and are hereby given, the right and authority to grant such easement upon, across, over, or under any part or all of the Property without conflicting with the terms hereof. The easements provided for in this Section 15.9 shall in no way affect, avoid, extinguish, or modify any other recorded easement on the Property. Notwithstanding the foregoing grant of blanket utility easements, Declarant reserves the right to record an instrument which narrows and limits such grant of utility easement to the normal easement width of the utility in those specific areas of the Project which actually contain the utility facilities as described in such instrument and for the purposes described therein. Such reserved right is subject to the utility companies' rights then located under the real property depicted on the Plat.

15.10. Public Safety Easement

. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

15.11. Streets, Parking and Facilities

. Declarant reserves (a) the right to enter into agreements for access to and use of roads and streets serving the Property; and (b) the right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair maintenance or regulation of parking or recreational facilities, which may or may not be a part of the Property for the benefit of the Owners, or the Condominium Association. By acceptance of a deed to a Unit, each Owner agrees and acknowledges that certain roads serving the Property and providing access to an Owner's Unit may be owned by Declarant or the Community Association.

15.12. Private Trails

. There may be one or more private trail access areas shown on the Plat, or constructed but not shown on the Plat, over certain portions of the Common Areas and Facilities that may be used for summer and winter access to trails, ski runs and other adjacent recreational areas (the "Private Trail Access Area"). All Owners and their guests, as well as owners and guests of units in the Community shall have easement rights over the Private Trail Access Area. Declarant reserves the right to grant additional access easement rights over the Private Trail Access Area to other third parties as Declarant deems appropriate in Declarant's sole discretion. Declarant also reserves the right to grant the easement rights described in this Section 15.12 by specific conveyance.

ARTICLE 16 INSURANCE

16.1. Insurance Policies

. The Condominium Association shall at all times, to the extent reasonably available, maintain in force insurance meeting the following:

16.1.1. Blanket Insurance

. A “master” or “blanket” type policy of property insurance shall be maintained covering the entire Project, including: Common Areas and Facilities; Limited Common Areas and Facilities; all Buildings including all Units; fixtures, machinery, building service equipment, personal property and supplies comprising a part of the Common Areas and Facilities or owned by the Condominium Association, but excluding items normally not covered by such policies. References herein to a “master” or “blanket” type policy of property insurance are intended to denote single entity insurance coverage. As a minimum, such “master” or “blanket” policy shall afford protection against all risks of direct physical loss commonly insured against, including fire and extended coverage perils, and by all other perils which are customarily covered with respect to projects similar to the Project in construction, location, and use, including, without limitation, all perils normally covered by the standard “all risk” endorsement, where such endorsement is available. Such “master” or “blanket” policy shall be in an amount not less than one hundred percent (100%) of the full replacement cost of the insured property at the time the insurance is purchased and at each renewal date, excluding items normally excluded from property insurance policies.

16.1.2. General Liability Insurance

. The Condominium Association shall maintain in force, and pay the premium for a policy providing comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, Building structure and exteriors, public ways in the Project, all other areas of the Project that are under the Condominium Association’s supervision, and any commercial spaces owned by the Condominium Association, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in amounts generally required by private institutional mortgage investors for projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least Three Million Dollars (\$3,000,000) for bodily injury, including deaths of persons, and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Common Areas and Facilities, Building structure and exteriors, and legal liability arising out of lawsuits related to employment contracts of the Condominium Association. Additional coverages under such policy shall include protection against such other risks as are customarily covered with respect to projects similar to the Project in construction, location, and use, including but not limited to (where economically feasible and if available), bailee’s liability, elevator collision liability, garage keeper’s liability, host liquor liability, contractual and all-written contract insurance, workers’ compensation and employer’s liability insurance, and comprehensive automobile liability insurance. If such policy does not include “severability of interest” in its terms, the policy shall include a special endorsement to preclude an insurer’s denial of any Owner’s claim because of negligent acts of the Condominium Association or any

other Owner. Such policy shall provide that it may not be canceled or substantially modified, by any party, without at least thirty (30) days' prior written notice to the Condominium Association and to each First Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.

16.1.3. Fidelity Bonds

. The Condominium Association shall at all times maintain in force and pay the premiums for "blanket" fidelity bonds for all officers, members, employees of the Condominium Association and for all other persons handling or responsible for funds of or administered by the Condominium Association whether or not that individual receives compensation for services. Furthermore, where the Condominium Association has delegated some or all of the responsibility for the handling of funds to the Common Area Manager, the Common Area Manager shall provide "blanket" fidelity bonds, with coverage identical to such bonds required of the Condominium Association, for the Common Area Manager's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Condominium Association. In addition, the Common Area Manager shall, within a reasonable time period, submit evidence to the Condominium Association that he or she has secured such fidelity insurance. The total amount of fidelity bond coverage required shall be based upon the Condominium Association's best business judgment and shall not be less than the estimated maximum amount of funds, including reserve funds, in the custody of the Condominium Association, or the Common Area Manager, as the case may be, at any given time during the term of each bond.

16.2. Endorsements

16.2.1. Replacement Endorsements. If the Management Committee deems such advisable, the insurance policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (1) a Guaranteed Replacement Cost Endorsement (under which the insurer agrees to replace the insurable property regardless of the cost) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance); or (2) a Replacement Cost Endorsement (under which the insurer agrees to pay up to one hundred percent (100%) of the property's insurable replacement cost but no more) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance).

16.2.2. Required Endorsements. Each policy required to be maintained by Section 16.1 shall contain the standard mortgage clause, or equivalent endorsement (without contribution), commonly accepted by private institutional mortgage investors in the area in which the Project is located. In addition, such mortgage clause or another appropriate provision of each such policy shall provide that the policy may not be canceled or substantially modified without at least ten (10) days' prior written notice to

the Condominium Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the policy.

16.3. Deductibles

16.3.1. Amounts. Unless the Management Committee otherwise determines, the maximum deductible amount for a property insurance policy covering the Common Areas and Facilities shall be the lesser of Ten Thousand Dollars (\$10,000) or one percent (1%) of the policy face amount. However, for losses related to individual Units that are covered by such a policy, the deductible related to each individual Unit shall be the lesser of One Thousand Dollars (\$1,000.00) or one percent (1%) of the Unit's insurable value. If a loss occurs that is covered by a property insurance policy in the name of the Condominium Association and another property insurance policy in the name of an Owner: (i) the Condominium Association's policy provides primary insurance coverage; and (ii) the Owner's policy applies to that portion of the loss attributable to the policy deductible of the Condominium Association. The Condominium Association shall set aside an amount equal to the amount of the Condominium Association's property insurance policy deductible or ten thousand dollars (\$10,000.00), whichever is less.

16.3.2. Payment by Owners. An Owner who owns a Unit that has suffered Unit Damage (defined below) as part of a Covered Loss (defined below) is responsible for an amount calculated by applying the Unit Damage Percentage (defined below) for that Unit to the amount of the deductible under the property insurance policy of the Condominium Association. If an Owner does not pay such amount within thirty (30) days after substantial completion of the repairs to the Unit, the Condominium Association may levy an assessment against the Owner for that amount. As used in this paragraph, "Covered Loss" means a loss, resulting from a single event or occurrence, that is covered by a property insurance policy of the Association, "Unit Damage" means damage to a Unit or to Limited Common Areas and Facilities applicable to that Unit, or both, and "Unit Damage Percentage" means the percentage of total damage resulting in a covered loss that is attributable to Unit Damage. If, in the exercise of the business judgment rule, the Management Committee determines that a claim is likely not to exceed the property insurance policy deductible of the Condominium Association: (i) the Owner's policy is considered the policy for primary coverage to the amount of the policy deductible of the Association; (ii) an Owner who does not have a policy to cover the property insurance policy deductible of the Condominium Association is responsible for the loss to the amount of the policy deductible of the Condominium Association, as provided above in this Section; and (iii) the Condominium Association need not tender the claim to the Condominium Association's insurer.

16.4. Additional Provisions

. Each policy required to be maintained by Section 16.1 shall provide, if available at reasonable cost to the Condominium Association, for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against Owners individually; the

insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively or the Condominium Association; and the policy is primary in the event the Owner has other insurance covering the same loss.

16.5. Management Committee Duties

. In contracting for the policies of insurance required to be maintained by Section 16.1, the Management Committee shall make reasonable efforts to secure (where economically feasible and reasonably available) coverage commonly required by private mortgage investors for projects similar in construction, location and use. If the Management Committee becomes aware that insurance described in Sections 16.1.1 or 16.1.2 is not reasonably available, the Management Committee shall, within seven (7) calendar days after becoming aware, give all Owners notice that the insurance is not reasonably available.

16.6. Designation of Insured

. The name of the insured under each policy required to be maintained by Section 16.1 shall be the Condominium Association for the use and benefit of the individual Owners (said Owners shall be designated by name if required by law.) Notwithstanding the requirement of the two immediately foregoing sentences, each such policy may be issued in the name of an authorized representative of the Condominium Association, including any trustee with whom the Condominium Association has entered into an Insurance Trust Agreement, or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), for the use and benefit of the individual Owners. Loss payable shall be in favor of the Condominium Association (or Insurance Trustee), as a trustee for each Owner and each such Owner's Mortgagee. Each Owner and each such Owner's Mortgagee, if any, shall be beneficiaries of such policy. Evidence of insurance shall be issued to each Owner and Mortgagee upon request.

16.7. Additional Insureds

. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Condominium Association, the Condominium Association's authorized representative, including any Insurance Trustee, who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Owner hereby appoints the Condominium Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Condominium Association, as his or her attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Condominium Association, or any Insurance Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the use and benefit of the Owners and their Mortgagees, as their interests may appear.

16.8. Insurance Provider Performance Requirements

. Each insurance policy maintained pursuant to the foregoing Sections 16.1.1, 16.1.2, and 16.1.3 shall be written by insurance carriers which are licensed to transact business in the State

of Utah and which have a B general policyholder's rating or a financial performance index of 6 or better in the Best's Key Rating Guide or an A or better rating from Demotech, Inc., or which are written by Lloyd's of London or which are otherwise approved by the Management Committee. No such policy shall be maintained where: under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against, an Owner, a Mortgagee, the Management Committee, or the Condominium Association; by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled (including, without limitation, the Management Committee, the Condominium Association, or Owner) from collecting insurance proceeds. The provisions of this Article 16 shall not be construed to limit the power or authority of the Condominium Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Condominium Association may deem appropriate from time to time.

16.9. Regular Review

. All insurance policies shall be reviewed regularly by the Management Committee in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the Project which may have been damaged or destroyed. In addition, such policies shall be reviewed to determine their compliance with the provisions of this Condominium Declaration.

16.10. Owner to Insure

. Notwithstanding anything in this Article 16 to the contrary, it shall be the responsibility of each Owner, at such Owner's expense, to maintain physical damage insurance on such Owner's personal property and furnishings and on all fixtures of the Owner's Unit. In addition, an Owner may obtain such other and additional insurance coverage on and in relation to the Owner's Unit as the Owner in the Owner's sole discretion shall conclude to be desirable. However, none of such insurance coverages obtained by such Owner shall affect any insurance coverage obtained by the Condominium Association or cause the diminution or termination of that insurance coverage, nor shall such insurance coverage of an Owner result in apportionment of insurance proceeds as between policies of insurance of the Condominium Association and the Owner. An Owner shall be liable to the Condominium Association for the amount of any such diminution of insurance proceeds to the Condominium Association as a result of insurance coverage maintained by the Owner, and the Condominium Association shall be entitled to collect the amount of the diminution from the Owner as if the amount were a default Assessment, with the understanding that the Condominium Association may impose and foreclose a lien for the payment due. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Condominium Association and other Owners. Each Owner shall be responsible to provide insurance coverage for the amount of any additional value to any Unit caused by any improvement to the Unit made by such Owner and not initially made by Declarant, including, but not limited to, the value of structural upgrades or fixtures supplied by the Owner, or if the applicable insurance is to be provided by the Condominium Association, for any additional insurance costs associated with such increased value due to the improvements.

ARTICLE 17 DESTRUCTION OR DAMAGE

17.1. Appointment of Condominium Association

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

17.2. Repair and Reconstruction

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

17.3. Condominium Association's Duties

. In the event all or any part of the Project is damaged or destroyed, the Condominium Association shall proceed as follows:

17.3.1. The Condominium Association shall give timely written notice to any Eligible Mortgagee on a Unit who requests such notice in writing in the event of substantial damage to or destruction of any part of the Common Areas or Facilities or a Unit subject to such First Mortgage.

17.3.2. As soon as practicable after an event causing damage to or destruction of any part of the Project, the Condominium Association shall obtain complete and reliable estimates of the costs to repair and reconstruct the part of the Project damaged or destroyed.

17.3.3. If the proceeds of the insurance maintained by the Condominium Association equal or exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, such repair and reconstruction shall be carried out.

17.3.4. If the proceeds of the insurance maintained by the Condominium Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, and if less than seventy-five percent (75%) of the Project is damaged or destroyed, such repair and reconstruction shall nevertheless be carried out. The Condominium Association shall levy a Special Assessment sufficient to provide

funds to pay the actual costs of such repair and reconstruction to the extent that such insurance proceeds are insufficient to pay such costs. Such Special Assessment shall be allocated and collected as provided in Section 13.1.4 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

17.3.5. If the proceeds of the insurance maintained by the Condominium Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, and if seventy-five percent (75%) or more of the Project is damaged or destroyed, such damage or destruction shall be repaired and reconstructed, but only if within one hundred (100) days following the damage or destruction, Owners entitled to vote at least seventy-five percent (75%) of the votes of the Total Votes of the Association vote to carry out such repair and reconstruction. If, however, the Owners do not, within one hundred (100) days after such damage or destruction, elect by a vote of at least seventy-five percent (75%) of the votes of the Total Votes of the Association to carry out such repair and reconstruction and if, to the extent permitted by the Act, Eligible Mortgagees who represent at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by Eligible Mortgagees do not approve such repair and reconstruction, the Condominium Association shall record in the office of the County Recorder of Weber County, State of Utah, a notice setting forth such facts. Upon the recording of such notice, the following shall occur:

17.3.5.1. the Project shall be deemed to be owned in common by the Owners;

17.3.5.2. Each Owner shall own an undivided interest in the Project equal to his or her percentage ownership interest in the Common Areas and Facilities;

17.3.5.3. Any liens affecting any of the Units shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest of the respective Owner in the Project; and

17.3.5.4. The Project shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance of the Project, if any, shall be considered as one fund and shall be divided among all Owners in an amount equal to the percentage of undivided interest owned by each Owner in the Project after first paying out of the respective share of each Owner, to the extent sufficient for the purposes, all liens on the undivided interest in the Project owned by such Owner.

17.3.6. In no event shall an Owner of a Unit or any other party have priority over the holder of any First Mortgage on such Unit with respect to the distribution to such Unit of any insurance proceeds.

17.4. Diligence

. If the damage or destruction is to be repaired or reconstructed as provided above, the Condominium Association shall, as soon as practicable after receiving the said estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. The Condominium Association may take all necessary or appropriate action to effect repair and reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The Project shall be restored or repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas and Facilities having the same vertical and horizontal boundaries as before. Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with this Condominium Declaration and the original architectural plans and specifications.

17.5. Repair Fund

. If repair or reconstruction is to occur, the insurance proceeds held by the Condominium Association and any amounts received from Special Assessments made pursuant to Section 13.1.4 hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for costs of repair and reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in accordance with their undivided percentage interest in the Common Areas and Facilities.

17.6. Amendment of Article 17

. This Article 17 shall not be amended unless Owners entitled to vote at least sixty seven percent (67%) of the Total Votes of the Association consent and agree to such amendment and such consent and agreement is reflected in an instrument duly executed by the Management Committee on behalf of the Condominium Association and recorded in accordance with the provisions of this Condominium Declaration.

ARTICLE 18 TERMINATION

18.1. Vote Required

. Except as otherwise provided in Article 16 and Article 17, the Project may be terminated only by the affirmative vote of Owners holding one hundred percent (100%) of the Total Votes of the Association at a meeting of the Owners duly called for such purpose.

18.2. Removal from the Act

. All of the Owners may remove the Project from the provisions of the Act by an instrument duly recorded to that effect, provided that the holders of all liens affecting any of the Units consent or agree by instruments duly recorded that their liens are transferred to the fractional ownership interest of the Owners in the Project. Provided further, as long as Declarant

has ownership rights in the Project, its consent shall also be required to remove the Project from the provisions of the Act.

18.3. Termination Agreement

. A termination agreement may provide that all of the Project shall be sold following termination. If, pursuant to the agreement, any real estate in the Project is to be sold following termination, the termination agreement shall set forth the minimum terms of the sale.

18.4. Sale of Property Following Termination

. The Condominium Association, on behalf of the Owners, may contract for the sale of real estate in the Project, but the contract is not binding on the Owners until approved pursuant to Sections 18.1 and 18.2. If any real estate in the Project is to be sold following termination, title to that real estate on termination vests in the Condominium Association as trustee for all Owners. Thereafter, the Condominium Association has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds of the sale distributed, the Condominium Association continues in existence with all powers it had before termination. Proceeds of the sale shall be distributed to Owners and Mortgagees as their interests may appear, based on the Owners respective undivided interest in the Common Areas and Facilities. Unless otherwise specified in the termination agreement, as long as the Condominium Association holds title to the real estate, each Owner and their successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted their Unit in accordance with the terms of this Condominium Declaration. During the period of that occupancy right, each Owner and their successors in interest remain liable for all Common Assessments and other obligations imposed on Owners by this Condominium Declaration.

18.5. Distribution of Proceeds

. Following termination of the Project, the proceeds of any sale of real estate, together with the assets of the Condominium Association, shall be held by the Condominium Association as trustee for Owners and Mortgagees as their interests may appear. Following termination, Mortgagees holding Mortgages on the Units which were recorded before termination may enforce those liens in the same manner as any lienholder.

ARTICLE 19 EMINENT DOMAIN

19.1. Notices

. Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the Common Areas and Facilities or one or more Units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation, the Management Committee and each Owner shall be entitled to notice thereof and the Management Committee shall, and the Owners at their respective expense may, participate in the proceedings incident thereto.

19.2. Condemnation of Common Areas and Facilities

. With respect to the Common or Limited Common Areas and Facilities, any damages or awards shall be determined for such taking, injury or destruction as a whole and not for each Owner's interest therein. After such determination, each Owner shall be entitled to a share in the damages in the same proportion as his or her ownership interest in the Common Areas and Facilities. This provision does not prohibit a majority of the Owners from authorizing the Management Committee to use such damages or awards for replacing or restoring the Common Areas and Facilities so taken on the remaining land or on other acquired land, provided that this Condominium Declaration and the Plat are duly amended.

19.3. Condemnation of Units

. With respect to one or more Units or portions thereof, the damages or awards for such taking shall be deemed to be proceeds from insurance on account of damages or destruction pursuant to Article 17 above and shall be deposited with the Management Committee as trustee. Even though the damage or awards may be payable to one or more Owners, the Owners shall deposit the damages or awards with the Management Committee as trustee. In the event an Owner refuses to so deposit his or her award with the Management Committee, then at the option of the Management Committee, either a Special Assessment shall be made against the defaulting Owner and his or her Unit in the amount of this award or the amount of such award shall be set off against the sum hereafter made payable to such Owner.

19.4. Removal from the Act

. In the event the Project is removed from the provisions of the Act pursuant to Article 18 above, the proceeds of the damages or awards shall be distributed or used in accordance with the Owners respective undivided interest in the Common Areas and Facilities.

19.5. Result of Condemnation

. If one or more Units are taken, in whole or in part, and the Project is not removed from the provisions of the Act, the taking shall have the following effects:

19.5.1. If the taking reduces the size of a Unit and the remaining portion of the Unit may be made tenantable, the Unit shall be made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the Owner of the Unit. The balance of the award, if any, shall be distributed to the Mortgagee to the extent of the unpaid balance of its Mortgage and the excess, if any, shall be distributed to the Owner.

19.5.2. If the taking destroys or so reduces the size of a Unit that it cannot be made tenantable, the award shall be distributed to the Mortgagee of the Unit to the extent of the unpaid balance of its Mortgage and the excess, if any, shall be distributed to the Owner thereof. The remaining portion of such Unit, if any, shall become a part of the Common Areas and Facilities and shall be placed in condition for use by all Owners in the manner approved by the Management Committee. The ownership interest in the Common Areas and Facilities appurtenant to the Units that continue as part of the Project shall be equitably adjusted to distribute the ownership of the Common Areas and Facilities among the reduced number of Owners.

19.6. Amendment Following Condemnation

. Changes in Units, in the Common Areas and Facilities and in the ownership of the Common Areas and Facilities that are affected by the taking referred to in this Article 19 shall be evidenced by an amendment to this Condominium Declaration and the Plat, which need not be approved by the Owners.

ARTICLE 20
MORTGAGEE PROTECTION

20.1. Roster of Eligible Mortgagees

. The Management Committee shall maintain a roster containing the name and address of each Eligible Mortgagee of a Unit as such term is defined herein and in Section 1.21 above. To be considered an Eligible Mortgagee, a First Mortgagee shall provide the Management Committee with a copy of its recorded First Mortgage and the name and address of the First Mortgagee and a statement that the Mortgage is a First Mortgage together with a written request that it receive notice of the matters and actions described below. The Management Committee shall strike the Eligible Mortgagee from the roster upon such Eligible Mortgagee's request or upon the Management Committee's receipt of a copy of a recorded full release or satisfaction of the Eligible Mortgage. The Management Committee shall give notice of such removal to the Eligible Mortgagee unless the Eligible Mortgagee requested the removal. Upon the Management Committee's receipt of such written request, an Eligible Mortgagee shall be entitled to timely written notice of:

20.1.1. Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit on which there is a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor;

20.1.2. Any delinquency in the payment of Common Assessments or charges owed by an Owner, whose Unit is subject to a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor, which default remains uncured for a period of sixty (60) days;

20.1.3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

20.2. Notice to Eligible Mortgagees.

The Management Committee shall give to any Eligible Mortgagee on the roster written notification of any default by the respective mortgagor in the performance of such mortgagor's obligations under this Condominium Declaration which is not cured within thirty (30) days following written notice thereof.

20.3. Assessment Lien Subordinate

. The lien or claim against a Unit for unpaid assessments or charges levied by the Association pursuant to this Condominium Declaration shall be subordinate to the First

Mortgage affecting such Unit if the First Mortgage was recorded before the delinquent assessment was due, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Unit shall take the same free of such lien or claim for unpaid assessment or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a deed or assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a First Mortgagee, a successor in title to a First Mortgagee, or the Unit affected or previously affected by the First Mortgage concerned. All taxes, Common Assessments and charges that may become liens prior to the First Mortgage under Utah law relate only to the individual Units and not to the Project as a whole.

20.4. Amendment of Article 20

. No amendment to this Article 20 shall materially adversely affect the rights of an Eligible Mortgagee under Section 20.1 above who has recorded a valid First Mortgage prior to the recordation of any such Amendment.

ARTICLE 21 AMENDMENT

21.1. Amendment by Owners

. Except as provided elsewhere in this Condominium Declaration, any Amendment to this Condominium Declaration or the Plat shall require the affirmative vote of at least sixty-seven percent (67%) of the Total Votes of the Association cast in person or by proxy at a meeting duly called for such purpose or otherwise approved in writing by such Owners without a meeting. Notwithstanding the foregoing, any Amendment proposing changes to: (a) the undivided interest of each Owner in the Common Areas and Facilities, (b) Unit boundaries, or (c) Owners' voting rights shall require the affirmative vote of one hundred percent (100%) of the Total Votes of the Association cast in person or by proxy at a meeting duly called for such purpose or otherwise approved in writing by the Owners without a meeting. Any amendment authorized pursuant to this Article 21 shall be accomplished through the recordation in the office of the Weber County Recorder of an instrument executed by the Condominium Association. In such instrument an officer or member of the Management Committee shall certify that the vote required by this Section 21.1 for amendment has occurred.

21.2. Amendment by Declarant

. The Declarant alone may amend or terminate this Condominium Declaration and Plat prior to the closing of a sale of the first Unit. Notwithstanding anything contained in this Condominium Declaration to the contrary, this Condominium Declaration and Plat may be amended unilaterally at any time and from time to time by Declarant: if such Amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) to make technical corrections to fix mistakes or remove/clarify ambiguities; or (c) if such

Amendment is reasonably necessary to enable a title insurance company to issue title insurance coverage with respect to the Project or any Unit. The Declarant may also unilaterally amend Exhibit B to this Condominium Declaration to reflect the total square footages of each Unit after the Buildings have been constructed. Further, prior to the expiration of the Declarant Control Period, Declarant may unilaterally amend this Condominium Declaration and the Plat for any other purpose so long as any such Amendment does not materially adversely affect title to any Unit.

21.3. Amendment at Request of Governmental Agency

. Anything in this Article or Condominium Declaration to the contrary notwithstanding, Declarant also reserves the unilateral right to amend all or any part of this Condominium Declaration and the Plat to such extent and with such language as may be requested by a State Department of Real Estate (or similar agency), FHA, VA, the FHLMC or FNMA, and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Condominium Declaration or approval of the sale of Units, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Unit(s) or any portions thereof. Any such amendment shall be effected by the recordation by Declarant of an Amendment duly signed by the Declarant, specifying the nature of the qualifying reason for such amendment pursuant to this Section 21.3. Recordation of such an Amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Amendment, when recorded, shall be binding upon all Units and all persons having an interest therein. It is the desire of Declarant to retain control of the Condominium Association and its activities during the anticipated period of planning and development. If any amendment requested pursuant to the provisions of this Article deletes, diminishes or alters such control, Declarant alone shall have the right to amend this Condominium Declaration to restore such control.

21.4. Plat Amendments

. Notwithstanding anything contained in this Condominium Declaration to the contrary, because the Plat has been recorded prior to the construction of the Units, Declarant reserves the right to unilaterally amend the Plat at any time and from time to time by Declarant if such amendment is necessary to make technical corrections, to satisfy the requirements of the County or any other governmental authority, to correct mistakes, remove/clarify ambiguities or to accurately reflect the "as-built" Units on the Plat.

21.5. Preservation of Developmental Rights and Control

. It is the desire of Declarant to preserve its Developmental Rights and retain control of the Condominium Association and its activities during the anticipated period of planning and development of the Project. Any Amendment pursuant to the provisions of this Article 21 that diminishes or alters any Developmental Right or such control of the Condominium Association shall be deemed null, void, and of no effect whatsoever unless the Declarant has joined in the execution of such Amendment.

ARTICLE 22 ENFORCEMENT

22.1. Compliance with Project Documents

. All Owners, guests or lessees of an Owner, and persons under Owner's control, shall strictly comply with the provisions of the Condominium Declaration, the Bylaws, and the rules and regulations and decisions issued pursuant thereto. The Condominium Association and any aggrieved Owner shall have a right of action against Owners who fail to comply with provisions of the Condominium Declaration or the decisions of the Condominium Association. Owners shall have a similar right or action against the Condominium Association. Failure to so comply shall be grounds for: an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee, or its agent or designee on behalf of the Owners, or in an appropriate case, by an aggrieved Owner; and/or the Management Committee to impose monetary penalties, temporary suspensions of an Owner's right to the use of the Common Areas and Facilities, or other appropriate discipline so long as the Owner has been given notice and has had an opportunity to request a hearing in accordance with the Bylaws. The Management Committee may delegate to the Common Area Manager, the power and authority to carry out disciplinary actions duly imposed.

22.2. No Forfeiture; Exceptions

. The Condominium Association shall not be empowered to cause the absolute forfeiture of an Owner's right, title or interest in the Project on account of the Owner's failure to comply with the provisions of the Condominium Declaration or the rules and regulations for the Project except pursuant to:

22.2.1. The judgment of a court; or

22.2.2. A foreclosure for the failure of an Owner to pay assessments duly levied by the Condominium Association.

22.3. Judicial Authority Required

. The Condominium Association shall only be empowered to cause or require alteration or demolition of any construction to enforce any restrictions contained in this Condominium Declaration pursuant to judicial proceedings.

22.4. Enforcement of Master Declaration

. The Condominium Association shall have the power, subject to the primary power of the Board of Directors of the Community Association, to enforce the covenants and restrictions contained in the Master Declaration, but only as said covenants and restrictions relate to the Project, and to collect regular, special, and default assessments on behalf of the Community Association.

ARTICLE 23 BINDING ARBITRATION AND ENFORCEMENT OF GOVERNING DOCUMENTS

23.1. Opt-Out Right

. IF AN OWNER DOES NOT WANT THE FOLLOWING ARBITRATION PROVISION TO APPLY, THE OWNER MUST SEND A LETTER TO DECLARANT, SIGNED BY THE OWNER (AND ANY CO-OWNER OF THE SAME UNIT) AND ADDRESSED TO SUMMIT MOUNTAIN HOLDINGS GROUP, LLC, 3623 N. WOLF CREEK DRIVE, EDEN, UTAH 84310, ATTN: ARBITRATION OPT-OUT. THE LETTER MUST BE SENT WITHIN THIRTY (30) DAYS AFTER THE DATE OF THE OWNER'S REAL ESTATE PURCHASE CONTRACT, AND MUST STATE THAT THE OWNER DOES NOT WANT ARBITRATION TO APPLY TO THE MATTERS DESCRIBED IN THIS ARTICLE 23. ANY OPT OUT WILL RENDER THIS ARBITRATION PROVISION NULL AND VOID BUT WILL HAVE NO OTHER EFFECT ON THE OWNER'S RIGHTS.

23.2. Arbitration Terms Defined

. In the arbitration provision described in this Article 23 ("Arbitration Provision"), the following capitalized words, phrases or terms have the meanings set forth below:

23.2.1. "Institutional Party" means each Declarant and its affiliates; the Condominium Association during the Declarant Control Period; any third party that provides any product or service to a Consumer Party in connection with this Condominium Declaration, if and only if such third party is named as a co-party with another Institutional Party in a Claim asserted by a Consumer Party; their successors and assigns; and the agents, representatives, members, employees, officers and/or directors of the foregoing entities.

23.2.2. "Consumer Party" means the Owners; their heirs, successors and assigns; and the Condominium Association after the Declarant Control Period.

23.2.3. "Bound Party" means any Institutional Party or Consumer Party who asserts a Claim or has a Claim asserted against such party.

23.2.4. "Claim" means any claim, dispute or controversy between an Institutional Party and a Consumer Party, other than an Exempt Claim, arising out of or relating in any way to this Condominium Declaration or any other documents governing the Project, the Property, the Project, the Units or the Buildings, including any such claim, dispute or controversy regarding or arising over the marketing and sale of Units; the terms of this Condominium Declaration or any other documents governing the Project; the design, specifications, surveying, planning, supervision, testing, observation of construction or construction of an improvement to, or survey of, the Property; or the maintenance or use of the Property. This includes, without limitation, disputes concerning the validity, enforceability, arbitrability or scope of this Arbitration Provision or this Condominium Declaration; disputes involving alleged fraud or misrepresentation, breach of contract, negligence or violation of statute, regulation or common law; and disputes involving requests for declaratory relief, injunctions or other equitable relief.

23.2.5. "Exempt Claim" means any of the following Claims, which will not be subject to this Arbitration Provision: (i) any individual action brought by a Consumer

Party in small claims court or a relevant state's equivalent court, unless such action is transferred, removed, or appealed to a different court; (ii) any action to effect a judicial or non-judicial foreclosure; (iii) any eviction or other summary proceeding to secure possession of real property or an interest therein; (iv) any action in any bankruptcy proceeding to assert, collect, protect, realize upon or obtain possession of the collateral for any amount owed; (v) any action to quiet title; (vi) any action insofar as it seeks provisional or ancillary remedies in connection with any of the foregoing; (vii) any self-help remedy, such as the refusal of an Institutional Party to allow a Consumer Party to use a Unit, or any individual action in court by one party that is limited to preventing the other party from using a self-help remedy and that does not involve a request for damages or monetary relief of any kind; and (viii) any dispute concerning the validity and effect of Section 23.8 below, the ban on class actions and certain other proceedings (the "Class Action Ban"). Notwithstanding the prior sentence, at the request of a Consumer Party, the Institutional Parties will agree to arbitrate under this Arbitration Provision any matter covered by items (ii)–(vi) above if arbitration will afford the parties substantially the same rights and remedies as a court action. Any dispute regarding the question of whether arbitration will afford the parties substantially the same rights and remedies as a court action is also an Exempt Claim and shall be determined exclusively by the court and not by an arbitrator. If one or more Institutional Parties are allowed to proceed outside arbitration with respect to any of the matters covered by items (ii)–(vi) above, the Consumer Party may assert in court on an individual basis any related defenses or Claims such Consumer Party may have.

23.2.6. "Administrator" means either of the following companies to be selected by the Bound Party initiating the arbitration: National Arbitration Forum ("NAF"), P.O. Box 50191, Minneapolis, MN 55405, <http://www.arb-forum.com>, or the American Arbitration Association ("AAA"), 1633 Broadway, 10th Floor, New York, NY 10019, <http://www.adr.org>. However, neither NAF nor AAA may serve as Administrator, without the consent of all Bound Parties asserting or defending a Claim, if it adopts or has in place any formal or informal policy that is inconsistent with and purports to override the terms of the Class Action Ban.

23.3. Arbitration of Claims

. Unless a Consumer Party has opted out of this Arbitration Provision, upon the election of any Consumer Party or Institutional Party asserting or defending a Claim, such Claim shall be resolved by binding individual (and not class) arbitration. Notice of an election to arbitrate a Claim may be given after a lawsuit begins and may be given in papers filed in the lawsuit. Any arbitration will be conducted in accordance with this Arbitration Provision and, to the extent consistent with this Arbitration Provision, the rules of the Administrator in effect at the time the Claim is filed.

23.4. Fees

. If a Consumer Party cannot obtain a waiver of any fees of the Administrator or arbitrator, the Institutional Parties will consider in good faith any request for them to pay such fees for the Consumer Party. Each Bound Party shall bear the fees and expenses of that Bound

Party's attorneys, experts, and witnesses, provided that the Institutional Parties will bear the reasonable fees and expenses incurred by a Consumer Party if the Consumer Party prevails on a Claim the Consumer Party has asserted against the Institutional Parties. Also, the Institutional Parties will pay any arbitration, attorneys' and/or other fees and expenses they are required to pay by applicable law or they are required to pay in order to enforce this Arbitration Provision. If a participatory arbitration hearing is requested, it will take place in Weber County, Utah or, if the Administrator determines that such location would be unfair to a Consumer Party, at a location reasonably convenient to such Consumer Party and the Institutional Parties.

23.5. Governing Law

. This Arbitration Provision shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (the "FAA") and not state arbitration laws, provided that Utah law shall govern to the extent that state law is relevant under the FAA in determining the enforceability of this Arbitration Provision. The arbitrator shall be obligated to follow applicable substantive laws, statutes of limitations and privilege rules related to any Claim. The arbitrator shall award the remedies, if any, that would be available in an individual court proceeding if arbitration had not been elected. This includes, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings); declaratory, injunctive and other equitable relief; and attorneys' fees and costs. Upon the timely request of any Bound Party, the arbitrator shall write a brief explanation of the grounds for his or her decision. In addition to the Bound Parties' rights under the Administrator's rules to obtain information prior to the hearing, any Bound Party may ask the arbitrator for more information from the other party. The arbitrator will decide the issue in his or her sole discretion, after allowing the other Bound Party the opportunity to object.

23.6. Appeal of Arbitrator's Decision

. Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's decision will be final and binding, except for any appeal right under the FAA. However, for Claims involving more than \$50,000, any Bound Party may appeal the award to a three-arbitrator panel appointed by the Administrator, which will reconsider from the start any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any appeal right under the FAA. Fees and costs associated with an appeal shall be governed by Section 23.4 above.

23.7. Jury Trial Waiver

. IF A BOUND PARTY ELECTS TO ARBITRATE A CLAIM, NO BOUND PARTY WILL HAVE THE RIGHT TO PURSUE THAT CLAIM IN COURT OR HAVE A JURY DECIDE THE CLAIM.

23.8. Class Action Ban

. NO BOUND PARTY MAY PARTICIPATE IN A CLASS ACTION IN COURT OR IN CLASS-WIDE ARBITRATION, EITHER AS A REPRESENTATIVE, CLASS MEMBER OR OTHERWISE. NO BOUND PARTY MAY PARTICIPATE IN A PRIVATE ATTORNEY GENERAL PROCEEDING IN COURT OR IN ARBITRATION. NO CLAIMS BY OR

AGAINST A BOUND PARTY MAY BE JOINED OR CONSOLIDATED WITH CLAIMS BY OR AGAINST ANY OTHER PERSON (EXCEPT FOR CLAIMS INVOLVING THE HEIRS AND SUCCESSORS OF SUCH CONSUMER PARTIES). THE ARBITRATOR SHALL HAVE NO AUTHORITY TO CONDUCT A CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ARBITRATION OR MULTI-PARTY ARBITRATION INCONSISTENT WITH THIS SECTION. Notwithstanding any language in this Arbitration Provision to the contrary, any dispute about the validity or effect of the above Class Action Ban shall be resolved by a court and not an arbitrator or the Administrator.

23.9. Severability

. If a determination is made that any part of this Arbitration Provision is unenforceable (other than the Class Action Ban) or that this Arbitration Provision is unenforceable as to any party or parties, this provision shall nonetheless remain enforceable in all other respects and as to all other parties. If the Class Action Ban is held to be unenforceable in connection with any Claim subject to the Class Action Ban, this Arbitration Provision (other than this sentence) shall be null and void in such proceeding, provided that the Institutional Party seeking to enforce the Class Action Ban shall have the right to appeal at the earliest possible time any holding that the Class Action Ban is unenforceable.

23.10. Notice of Claim; Right to Address

. Prior to asserting a Claim, the Bound Party with the Claim (the "Claimant") shall give the Bound Party that is the subject of the Claim written notice of the Claim and a reasonable opportunity, not less than thirty (30) days, to resolve the Claim. The Claimant's claim notice must include the Claimant's name, address and telephone number. Any claim notice must explain the nature of the Claim and the relief that is demanded. A Consumer Party may only submit a claim notice on his or her own behalf and not on behalf of any other party. The Claimant must reasonably cooperate in providing any information about the Claim that the other Bound Party reasonably requests. If: (i) a Consumer Party submits a claim notice in accordance with this Section on his or her own behalf (and not on behalf of any other party); (ii) the Institutional Party refuses to provide the requested relief; and (iii) an arbitrator subsequently determines that the Consumer Party was entitled to such relief (or greater relief), the arbitrator shall award the Consumer Party at least \$7,500 (not including any arbitration fees and attorneys' fees and costs to which the Consumer Party may be entitled under this Arbitration Provision or applicable law).

ARTICLE 24 GENERAL PROVISIONS

24.1. Notices

. Any notice permitted or required to be delivered as provided herein may be delivered either personally, by first class mail, by express mail or overnight courier service providing proof of delivery, by facsimile transmission, or by other electronic means, including email or the website of the Condominium Association. Notwithstanding the foregoing, an Owner may, by written demand, require that the Condominium Association provide notice to the Owner by mail.

Notice to Owners shall be addressed to each Owner at the address given by such Owners to the Management Committee for the purpose of service of such notice or to the Unit of such Owner if no such address has been given to the Management Committee. Notice shall be deemed given when actually received if personally delivered or sent by overnight courier; if faxed, when the fax is received, except that if the fax is received at a time other than the normal business hours of the office at which it is received, on the next regular business day; if by mail, the earlier of the day actually received or the third business day after the notice is deposited in the United States Mail, properly addressed and postage prepaid; if by email, the date on which the notice is transmitted; and if on the website of the Condominium Association, the date the notice is posted on the website. Such address may be changed from time to time by notice in writing to the Management Committee addressed to: SUMMIT MOUNTAIN HOLDINGS GROUP, LLC, 3923 N. WOLF CREEK DRIVE, EDEN, UTAH 84310

Management Committee
 Village Nests at Powder Mountain Association, Inc.
 3923 N. Wolf Creek Drive
 Eden, Utah 84310

24.2. No Waiver

. The failure of the Management Committee or its agents or designees to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Condominium Declaration, the Bylaws, and the rules and regulations, to exercise any right or option herein or therein contained or to serve any notice or to institute any action shall not be construed as a waiver or a 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 Management Committee or its agents or designees of the payment of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Management Committee.

24.3. Declarant

. The term "Declarant" as used herein shall mean and include Declarant and any person or persons who might acquire title from it to all or some of the unsold Units through purchase, assignment or other transfer including foreclosure or deed in lieu of foreclosure; or, in the situation where, any person purchases all, or some of the remaining Units in a sale in the nature of a bulk sale. The person acquiring any of such property from the Declarant shall be considered a Declarant with respect to that portion of the property so acquired and shall have the right to develop the property and/or sell such property in accordance with the terms and provisions of this Condominium Declaration and the Act. Any right or any interest reserved or contained in this Condominium Declaration for the benefit of Declarant may be transferred or assigned by Declarant, either separately or with one or more other such rights or interests, to any person, corporation, partnership, Condominium Association, or other entity, only by written instrument executed by both Declarant and the transferee or assignee and recorded in the Office of the Recorder of Weber County, Utah. Upon such recording, Declarant's rights and obligations under

this Condominium Declaration shall cease and terminate to the extent provided in such instrument.

24.4. Agent for Service of Process

. The agent for service of process under the Act until the expiration of the period of Declarant control under Section 7.3 shall be M. Thomas Jolley whose address is 3623 N. Wolf Creek Drive, Eden, Utah 84310. Thereafter, the agent for service of process shall be the Common Area Manager, or such other persons as the Management Committee may designate.

24.5. Severability

. The provisions of this Condominium Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

24.6. Conflict

. In case of any conflict between this Condominium Declaration and the Master Declaration, the Master Declaration shall control. In case of any conflict between this Condominium Declaration and the Articles or the Bylaws of the Condominium Association, this Condominium Declaration shall control. In case of any conflict between the Articles and the Bylaws, the Articles shall control. The foregoing notwithstanding, in the event of any inconsistency between this Condominium Declaration or the Articles or the Bylaws, on the one hand, and or any applicable law, including the Act or the Federal Fair Housing Administration Act, on the other, then in all events the applicable law shall control.

24.7. Captions

. The captions and section headings in this Condominium Declaration are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Condominium Declaration or the intent of any provision hereof.

24.8. Governing Law

. This Condominium Declaration and the Plat and all issues and disputes arising out of either, shall be construed and controlled by and under the procedural and substantive laws of the State of Utah.

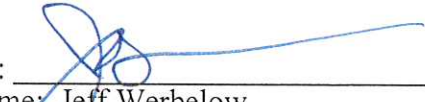
24.9. Effective Date

. This Condominium Declaration shall take effect when recorded in the office of the County Recorder for Weber County, State of Utah.

IN WITNESS WHEREOF, the undersigned has executed this Declaration of Condominium for Village Nests at Powder Mountain this 3 day of FEBRUARY, 2016.

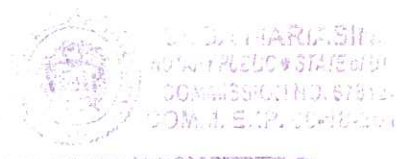
SMHG Phase I, LLC, a Delaware limited liability company

By: SMHG Investments LLC, a Delaware limited liability company
Its: Sole Member

By: 
Name: Jeff Werbelow
Its: Authorized Signatory

STATE OF UTAH)
 :ss.
COUNTY OF WEBER)

The foregoing instrument was acknowledged before me this 3rd day of February, 2016, by Jeff Werbelow of SMHG Investments LLC, the Sole Member of SMHG Phase I, LLC.





NOTARY PUBLIC
Residing at: Weber County
My Commission Expires: 6-18-18

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

All of Development Parcel D5R of Summit Eden Phase 1D Amendment 1 as recorded and on file in the office of the Weber County Recorder.

EXHIBIT B
SCHEDULE OF UNITS, SQUARE FOOTAGE,
VOTES AND UNDIVIDED INTERESTS IN COMMON AREAS

Unit Identifying Number	Approx. Sq. Footage of Unit	No. of Votes Per Unit	Undivided Interest Per Unit
1	1191	1	1/20 th
2	1191	1	1/20 th
3	1191	1	1/20 th
4	1191	1	1/20 th
5	1191	1	1/20 th
6	1191	1	1/20 th
7	1191	1	1/20 th
8	1191	1	1/20 th
9	729	1	1/20 th
10	729	1	1/20 th
11	729	1	1/20 th
12	729	1	1/20 th
13	729	1	1/20 th
14	729	1	1/20 th
15	729	1	1/20 th
16	729	1	1/20 th
17	729	1	1/20 th
18	729	1	1/20 th
19	729	1	1/20 th
20	729	1	1/20 th

EXHIBIT C
CONDOMINIUM ASSOCIATION BYLAWS

BYLAWS
OF
VILLAGE NESTS AT POWDER
MOUNTAIN ASSOCIATION, INC.

Table of Contents

	Page
Article 1 NAME, PRINCIPAL OFFICE, AND DEFINITIONS	1
1.1. Name	1
1.2. Principal Office	1
1.3. Registered Office	1
1.4. Definitions	1
Article 2 Membership, Voting and Meetings of the Association	1
2.1. Membership	1
2.2. Votes in the Association	1
2.3. Membership Rights	2
2.4. Annual Association Meetings	2
2.5. Special Meetings of the Association	2
2.6. Notice of Meetings of the Association	2
2.7. Meetings by Telecommunication	2
2.8. Recording Meetings	3
2.9. Quorum	3
2.10. Robert's Rules	3
2.11. Action by Written Ballot	3
2.12. Action by Written Consent	4
2.13. Proxies	4
2.14. Exercise of Voting	4
2.15. Transfer of Membership	5
2.16. Members of Record	5
Article 3 Management Committee	6
3.1. Administration of Association	6
3.2. Composition	6
3.3. Directors During the Declarant Control Period	6
3.4. Election and Term of Office	6
3.5. Voting for the Management Committee	7
3.6. Resignation	7
3.7. Removal	7
3.8. Vacancies	7
3.9. Compensation	7
3.10. Powers	8
3.11. Management Committee Meetings	8
3.12. Special Meetings of the Management Committee	8
3.13. Notices	8
3.14. Waiver of Notice	8
3.15. Actions and Open Meetings	9
3.16. Action Without a Meeting	9
3.17. Right of Declarant to Disapprove Actions	9
3.18. Fiscal Year	10
3.19. Eligibility for Directors	10

3.20. Common Area Manager	10
3.21. Special Committees	10
Article 4 Officers	10
4.1. Designation	10
4.2. President	11
4.3. Vice President	11
4.4. Secretary/Treasurer	11
4.5. Resignation and Removal	11
4.6. Execution of Amendments	11
Article 5 Common Expenses; Assessments	11
5.1. Assessments	11
5.2. Common Expenses and Garage Expenses	12
5.3. Billing Statement for Assessments	12
5.4. No Exemption	12
5.5. Assessment Records.	12
5.6. Statements for Purchasers	12
5.7. Statements for Members and Mortgagees	12
5.8. Collection	13
5.9. Limitations on Alterations, Additions and Improvements of Common Areas	13
Article 6 Litigation	13
6.1. Expenses	13
6.2. Defense	13
Article 7 INDEMNIFICATION	13
7.1. Actions by or in the Right of the Association	13
7.2. Successful on the Merits	14
7.3. Determination Required	15
7.4. Payment in Advance of Final Disposition	15
7.5. No Limitation of Rights	15
7.6. Directors and Officers Insurance	15
7.7. Notice to Members	15
Article 8 Enforcement	15
8.1. Abatement and Enjoinment of Violations by Members	15
8.2. Monetary Fines	16
8.3. Cause of Action.	16
8.4. Temporary Suspension.	16
8.5. Remedies Cumulative	16
Article 9 Accounting	16
9.1. Accounting and Recordkeeping	16
9.2. Financial Statements	17
9.3. Budget	17
9.4. Maintenance and Inspection of Records	17
9.5. Inspection by Directors	17
Article 10 Rental or Lease of Units by Members	18
10.1. Member Responsible	18
10.2. Violations	18

10.3. Remedies	18
Article 11 Amendment of Bylaws	18
11.1. By Declarant	18
11.2. By Members Generally	19
Article 12 Miscellaneous	19
12.1. Notices	19
12.2. Severability	19
12.3. Conflicts	19
12.4. Waiver	19
12.5. Captions	19
12.6. Effective Date	20
12.7. Counterparts	20
12.8. Seal	20

**BYLAWS
of
VILLAGE NESTS AT POWDER MOUNTAIN ASSOCIATION, INC.**

**ARTICLE 1
NAME, PRINCIPAL OFFICE, AND DEFINITIONS**

1.1. Name. The name of the Association shall be Village Nests at Powder Mountain Association, Inc. ("Association").

1.2. Principal Office. The principal office of the Association shall be located at 3923 N Wolf Creek Drive, Eden, Utah 84310, or at any other place as may be designated in the most recent document on file with the Utah Department of Commerce, Division of Corporations and Commercial Code (the "Division") providing information regarding the principal office of the Association. The Association shall maintain at its principal office a copy of such corporate records as may be required by § 16-6a-1601 of the Nonprofit Act (as defined below).

1.3. Registered Office. The registered office of the Association required to be maintained by § 16-6a-501 of the Nonprofit Act shall be the registered office as originally so designated in the Articles or subsequently designated as the Association's registered office in the most recent document on file with the Division providing such information. The Association shall maintain a registered agent at the registered office, as required by § 16-6a-501 of the Nonprofit Act. The registered office and registered agent may be changed from time to time as provided in §§ 16-6a-501 and 502 of the Nonprofit Act.

1.4. Definitions. The Association is a nonprofit corporation, organized pursuant to and in accordance with Title 6, Chapter 6a of the Utah Code (the "Nonprofit Act"). The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in Article 1 of the Declaration of Condominium for Village Nests at Powder Mountain, Recorded in the official records of the Official Records of Weber County, Utah, (the "Declaration") unless the context indicates otherwise.

**ARTICLE 2
MEMBERSHIP, VOTING AND MEETINGS OF THE ASSOCIATION**

21. Membership. The Association shall be a Utah nonprofit corporation charged with the duties and vested with the powers prescribed by law and set forth in the Declaration, these Bylaws and the other Condominium Documents. Every Owner of a Unit shall be a member of the Association ("Member"), and Declarant shall be a Member of the Association so long as it owns any Unit. No persons or entity other than an Owner or Declarant may be a Member of the Association. Membership in the Association shall begin immediately and automatically upon becoming an Owner and shall cease immediately and automatically upon ceasing to be an Owner. Declarant's membership shall cease when Declarant has sold all of the Units.

22. Votes in the Association. All Members shall be entitled to the number of votes associated with the Unit owned by such Member as set forth in Exhibit B of the Declaration. Any issue put to a vote at a duly called meeting of Members at which a quorum is present shall be decided by a simple majority of the total votes represented in person or by valid proxy at such meeting.

23. Membership Rights. Each Member shall have the respective rights, duties and obligations set forth in the Declaration and these Bylaws and such other rights, duties and obligations as are set forth in the Condominium Documents, as the same may be amended from time to time.

24. Annual Association Meetings. There shall be an annual meeting of the Association at the date and time fixed by the Management Committee at a reasonable place in the Project or some other location that is readily accessible at reasonable cost to the largest possible number of Members as determined by the Management Committee.

25. Special Meetings of the Association. Special meetings of the Association may be called by the President, a majority of the Management Committee, or if the Association receives one or more written demands for a meeting that (a) state the purpose for which the special meeting is to be held and (b) are signed and dated by Members representing at least fifteen percent (15%) or more of the Total Votes of the Association. Special meetings of the Association may be held at a reasonable place in the Project or some other location that is readily accessible at reasonable cost to the largest possible number of Members as determined by the Management Committee. At any special meeting of the Association, only those matters of business, the general nature of which was given in the notice of the special meeting, may be voted upon by the Members.

26. Notice of Meetings of the Association. Notice of the annual meeting of the Association and of any special meetings of the Association shall be hand delivered, sent by facsimile (fax) or electronic (e-mail) transmission, or sent by first-class or certified mail, no fewer than ten (10) nor more than sixty (60) days prior to the date fixed for said meeting to each Member entitled to vote at such meeting at such Member's address as shown in the records of the Association or to any other mailing address designated in writing by the Member. Consent to electronic notice is deemed granted in the event a Member provides a fax number or e-mail address to the Association. Such notice shall specify the place, date and hour of the meeting and a description of any matters that must be approved by the Members for which the Members' approval is sought at such meeting. The notice of a special meeting shall also include a description of the purposes for which the meeting is called. If any annual or special meeting of the Members is adjourned to a different date, time or place, notice need not be given of the new date, time and place if the new date, time and place are announced at the meeting before adjournment. Notwithstanding the foregoing sentence, if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date for the adjourned meeting is or must be fixed pursuant to Section 2.8 of these Bylaws or applicable law, notice of the adjourned meeting must be given pursuant to the requirements of this Section 2.6 to Members entitled to vote at the meeting.

27. Meetings by Telecommunication. Any or all of the Members may participate in an annual, regular, or special meeting by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting.

28. Recording Meetings. The Management Committee, in its sole and exclusive discretion, may adopt a policy regarding electronic recordation of meetings of the Association. Such policy may include, without limitation, an outright prohibition on any form of electronically recording meetings or outright prohibition on dissemination of any electronic recordings. Absent such a policy, and without the express approval of the Management Committee, no Member may record any meeting of the Association in any electronic format.

29. Quorum. The presence in person or by proxy of Members holding fifty-one percent (51%) or more of the Total Votes of the Association at any meeting of the Association held in response to notice to all Members of record properly given shall constitute a quorum. In the absence of a quorum at an Association meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum by those in attendance shall be to a date not less than five (5) nor more than thirty (30) days from the original meeting date. The quorum for an adjourned meeting shall require the presence in person or by proxy of Members holding thirty percent (30%) or more of the Total Votes of the Association. If the time and place for an adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings of the Association. Unless otherwise expressly provided in the Nonprofit Act, the Declaration and these Bylaws, any action may be taken at any meeting of the Members upon a majority vote of the Members who are present in person or by proxy.

210. Robert's Rules. Robert's Rules of Order Newly Revised (latest edition) shall govern the conduct of the Association's meeting when not in conflict with the Condominium Documents, the Nonprofit Act, or any special rules of order the Association may adopt.

211. Action by Written Ballot. Any action that may be taken at any annual or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of Directors; (c) specify the time by which a ballot must be received by the Association in order to be counted; and (d) be accompanied by written information sufficient to permit each person casting the ballot to reach an informed decision on the matter. The written ballot may be distributed electronically, including through an Owner website, and votes may be collected electronically, including by electronic mail or online voting. Approval by written ballot pursuant to this Section 2.11 shall be valid only when:

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

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

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

213. Proxies. At each meeting of the Association, each Member entitled to vote shall be entitled to vote in person or by proxy. The right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member or by his, her or its attorney thereunto duly authorized in writing. The instrument authorizing the proxy to act shall be delivered, at the beginning of the meeting, to the Secretary/Treasurer of the Association, or such other officer or person who may be acting as the secretary at the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting. A Member may revoke a proxy given pursuant to this Section only by actual notice of revocation to the Association. A proxy is void if it is not dated or purports to be revocable without notice.

214. Exercise of Voting.

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

214.2. Community Association; President is Voting Member. The Association shall be a member of the Community Association for each Unit. All voting and other rights in the Community Association attributable to Units shall be exercised by the President (or other officer authorized for such purpose by the Management Committee) of the Association ("Voting Member"). By acceptance of a deed or other instrument conveying a Unit, each Owner: (i) waives his, her or its right to participate in the Community Association and consents to the terms and provisions of the Declaration governing such membership; (ii) acknowledges that the Voting Member shall exercise all voting rights in the Community Association associated with each Owner's Unit; (iii) appoints the Voting Member as his, her, or its proxy and attorney-in-fact with full power of substitution to vote on such Owner's behalf for any and all items requiring an owner

vote under the Master Declaration; such proxy shall be valid so long as an Owner owns a Unit.

2.143. Voting Member. On all Community Association matters requiring a membership vote, the Voting Member shall be entitled to cast the votes attributable to the Units. The Management Committee shall also appoint one or more alternate Voting Members to be responsible for casting such votes in the absence of a Voting Member. In connection with each matter presented to the Community Association for a vote, the Voting Member may cast all such votes assigned to each Unit as he or she, in his or her sole and exclusive discretion, deems appropriate. The Voting Member is not required to allocate or divide his or her votes in the Community Association according to the Owners' affirmative and negative responses. The Voting Member shall be entitled to attend any meetings of the Community Association on behalf of the Owners. In addition, the Voting Member shall act as billing agent, payment liaison and communication recipient with the Community Association on behalf of the Units. The Voting Member shall accept notice for all Community Association communications, including without limitation, notices as to the total amount of Assessments due for each Unit. The Voting Member shall have the duty and obligation to inform each Owner in writing of the amount of the Assessment due against such Owner's Unit.

2.15. Transfer of Membership. The rights and obligations of any Member shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of an Owner's Unit, and then only to the transferee of ownership of the Unit. A transfer of ownership of a Unit may be effected by deed, intestate succession, testamentary disposition, foreclosure or such other legal process as is now in effect or as may hereafter be established under or pursuant to applicable law. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership of a Unit shall operate to transfer the Membership appurtenant to said Unit to the new Owner thereof. Each Purchaser shall notify the Association of his, her or its purchase of a Unit. A change in the ownership of a Unit shall be effective for voting purposes from the time the deed or other instrument effecting such change is Recorded; the Management Committee shall thereafter be given written notice of such change and provided satisfactory evidence thereof. Excluding the initial transfer of Units by Declarant, the Association may require the purchaser of a Unit to pay to the Association a Reinvestment Fee as provided in Section 15.13 of the Declaration, and such fee shall be secured by an Assessment lien.

2.16. Members of Record. For the purpose of determining Members entitled to notice of or to vote at a meeting of the Association, or in order to make a determination of Members for any other proper purpose, the Management Committee shall fix in advance a date as the record date for any such determination of Members. The record date shall not be more than thirty (30) days prior to the date of the particular meeting of the Association or the date on which the particular action requiring such determination of Members is to be taken, as applicable, unless otherwise extended by the Management Committee. If no record date is fixed, the record date for such determination of Members entitled to vote shall be four o'clock in the afternoon on the day before the day on which notice of the meeting is mailed or delivered. When a determination of Members entitled to vote at any meeting of the Association has been made as provided in this

Section 2.16, such determination shall apply to any continuation of such meeting following an adjournment.

ARTICLE 3 MANAGEMENT COMMITTEE

3.1. Administration of Association. The management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by the Management Committee consisting of three (3) natural persons ("Directors") who shall be Owners or designees of Declarant. Solely for the purposes of this Article 3, the term "Owner" shall include Owners, the spouse of an Owner who is married to and not legally separated from an Owner, and Designated Members.

3.2. Composition. Each Director shall have one equal vote. Except with respect to Directors appointed by the Declarant, the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Management Committee at the same time. In the case of a Member that is not a natural person, any officer, director, member, partner or trust officer of such Member shall be eligible to serve as a Director unless otherwise specified by written notice to the Association signed by such Member provided, no Member may have more than one such representative on the Management Committee at a time, except in the case of Directors appointed by the Declarant.

3.3. Directors During the Declarant Control Period. Notwithstanding any other provision of these Bylaws, the Directors shall be selected by the Declarant, acting in its sole and subjective discretion and shall serve at the pleasure of the Declarant during the Declarant Control Period. Upon termination of the Declarant Control Period, the Directors appointed by the Declarant shall resign and the Members shall be entitled to elect all successor Directors at a special meeting.

3.4. Election and Term of Office. At the first meeting of the Members after the termination of the Declarant Control Period, the Management Committee shall be elected by the Members. The terms of the Directors shall be staggered so that the terms of one-third of the Directors will expire and successors will be elected each year by the Members as provided by these Bylaws. Thereafter, successors to the Directors whose terms then expire shall be elected by the Members to serve terms of two (2) years. Directors shall serve until their successors have been duly elected and qualified unless removed pursuant to Section 3.7 below. Directors may be elected to serve any number of consecutive terms. Nominations for election to the Management Committee shall be made by resolution of the Management Committee or by a petition filed with the Secretary of the Association at least fifteen (15) days prior to the Members' meeting. Such petition shall be signed by two (2) or more Owners and signed by the nominee named therein indicating his or her willingness to serve as a member of the Management Committee, if elected. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes. Candidates must be in "good standing," as determined in the sole discretion of the Management Committee at the time of being nominated by the Management Committee or submitting a petition, as well as at the time of the election. For purposes herein "good standing" means the Owner (a) is current in all Assessments, fees, Personal Charges and contractual and other obligations owed to the Association and with respect to his or her Unit and

has demonstrated a historical pattern of being current with such obligations; (b) is in compliance with all of the provisions of the Condominium Documents and has demonstrated a historical pattern of compliance with all of the provisions in the Condominium Documents; and (c) has not engaged in acts and/or assisted or caused others to engage in acts that are (i) detrimental to the Association and/or its members or (ii) inconsistent with that of a member of the Management Committee and a fiduciary of the Association. Each Member shall vote on separate slates with respect to each vacancy to be filled for election of the Directors to represent them on the Management Committee and to cast the total number of votes assigned to their respective Unit.

3.5. Voting for the Management Committee. Voting for Directors may be by written or oral vote, unless an Owner objects to such procedure, in which case voting shall be by secret written ballot. At any meeting of the Association, each Member, either in person or by proxy, for each Director position to be filled, shall be entitled to the number of votes set forth in the Declaration for each Unit. When there are multiple positions to be filled, Members may not cumulate votes or cast all votes in favor of a single candidate. Regardless of the number of candidates, the candidates receiving the highest amount of votes among the number of candidates equaling the number of Directors to be elected shall be elected as Directors.

3.6. Resignation. Any Director may resign at any time by giving written notice to the President of the Association or to the remaining Directors. Any Director who (a) fails to attend three (3) consecutive Management Committee meetings or fails to attend at least twenty-five percent (25%) of the Management Committee meetings held during any fiscal year, or (b) fails to meet his or her assessment obligations under the Declaration shall be deemed to have tendered his or her resignation, and his or her position shall be vacant following confirmation of the failure to attend meetings or meet assessment obligations by the affirmative vote of the remaining Directors, notwithstanding such remaining Directors may be less than a quorum.

3.7. Removal. The Members, representing at least two-thirds (2/3) of the Total Votes of the Association present in person or by proxy at any meeting of the Members may remove any Director elected by the Members with or without cause. A Director may only be removed by the Members at a meeting called for the purpose of removing such Director and if the meeting notice states that the purpose, or one of the purposes, of the meeting is removal of such Director.

3.8. Vacancies. If vacancies shall occur in the Management Committee by reason of the death or resignation of a Director, the Directors then in office shall continue to act, and such vacancies shall be filled by a vote of the Directors then in office, though less than a quorum. Any vacancy in the Management Committee occurring by reason of removal of a Director by the Association may be filled by election at the meeting at which such Director is removed or any subsequent regular or special meeting of the Association. A vacancy resulting from a removal shall only be filled by the vote of Members holding a majority of the total votes present in person or by proxy at a meeting of the Association where a quorum is present.

3.9. Compensation. Directors shall receive no compensation for their services unless expressly approved by the vote or written assent of sixty seven percent (67%) of the Total Votes of the Association; provided, however, that Directors shall be reimbursed by the Association for reasonable expenses actually incurred for attendance at regular and special meetings of the Management Committee and any other expenses incurred on behalf of the Association upon

approval of a majority of the other Directors. Any Director may be employed by the Association in another capacity and receive compensation for such employment; provided further, that such employment shall be approved by vote or in writing by all Directors not including the Director to be employed.

3.10. Powers. The Management Committee, for the benefit of the Project and the Association, shall manage the business, property and affairs of the Project and the Association and enforce the provisions of the Condominium Documents. The Management Committee is authorized to adopt rules and regulations governing the use and operation of the Project, which shall become effective immediately upon adoption by the Management Committee. The Management Committee shall have the powers, duties and responsibilities with respect to the Project as contained in the Condominium Documents and Nonprofit Act.

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

3.12. Special Meetings of the Management Committee. Special meetings of the Management Committee may be called by written notice signed by the President or any two (2) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Special meetings shall be held within the Project or some other reasonable location in Weber County unless a meeting at another location would significantly reduce the cost to the Association and/or inconvenience to the Directors. To the extent permitted by Utah law, special meetings of the Management Committee may be held by telephonic conference or other means as described in Section 3.11 above.

3.13. Notices. Notices of all regular Management Committee meetings shall be given in writing, by personal delivery, first-class or certified mail, facsimile (fax) or electronic (e-mail) transmission to each Director not less than thirty (30) days prior to the meeting, provided that this requirement shall not apply to any Director who has signed a waiver of notice or a written consent to the holding of a meeting. Special meetings of the Management Committee must be preceded by two days' notice of the date, time and place of the meeting. The notice need not describe the purpose of the special meeting unless required by Utah law. The giving of notice of any meeting shall be governed by the rules set forth in §16-6a-103 of the Nonprofit Act.

3.14. Waiver of Notice. A Director may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. A Director's attendance at or participation in a meeting waives any required notice to that Director of the meeting unless such Director, at the beginning of the meeting or promptly upon the Director's arrival at the meeting, objects to

holding the meeting or transacting business at the meeting because of lack of notice or defective notice and the objecting Director does not vote for or assent to action taken at the meeting.

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

3.16. Action Without a Meeting. Any action that is required or permitted to be taken at a meeting of the Management Committee may be taken without a meeting if one or more consents in writing, setting forth the action so taken, are signed by all Directors and such signed consents are filed with the records of the Association. To take action by written consent, such consent must be signed by each Director indicating either: (a) a vote in favor of the action; or (b) a vote against the action or abstaining from voting on the action as well as a waiver of the right to demand that action not be taken without a meeting. Action may be taken under this Section 3.16 only if the affirmative vote for the action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting where all Directors were present. The consents of Directors may be sent to the Association by electronically transmitted facsimile or other form of wire or wireless communication providing a complete copy of the document, including a copy of the signature of the Directors.

3.17. Right of Declarant to Disapprove Actions. During the Declarant Control Period, Declarant shall have a right to disapprove any action, policy or program of the Association, the Management Committee and any committee which, in the sole and exclusive judgment of the Declarant, would tend to impair rights of the Declarant or any Declarant Affiliate under the Declaration or these Bylaws, or interfere with development, construction of any portion of the Project, or diminish the level of services being provided by the Association. No such action, policy or program shall become effective or be implemented until and unless:

3.17.1. The Declarant shall have been given written notice of all meetings and proposed actions approved at meetings of the Association, the Management Committee or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth in reasonable particularity the agenda to be followed at said meeting; and

3.17.2. The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. The Declarant, its representatives or agents shall make their concerns, thoughts, and suggestions known to the Management Committee and/or the members of

the subject committee. The Declarant shall have and is hereby granted an exclusive right to disapprove any such action, policy, or program authorized by the Association, the Management Committee or any committee thereof, if the approval of the Management Committee, any committee, or the Association is necessary for such action. This right may be exercised by the Declarant, its successors, assigns, representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provision thereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of the Management Committee, any committee, or the Association. The Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.18. Fiscal Year. The fiscal year shall be set by resolution of the Management Committee. In the absence of a Management Committee resolution, the fiscal year shall be January 1 through December 31.

3.19. Eligibility for Directors. An officer, employee, agent or director of a corporate Owner of a Unit, a trustee or designated beneficiary of a trust that owns a Unit, a partner of a partnership that owns a Unit, a member of a limited liability company that owns a Unit, a fiduciary of an estate that owns a Unit, and the spouse of an Owner who is married to and not legally separated from an Owner may be considered an Owner for the purpose of determining eligibility for Directors of the Management Committee. Where the person serving or offering to serve as an officer or Director of the Management Committee is not the record Owner, such person shall file proof of authority in the records of the Association.

3.20. Common Area Manager. The Management Committee or the officers appointed thereby may delegate to the Common Area Manager, or such other persons as it so determines, all of the duties and obligations of the Management Committee set forth herein and in the Declaration to the extent such duties and obligations are properly delegable.

3.21. Special Committees. The Management Committee may designate by resolution such committees and subcommittees as the Management Committee deems appropriate, from time to time, which shall include the Residential Units Committee and Homes Committee as described in the Declaration. Each committee shall exercise those powers granted to it by an enabling resolution of the Management Committee; provided, however that no committee shall exercise any power which is excluded from the delegation of the power of the Management Committee by the laws of the State of Utah or the Condominium Documents.

ARTICLE 4 OFFICERS

4.1. Designation. The officers shall be a President, Vice President, and Secretary/Treasurer and such other officers as may from time to time be appointed by the Management Committee as it may deem necessary. No officer shall be required to be an Owner. No officer shall receive compensation for serving as such; provided, however, that an officer may be

reimbursed for expenses incurred in performance of his or her duties as an officer to the extent such expenses are approved by the Management Committee and may be compensated for services rendered to the Association other than in the capacity as an officer. All officers and employees of the Association shall serve at the will of the Management Committee. Officers shall be annually elected by the Management Committee and may be removed and replaced by the Management Committee. Any one person may hold any two or more offices, except that the President may not also be the Secretary/Treasurer.

42. President. The President shall be the chief executive of the Management Committee and shall preside at all meetings of the Association and of the Management Committee and may exercise the power ordinarily allowable to the presiding officer of an Association, including the appointment of committees. The President shall exercise general supervision over the Project and its affairs. He or she shall sign, and the Secretary/Treasurer shall witness, on behalf of the Association, all conveyances, mortgages and contracts of material importance to its business. He or she shall do and perform all acts which the Management Committee may require.

43. Vice President. The Vice President shall perform the functions of the President in his or her absence or inability to serve. He or she shall do and perform all acts which the Management Committee may require.

44. Secretary/Treasurer. The Secretary/Treasurer shall keep minutes of all proceedings of the Management Committee 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 Members and the Management Committee. The Secretary/Treasurer shall also be responsible for the fiscal affairs of the Association, and shall have the custody and control of the funds of the Association, but may delegate the daily handling of funds and the keeping of records to the Common Area Manager. The Secretary/Treasurer shall, upon the request of the President, report the state of the finances of the Association at any meeting of the Management Committee or the Members. He or she shall do and perform all acts which the Management Committee may require.

45. Resignation and Removal. Any officer may resign at any time by delivering a written resignation to the President or the Management Committee. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed by the Management Committee at any time, with or without cause.

46. Execution of Amendments. Any officer may prepare, execute, certify and record amendments to the Declaration, the Plat, or these Bylaws on behalf of the Association.

ARTICLE 5 COMMON EXPENSES; ASSESSMENTS

5.1. Assessments. All Common Expenses shall be assessed against Members in accordance with the undivided interest allocated to each Unit as described in Exhibit B to the Declaration. All Garage Expenses for each Garage shall be assessed against Members owning Units with appurtenant Parking Spaces located in such Garage.

5.2. Common Expenses and Garage Expenses. The Management Committee shall approve or disapprove the estimated Common Expenses and Garage Expenses for the coming fiscal year. Assessments shall be assessed on a monthly, quarterly or annual basis, at the election of the Management Committee, to the Members.

5.3. Billing Statement for Assessments. The Management Committee shall submit a billing statement to each Member of the amount of the Assessment owed by such Member, at least thirty (30) days prior to the date payment such Assessment is due. Such billing statement shall identify the amount of Assessments due and the due date.

5.4. No Exemption. No Member shall be exempt from liability for Common Expenses or Garage Expenses by waiver of the use or enjoyment of any of the Project or by abandonment of his, her or its Unit.

5.5. Assessment Records. The Treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Project, specifying and itemizing the maintenance, repair and replacement expenses of the Project and any other expenses incurred. Such records shall be available for examination by the Members during regular business hours. In accordance with the actions of the Management Committee in assessing Common Expenses and Garage Expenses against the Units, the Treasurer shall keep an accurate record of such Assessments and of the payments thereof by each Member.

5.6. Statements for Purchasers. Any person who shall have entered into a written agreement to purchase a Unit, by written request directed to the Management Committee, shall be entitled to obtain a written statement from the Treasurer setting forth the amount of the monthly, quarterly, annual or other periodic Assessments and the amount of unpaid Assessments charged against such Unit and its Owner(s), and if such statement does not reveal the full amount of the unpaid Assessments as of the date it is rendered, the purchaser shall not be liable for the payment of an amount in excess of the unpaid Assessments shown thereon, provided that the former Owner shall remain so liable. Any such excess which cannot be promptly collected from the former Owner-grantor shall be reassessed by the Management Committee as a Common Expense to be collected from all Members, including without limitation the purchaser of such Unit and his, her or its successors and assigns. The new Owner shall, and the former Owner shall not, be liable for any Assessments made after the date of transfer of title, even though the expenses incurred or the advances made by the Management Committee for which the Assessment is made relate in whole or in part to any period prior to that date. The Management Committee is authorized to require a reasonable fee not to exceed \$25.00, unless otherwise authorized by the Act, for furnishing such statements.

5.7. Statements for Members and Mortgagees. In addition to the statements issuable to purchasers, the Management Committee shall, upon ten (10) days prior written request therefor, provide to any Member and to any Mortgagee, a current statement of unpaid Assessments for Common Expenses and for any expenses of and advances by the Management Committee with respect to a Unit. The Management Committee is authorized to require a reasonable fee not to exceed \$25.00, unless otherwise authorized by the Act, for furnishing such statements.

5.8. Collection. All Assessments shall be a separate, distinct and personal liability of the Members at the time each Assessment is made. The Management Committee shall have the rights and remedies contained in the Act and in the Declaration to enforce the collection of Assessments. In all cases where all or part of any Assessments for Common Expenses, and for any expenses of and advances by the Management Committee cannot be promptly collected from the persons or entities liable therefor under the Declaration or these Bylaws, the Management Committee shall reassess the same as a Common Expense without prejudice to its right of collection against such persons or entities, or without prejudice to its lien for such Assessments.

5.9. Limitations on Alterations, Additions and Improvements of Common Areas. There shall be no structural alterations, capital addition to, or capital improvements of the Common Areas requiring an expenditure in excess of One Hundred Thousand Dollars (\$100,000.00) without prior approval of Members holding a majority of the Total Votes of the Association.

ARTICLE 6 LITIGATION

6.1. Expenses. If any action is brought by a Director on behalf of the Association, the expenses of suit, including reasonable attorneys' fees, shall be a Common Expense. Except as otherwise provided by the Declaration or applicable Utah law, if any action is brought against the Members or against the Management Committee or the Directors, 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 Members, the expenses of suit, including attorneys' fees, shall be a Common Expense. If any action is brought against one or more, but less than all Members, with the result that the ultimate liability would, if proved, be borne solely by such Members named as defendants, the expenses of suit, including attorneys' fees, shall not be charged to or borne by the other Members, as a Common Expense or otherwise.

6.2. Defense. Except as otherwise provided by applicable Utah law, any action brought against the Association, the Management Committee or the Directors, officers, employees or agents thereof, in their respective capacities as such, or the Project as a whole, shall be directed to the Management Committee, and shall be defended by the Management Committee and the Members and Mortgagees shall have no right to participate in such defense other than through the Management Committee. Actions against one or more, but less than all Members, shall be directed to such Members who are named defendants, which Members shall promptly give written notice thereof to the Management Committee, and such action shall be defended by such Members.

ARTICLE 7 INDEMNIFICATION

7.1. Actions by or in the Right of the Association. The Association shall indemnify each and every Director and officer of the Association, and each and every member of any committee appointed by the Management Committee (including, for purposes of this Section 7.1, former officers and Directors of the Association, and former members of committees appointed by the Management Committee) (each an "Association Official") against any and all expenses,

including attorneys' fees, reasonably incurred by or imposed upon an Association Official in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the Management Committee serving at the time of such settlement) to which he or she may be a party by reason of being or having been an Association Official, if he or she acted in good faith; reasonably believed, in the case of conduct in his or her official capacity with the Association, that his or her conduct was in the Association's best interest, or, in all other cases, that his or her conduct was at least not opposed to the Association's best interests; and in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. So long as the Association Official: (a) acted in good faith; (b) reasonably believed, in the case of conduct in his or her official capacity with the Association, that his or her conduct was in the Association's best interest, or, in all other cases, that his or her conduct was at least not opposed to the Association's best interests; and (c) in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful, then he or she shall not have any personal liability with respect to any contract or other commitment made or action taken on behalf of the Association (except indirectly to the extent that such Association Official may also be a Member of the Association and therefore subject to Assessments hereunder to fund a liability of the Association), and the Association shall indemnify and forever hold each such Association Official free and harmless from and against any and all liability to others on account of any such contract, commitment or action. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Association Official may be entitled. If the Management Committee deems it appropriate, in its sole discretion, the Association may advance funds to or for the benefit of any Association Official who may be entitled to indemnification hereunder to enable such Association Official to meet on-going costs and expenses of defending himself or herself in any action or proceeding brought against such Association Official by reason of his or her being, or having been, an Association Official. In the event it is ultimately determined that an Association Official to whom, or for whose benefit, funds were advanced pursuant to the preceding sentence does not qualify for indemnification pursuant to this Section 7.1 or otherwise under the Articles, these Bylaws, the Declaration or applicable law, such Association Official shall promptly upon demand repay to the Association the total of such funds advanced by the Association to him or her, or for his or her benefit, with interest (should the Management Committee so elect) at a rate not to exceed ten percent (10%) per annum from the date(s) advanced until paid. Notwithstanding the foregoing, the Association may not indemnify an Association Official under this Section 7.1: (i) in connection with a proceeding by or in the right of the Association in which the Association Official was adjudged liable to the Association; or (ii) in connection with any other proceeding charging improper personal benefit to the Association Official, whether or not involving action in his or her official capacity, in which the Association Official was adjudged liable on the basis that personal benefit was improperly received by the Association Official.

7.2. Successful on the Merits. To the extent that an Association Official has been wholly successful on the merits in defense of any action, suit or proceeding referred to in Section 7.1 above, or in defense of any claim, issue or matter therein, such person shall be indemnified by the Association against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection therewith.

7.3. Determination Required. Any indemnification under Section 7.1 (unless ordered by a court) and as distinguished from Section 7.2, shall be made by the Association only as authorized by the specific case upon a determination that indemnification of the Association Official is proper in the circumstances because such individual has met the applicable standard of conduct set forth in Section 7.1 above. Such determination shall be made by the Management Committee by majority vote of a quorum consisting of those Directors who were not parties to such action, suit or proceeding or, if a majority of disinterested Directors so commands, by independent legal counsel and a written opinion or by Members entitled to vote thereon.

7.4. Payment in Advance of Final Disposition. The Association shall pay for or reimburse the reasonable expenses incurred by an Association Official who is a party to a proceeding in advance of final disposition of the proceeding if the Association Official furnishes to the Association a written affirmation of the Association Official's good faith belief that he or she has met the standard of conduct described in Section 7.1, the Association Official furnishes to the Association a written understanding, executed personally or on the Association Official's behalf to repay the advance with interest, if any, as set forth in Section 7.1 above if it is ultimately determined that the Association Official did not meet the standard of conduct and a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article 7. The undertaking required in this Section 7.4 shall be an unlimited general obligation of the Association Official but need not be selected and may be accepted without reference to financial ability to make repayment.

7.5. No Limitation of Rights. The indemnification provided by this Article 7 shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the Members or disinterested Directors, or otherwise, nor by any rights which are granted pursuant to the Nonprofit Act.

7.6. Directors and Officers Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a Director or an officer of the Association against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify such individual against such liability under provisions of this Article 7. The Directors and officers of the Association shall have the liabilities, and be entitled to indemnification, as provided in the Nonprofit Act.

7.7. Notice to Members. If the Association indemnifies or advances expenses to an Association Official pursuant to this Article 7, the Management Committee shall report the indemnification or advance in writing to the Members with or before the notice of the next meeting of the Members.

ARTICLE 8 ENFORCEMENT

8.1. Abatement and Enjoinment of Violations by Members. The violation of any Association Rules, the breach of any provision contained herein or the breach of any provision of the Declaration shall give the Management Committee the right, in addition to any other rights set forth in these Bylaws:

8.1.1. 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 Member or Members, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Management Committee shall not thereby be deemed guilty in any manner of trespass provided that items of construction may not be altered or demolished without proper judicial proceedings; and/or

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

8.2. Monetary Fines. The Management Committee may assess a fine against a Member for violations of the Condominium Documents provided that the Management Committee shall give notice to the Member of the violation and inform the Member that a fine will be imposed if the violation is not cured within the time designated by the Management Committee, which shall be at least 48 hours. The Management Committee may levy fines in the amounts that it, in its sole discretion, shall determine to be reasonable for each violation of the Condominium Documents provided that cumulative fines for a continuing violation may not exceed \$500 per month unless otherwise allowed by law. A Member who is assessed a fine may request an informal hearing to protest or dispute the fine within thirty (30) days from the date the fine is assessed.

8.3. Cause of Action. The Management Committee shall have a right of action against Members who fail to comply with any provision of the Condominium Documents or the decisions of the Association or Management Committee. Before pursuing such cause of action, the Management Committee shall provide the Member notice of the alleged violation and the opportunity to request an informal hearing.

8.4. Temporary Suspension. The Management Committee may impose a temporary suspension of a Member's right to use the Common Areas or other appropriate discipline against a Member who has failed to comply with any provision of the Condominium Documents. Prior to such suspension or other discipline, the Management Committee shall provide the Member notice of the alleged violation and the opportunity to request an informal hearing.

8.5. Remedies Cumulative. These remedies are cumulative to other remedies provided in the Declaration and these Bylaws, any rules or regulations adopted by the Management Committee, or in any other applicable laws.

ARTICLE 9 ACCOUNTING

9.1. Accounting and Recordkeeping. The books and accounts of the Association shall be kept in accordance with generally accepted accounting procedures under the direction of the Secretary/Treasurer. The Association shall maintain financial records, records of Assessments as required by Section 5.5 above and such other records as required by the Declaration or by law. The cost of any audit shall be a Common Expense unless otherwise provided in the Declaration.

9.2. Financial Statements. At the close of each fiscal year, the books and records of the Association shall be prepared by an independent public accountant approved by the Management Committee, and financial statements shall be prepared by said accountant and made available at such location as records of the Association are maintained for inspection by Members during normal business hours.

9.3. Budget. A budget for each fiscal year shall be adopted by the Management Committee and distributed to all Members prior to the beginning of the fiscal year to which the budget applies.

9.4. Maintenance and Inspection of Records. The membership register, including mailing addresses and telephone numbers, books of account and minutes of meetings of the Association, of the Management Committee and of committees of the Management Committee and all other records of the Project maintained by the Association, Common Area Manager or managing company shall be made available for inspection and copying by any Member or his, her or its duly appointed representative at any reasonable time and for a purpose reasonably related to his, her or its interest as a Member, at the office where the records are maintained, including the Common Area Manager's office. Upon receipt of an authenticated written request from a Member along with the fee prescribed by the Management Committee to defray the costs of reproduction, the Common Area Manager or other custodian of records of the Association shall prepare and transmit to the Member a copy of any and all records requested. The Association may, as a condition to permitting a Member to inspect the membership register or to its furnishing information from the register, require that the Member agree in writing not to use, or allow the use of, information from the membership register for commercial or other purposes not reasonably related to the Member's interest in the Association. The Management Committee shall establish reasonable rules with respect to:

9.4.1. Notice to be given to the custodian of the records by the Member desiring to make the inspection or obtain copies;

9.4.2. Hours and days of the week when such an inspection may be made; and

9.4.3. Payment of the cost of reproducing copies of documents requested by a Member.

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

ARTICLE 10
RENTAL OR LEASE OF UNITS BY MEMBERS

10.1. Member Responsible. The provisions of these Bylaws shall apply with equal force to all occupants of a Unit. Any Member who rents or leases or otherwise permits any other person to utilize his, her or its Unit shall be responsible for the conduct of his, her or its occupants, and upon written notice from the Management Committee or the Common Area Manager, said Member shall be responsible for correcting violations committed by such occupants of the Declaration, these Bylaws or the rules and regulations adopted by the Association.

10.2. Violations. If a Member fails to correct violations by his, her or its occupants within the time designated by the Management Committee, the Management Committee or Common Area Manager shall be deemed to be the agent of the Member and empowered to take any enforcement action the Member would be entitled to take, the reasonable costs of such action, including but not limited to fees and costs paid to third parties, to be assessed to the Member and payable within thirty (30) days of assessment. Such costs shall be collected and enforced in the same manner as Common Expenses under the Declaration.

10.3. Remedies. The power of the Management Committee or Common Area Manager hereunder over occupants shall include but not be limited to any and all legal remedies available under the laws of the State of Utah. Any Member by the act of renting, leasing or otherwise permitting any other person to utilize his, her or its Unit shall be deemed to have consented to these procedures and shall indemnify and save harmless the Management Committee and the Common Area Manager from and against any and all liability therefor. It is expressly understood that the remedies available to the Management Committee or Common Area Manager shall include but not be limited to the right to seek eviction of the occupant without any liability to the Member.

ARTICLE 11
AMENDMENT OF BYLAWS

11.1. By Declarant. Prior to the conveyance of the first Unit by Declarant to a person other than a Declarant Affiliate, Declarant may unilaterally amend these Bylaws. After such conveyance, and notwithstanding anything contained in these Bylaws to the contrary, these Bylaws may be amended unilaterally at any time and from time to time by Declarant if such amendment is (i) necessary to correct typographical errors or inadvertent omissions; (ii) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; or (iii) reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Units or other improvements subject to the Declaration; provided, however, any such amendment shall not materially adversely affect the title to any Unit unless any such Owner shall consent thereto in writing. Further, during the Declarant Control Period, Declarant may unilaterally amend these Bylaws for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owner hereunder.

112. By Members Generally. Except as provided above, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing fifty-one percent (51%) of the Total Votes of the Units, and the consent of the Declarant, so long as Declarant owns a Unit. In addition, the approval requirements set forth in the Declaration shall be met, if applicable. Notwithstanding the above, unless otherwise required under the Nonprofit Act, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Notwithstanding the foregoing, no amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the successor of such right or privilege, which consent may be withheld for any reason or no reason.

ARTICLE 12 MISCELLANEOUS

121. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally sent by United States mail, first class postage prepaid, facsimile (fax) or electronic (e-mail) transmission to:

12.1.1. If to a Member, at the mailing address, fax number or e-mail address which the Member has designated in writing and filed with the Secretary/Treasurer or, if no such address has been designated, at the street address of such Member's Unit; or

12.1.2. If to the Association or the Common Area Manager, at the principal office of the Association or the Common Area Manager, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section 12.1.

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

123. Conflicts. If there are conflicts between the provisions of Utah law and the Condominium Documents, the provisions of Utah law, the Declaration, the Articles, these Bylaws and the Association Rules (in that order) shall prevail. Should such conflicts arise, the arbitration and dispute resolution provisions provided for in the Declaration are specifically incorporated herein by this reference and made a part of these Bylaws.

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

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

126. Effective Date. These Bylaws shall take effect as of the date of recording in the Official Records of Weber County, Utah.

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


128. Seal. The Management Committee may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation and the words "Corporate Seal."

[Signatures on Following Page]

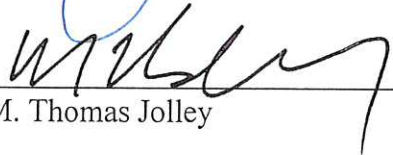
The foregoing were adopted as the Bylaws of Village Nests Association, Inc., a nonprofit corporation under the laws of the State of Utah, as of the day of _____, 2016.



Gregory Vincent Mauro



Jeff Werbelow



M. Thomas Jolley