

WHEN RECORDED RETURN TO
Equity Capital, LLC
2045 Wilmington Ave
Salt Lake City, Utah 84109

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16-22-278-004

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GARY W. OTT
RECORDER, SALT LAKE COUNTY,
UTAH
EQUITY CAPITAL LLC
2045 WILMINGTON AVE.
SLC, UT 84109
BY: ZJM, DEPUTY - WI 45 P

DECLARATION OF CONDOMINIUM

FOR

COUNTRY CLUB RIDGE CONDOMINIUMS

THIS DECLARATION is made and executed as of the 23rd day of December, 2005, by EQUITY CAPITAL, LLC, a Utah limited liability company ("Declarant").

RECITALS:

- A. Declarant is the record owner of that certain real property (the "Land") located in Salt Lake City, Salt Lake County, Utah more particularly described in Article II hereof.
- B. Various improvements have been or will be made to the Land so as to enable its use and operation as a condominium project. The construction of all such improvements has been, or will be, performed in accordance with the information contained in the Record of Survey Map and in this Declaration.
- C. Declarant desires, by filing this Declaration and the Record of Survey Map, to submit the Land and all improvements now or hereafter constructed thereon to the provisions of the Act as a condominium project to be known as the "Country Club Ridge Condominiums".
- D. Declarant intends to sell and convey to various purchasers the fee title to the individual Units contained in the Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, restrictions, and limitations herein set forth.

NOW, THEREFORE, for the foregoing purposes, Declarant hereby makes the following Declaration:

I. DEFINITIONS

When used in this Declaration (including the Recitals and By-Laws and other exhibits attached hereto), the following terms shall have the meaning indicated. Any term used herein which is defined by the Act shall, to the extent permitted by the context hereof, have the meaning ascribed by the Act.

1.1. Act shall mean and refer to the Utah Condominium Ownership Act (Sections 57-8-1 through 57-8-38, *Utah Code Annotated*).

1.2. Association of Unit Owners or Association shall mean and refer to all of the Owners taken as or acting as a group in accordance with this Declaration as more fully set out in Section 5.1 of this Declaration.

1.3. Building shall mean the Building described in Section 3.1 of this Declaration.

1.4. Bylaws shall mean and refer to the Bylaws attached as Exhibit C to this Declaration as the same may hereafter be modified or amended.

1.5. Common Areas and Facilities or Common Areas shall mean, refer to, and include all Common Areas and Facilities designated as such in the Survey Map and all portions of the Project not specifically included within the individual Units as more fully described in Section 3.3 of this Declaration and all Common Areas as defined in the Act, whether or not enumerated herein.

1.6. Common Expenses shall mean and refer to all sums which are expended on behalf of all the Unit Owners and all sums which are required by the Management Committee to perform or exercise its functions, duties, or rights under the Act, this Declaration, the Bylaws, any management agreement for operation of the Project, and such rules and regulations as the Management Committee may from time to time make and adopt. By way of illustration but not limitation, Common Expenses shall include: (i) expenses of administration, maintenance, operation, repair and replacement of those elements of the Common Areas and Facilities that must be maintained and/or replaced on a periodic basis and reserves as may be from time to time established by the Committee; (ii) expenses agreed upon by the Association or the Management Committee and lawfully assessed against the Unit Owners in accordance with this Declaration or the Bylaws; and (iii) expenses declared to be Common Expenses by the Act or by this Declaration or the Bylaws.

1.7. Condominium Unit means and refers to a separate Unit as described in Section 3.2 of this Declaration together with an undivided interest in the Common Areas and Facilities and the appurtenant right to the exclusive use of Limited Common Areas associated with such Unit.

1.8. Condominium Project or Project shall mean and refer to the Country Club Ridge Condominiums and shall consist of the Property.

1.9. Declarant shall mean and refer to EQUITY CAPITAL, LLC, a Utah limited liability company, or any successor or assign which, either by the operation of law, or through a voluntary conveyance, transfer, or assignment, comes to stand in the same relation to the Project as did its predecessor in interest.

1.10. Declaration shall mean and refer to this instrument as the same may hereafter be modified or amended

1.11. Land shall mean and refer to and consist of the real property described in Article II of this Declaration submitted to the terms of the Act by Article II hereof.

1.12. Limited Common Areas shall mean and refer to those Common Areas designated herein or on the Survey Map as reserved for the use of a certain Unit or Units to the exclusion of

the other Units as further described in Section 3.4 of this Declaration.

1.13. Management Committee or Committee shall mean and refer to the Management Committee of the Association of Unit Owners.

1.14. Mortgage shall mean and include both a recorded first mortgage and a recorded first deed of trust by which a Condominium Unit is encumbered.

1.15. Mortgagee shall mean and include both a mortgagee under a recorded first mortgage on any Condominium Unit and a beneficiary under a recorded first deed of trust on any Condominium Unit.

1.16. Percentage Interest shall mean and refer to an undivided percentage interest assigned to and appurtenant to each Unit in the Common Areas and Facilities as described in Section 3.5 of this Declaration and set out in Exhibit B to this Declaration.

1.17. Property shall mean and refer to the Land, the Building, and all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

1.18. Record of Survey Map, Survey Map or Map shall mean and refer to the Record of Survey Map filed in connection herewith executed and acknowledged by Declarant, consisting of four pages, and prepared and certified to by McNeil Engineering, Inc., a duly registered Utah Land Surveyor, as the same may hereafter be modified or amended.

1.19. Single Family shall mean one person living alone; two or more persons related by blood, marriage or adoption; or a group not to exceed two unrelated persons living together as a single housekeeping unit.

1.20. Unit shall mean and refer to an individual air space Unit as described in Section 3.2 of this Declaration.

1.21. Unit Owner or Owner shall mean and refer to the owner of the fee in a Condominium Unit. The Declarant shall be deemed the Owner of all unsold Condominium Units. In the event a Condominium Unit is the subject of an executory contract of sale, the contract purchaser shall, upon notice to the Committee by the purchaser, unless the seller and the purchaser have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for purposes of voting and Association membership.

II. SUBMISSION

2.1. Submission to Act. There is hereby submitted to the provisions of the Act, that certain parcel of land situated in Salt Lake City, Salt Lake County, State of Utah more

particularly described in Exhibit A attached hereto and incorporated herein by this reference and all improvements now or hereafter constructed thereon.

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

RESERVING UNTO DECLARANT, however , such easements and rights of ingress and egress over , across, through, and under the above-described Land and any improvements (other than the Building) now or hereafter situated thereon as may be reasonably necessary for Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration): (i) To construct and complete the Building and all of the other improvements referred to, contemplated by, and /or described in this Declaration or the Survey Map, and to do all things reasonably necessary or proper in connection therewith; and (ii) To improve portions of the Land with such other or additional improvements, facilities, or landscaping designed for the use and enjoyment of all the Owners as Declarant may determine to be appropriate. If, pursuant to the foregoing reservations, the above-described Land or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the reservations hereby effected shall, unless sooner terminated in accordance with their terms, expire ten (10) years after the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah.

SUBJECT TO all liens for current and future taxes, assessments and charges imposed or levied by governmental or quasi-governmental authorities; all patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described Land or any portion thereof , including, without limitation, any mortgage or deed of trust; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies shown on or revealed by the Survey Map or otherwise existing; an easement for each and every pipe, line, cable, wire, utility line or similar facility which traverses or partially occupies the above described Land at such time as construction of all Project improvements is complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

2.2. Covenants to Run With Land. This Declaration and all the provisions hereof shall constitute covenants running with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of Declarant, all parties who hereafter acquire any interest in a Condominium Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Condominium Units shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated by this Declaration. By acquiring any interest in a Condominium Unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

III. DESCRIPTION OF BUILDING, UNITS AND COMMON AREAS

3.1. Description of the Building. The Building has one level of covered parking and storage areas, 40 single family Units, a recreation room, a multipurpose room and a manager's office located on three levels above the parking level, two elevators and various lobbies, stair wells and other common areas. The Building is constructed of wood frame. The exterior is brick, stucco and glass windows. The Building is supplied with electricity, water, sewage service, and master TV antenna, natural gas, heating and air conditioning. The Building is fully depicted on the Survey Map.

3.2. Description of Units. The boundary lines of each Unit are the undecorated and unfinished interior surfaces of its perimeter walls, bearing walls, lowermost floor, uppermost ceiling, interior surfaces of doors, window frames and door frames and trim and exterior surfaces of windows. Each Unit shall include both the portions of the Building that are not Common Areas and Facilities within such boundary lines and the space so encompassed. Each Unit shall have its own heating and air conditioning systems to serve only that Unit. Those systems, whether located within or outside the Unit boundary lines referred to in the foregoing, shall be part of the Unit they serve, as shall all wires, lines, and conduits that are a part of or that serve or are attached to such systems. Without limitation, a Unit shall include any finishing material applied or affixed to the interior surfaces of the interior walls, floors or ceilings, as well as systems, fixtures, or appliances found within the boundary lines of the Unit and servicing only that Unit. Exhibit B hereto contains a table setting forth the number designation of each Unit. The Units are more particularly described in the Survey Map.

3.3. Description of Common Areas and Facilities. The Common Areas and Facilities shall mean and include: the Land, all portions of the Project and the Property not contained within any Unit, including, but not by way of limitation: the foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, and entrances and exits of the Building; the grounds, gardens, parking areas, the manager's office, exercise room and multipurpose room and the areas used for storage of janitorial supplies, maintenance equipment and materials; installation of all central services, including power, light, water, hallway heating and air conditioning, and garbage collection; the elevators, pumps, motors, fans, ducts, and in general all apparatus and installations existing for common use; all patios, courts and driveways; any utility pipes, lines or systems servicing more than a single Unit and all ducts, flues, chutes, wires, conduits and other accessories and utility installations to the outlets used therewith; all Limited Common Areas as herein described; all other parts of the Property necessary or convenient to the existence, maintenance and safety, or normally common in use, or which have been designated as Common Areas and Facilities in the map; and all repairs and replacements of any of the foregoing.

3.4. Description of Limited Common Areas. The Limited Common Areas shall consist of and include those portions of the Common Areas and Facilities reserved for the use of a certain Unit or Units to the exclusion of the other Units. The Limited Common Areas

shall include the assigned parking spaces and storage areas as set forth in Exhibit B hereto as well as balconies, patios, porches, or decks that are immediately adjacent to and contiguous with the Units, as more particularly identified in the Survey Map. The use and occupancy of designated Limited Common Areas shall be reserved to its associated Unit and each Unit Owner shall have the right to use and occupy said Limited Common Areas.

3.5. Percentages of Undivided Interest in Common Areas and Facilities. The size of each Unit and the percentage of undivided interest in the Common Areas and Facilities assigned to and appurtenant to each Unit and its Owner for all purposes, including voting, are set forth in Exhibit B. The percentage of undivided ownership interest in the Common Areas and Facilities which is appurtenant to a Unit is equal to the ratio between the size of such Unit and the aggregate size of all Units included in the Project. The percentage of undivided ownership interest which is appurtenant to each Unit contained in the Project has been computed in the aforesaid manner and through use of the minor adjustments described the following sentence. In utilizing the aforesaid formula, however, Declarant may have made (and reserves the right to have done so) minor adjustments in some or all of the percentage interests which result from a strict application thereof for the purpose, but only for the purpose, of assuring that the total undivided ownership interest respecting the Project equals 100.00%. The percentage of undivided interest assigned to and appurtenant to each Unit as set out in Exhibit B shall have a permanent character and shall not be altered except (a) in accordance with Article XIV, or (b) with the unanimous written consent of all Owners and all Mortgagees expressed in an amendment of this Declaration duly recorded.

IV. PURPOSE AND USE OF PROJECT AND UNITS

4.1. Purpose of Project and Units. The purpose of the Project and the respective Units thereof is to provide Single Family residential housing, parking and recreational facilities for Unit Owners, their respective families, tenants, guests and invitees.

4.2. Use of Units and Common Areas. The Units shall be occupied as Single Family residences and a Unit Owner shall not permit its Unit to be occupied or used other than as a private residence for a Single Family dwelling.

4.3. Restrictions on Use of Units and Common Areas. The use and occupancy of the Units and Common Areas by Unit Owners, their respective families, tenants, guests and invitees shall be subject to the following restrictions and conditions:

4.3.1. A Unit Owner shall not permit any obnoxious, destructive or offensive activity or nuisance to be carried on in his Unit or the Limited Common Areas appurtenant to his Unit or in the Common Areas, or any part thereof, which may be or may become an annoyance to any other Owner or to any person at any time lawfully residing in the Project.

4.3.2. Smoking is prohibited in the Project. A Unit Owner shall not permit smoking in his Unit, in the Limited Common Areas appurtenant to his Unit or in the Common Areas.

4.3.3 Nothing shall be done or kept in any Unit or in the Limited Common Areas appurtenant to a Unit which would result in the cancellation of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof without the prior written consent of the Management Committee. Nothing shall be done or kept in any Unit or in the Limited Common Areas appurtenant to the Unit or the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

4.3.4. No remodeling, as defined in the Design Guidelines attached as Exhibit D, shall be undertaken in any Unit by any Owner without the prior written consent of the Management Committee in the manner provided for in said Design Guidelines.

4.3.5. The draperies, shades and other interior window coverings in the Units shall present a uniform and pleasant appearance from the outside of the Building. All windows facing the front of the Building (facing Parleys Way) shall be required to have white plantation shutters that meet the specifications set out in the Design Standards attached as Exhibit D. No draperies, shades or other window coverings that are visible from the outside of the Building, other than the draperies, shades, and other window coverings allowed by the foregoing provisions, shall be installed in a Unit without the prior approval of the Management Committee.

4.3.6. All hardwood floors or other hard surfaced floor coverings installed in Units on the second and third floors of the Building shall be required to meet the sound protection specifications set out in the Design Standards attached as Exhibit D.

4.3.7. A Unit Owner shall keep the patios or balconies that are Limited Common Areas appurtenant to his Unit clean and sightly at all times and shall not use said patios or balconies for storage except with the express written approval of the Management Committee.

4.3.8. A Unit Owner shall not permit any sign of any kind to be displayed to the public view from his Unit or from the Limited Common Areas appurtenant to his Unit without the prior written consent of the Management Committee.

4.3.9. A Unit Owner shall not permit any animals of any kind to be raised, bred, or kept in his Unit or in the Limited Common Areas appurtenant to his Unit, except that the Management Committee may provide in its rules and regulations that dogs, cats, and other household pets may be kept in Units subject to the rules and regulations adopted by the Management Committee.

4.3.10 There shall be no obstructions of the Common Areas and Facilities by the Unit Owners, their tenants, guests or invitees without the prior written consent of the Management Committee. Nothing shall be altered on, constructed in or removed from the Common Areas except upon the prior written consent of the Management Committee.

4.3.11. A Unit Owner shall not place or store anything within the Common

Areas without the prior written consent of the Management Committee, except in the Limited Common Areas appurtenant to its Unit specifically designated or approved for storage.

4.3.12 No damage to or waste of the Common Areas or any part thereof shall be committed by any Owner or his respective family, tenants, guests and invitees, and each Owner shall indemnify and hold the Management Committee and the other Unit Owners harmless against all loss resulting from any such damage or waste caused by such Owner or his respective family, tenants, guests and invitees.

4.3.13. A Unit Owner shall not permit his parking spaces(s) to be used for any other purposes except to park a vehicle.

4.3.14. The Management Committee may by Rules and Regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Areas. No Owner shall violate the rules and regulations regarding use of the Common Areas as adopted from time to time by the Management Committee.

4.3.15. The Management Committee may by Rules and Regulations limit the days and hours that Owners and occupants may move furniture in or out of Units and may restrict or regulate the use of the Building's elevators for moving furniture.

V. ASSOCIATION OF UNIT OWNERS – MANAGEMENT COMMITTEE

5.1. Association of Unit Owners. The persons or entities who are, at the time of reference, the Unit Owners constitute an unincorporated association and not a legal entity, the characteristics and nature of which are determined by the Act, this Declaration and the Bylaws. The name in which contracts shall be entered into, title to property shall be acquired, held, dealt in and disposed of, bank accounts shall be opened and suits shall be brought and defended by the Management Committee or officers thereof on behalf of and as agents for the Unit Owners in the manner specified in the Act, this Declaration or the Bylaws is: "Country Club Ridge Condominium Association, an association of unit owners under the Utah Condominium Ownership Act".

5.2. Voting. Voting at any meeting of the Association of Unit Owners shall be based on the percentage of undivided interest in the Common Areas and Facilities assigned to each Unit in Exhibit B. At any meeting of the Association, each Unit Owner, including Declarant, either in person or by proxy, shall be entitled to the number of votes which is equal to the percentage of undivided interest in the Common Areas and Facilities appurtenant to his Unit pursuant to in Exhibit B to this Declaration. If there is more than one Owner with respect to a particular Unit, any or all of such Owners may attend any meeting of the Association, but it shall be necessary for all such Owners present to act unanimously in order to cast the votes pertaining to their Unit. In those cases in which the Act or this Declaration requires the vote of a stated percentage of the total percentage of undivided interest in the Common Areas and Facilities of all of the Units for the authorization or approval of a

transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the necessary percentage of undivided interest in the Common Areas and Facilities. The following additional provisions shall govern any application of the preceding sentence:

5.2.1. All necessary consents must be obtained prior to the expiration of 120 days after the first consent is given by any Owner.

5.2.2. Any change in ownership of a Condominium Unit which occurs after consent has been obtained from the Owner having an interest therein but before the authorization is fully satisfied shall not be considered or taken into account for any purpose.

5.2.3. Unless the consent of all Owners having an interest in the same Condominium Unit is obtained, the consent of none of such Owners shall be effective.

5.3. Management Committee. The management and maintenance of the Project and the business and affairs of the Association of Unit Owners shall be managed by a Management Committee as provided in the Bylaws. The Management Committee shall be elected as provided in the Bylaws. All agreements and determinations with respect to the Project and the Property lawfully made or entered into by the Management Committee shall be binding upon all of the Unit Owners and their successors and assigns.

5.4. Powers and Duties of the Association and Management Committee. The Association and the Management Committee shall each have all the powers, duties and responsibilities which are now or may hereafter be provided by the Act, this Declaration or the Bylaws, including but not limited to those described in the following subsections. The Association and the Management Committee shall each, in connection with its exercise of any of the powers delineated in the following subsections, constitute a legal entity capable of dealing in its Association or Committee (as the case may be) name.

5.4.1. The power to make and enforce house rules and administrative rules and regulations covering the operation and maintenance of the Property.

5.4.2. The power to engage the services of a manager or managing company, accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation for their services; provided however, that any management agreement must be terminable by the Management Committee for cause upon no more than 30 days' written notice and that the term of any said management agreement may not exceed one year, renewable by agreement for successive one year periods.

5.4.3. The power to operate, maintain, repair, improve, and replace the Common Areas and Facilities, including the entering into of agreements for the use and Maintenance of the Common Areas and Facilities for the benefit of the Association

5.4.4. The power to determine and pay the Common Expenses.

5.4.5. The power to assess and collect the proportionate share of Common Expenses from the Unit Owners.

5.4.6. The power to open bank accounts on behalf of the Association and to designate the signatures therefore.

5.4.7. The power to bring, prosecute and settle litigation for itself, the Association and the Project, provided that it shall make no settlement which results in liability against the Management Committee, the Association or the Project in excess of \$15,000 without prior approval by a majority of the votes of Unit Owners cast at a meeting at which the question is considered.

5.4.8. The power to obtain insurance for the Association with respect to the Units and Common Areas and Facilities as well as workmen's compensation insurance and such other insurance required by the Act, this Declaration or the Bylaws or determined to be necessary or advisable by the Management Committee as provided by the Act, this Declaration or the Bylaws.

5.4.9. So long as any necessary vote or consent has occurred, the power to repair or restore the Property following damage or destruction or a permanent taking by a power in the nature of eminent domain or by an action or deed in lieu of condemnation not resulting in the removal of the Property from the provisions of the Act.

5.4.10. The power to own, purchase or lease, hold and sell or otherwise dispose of on behalf of the Unit Owners, items of personal property necessary to or convenient in the management of the business and affairs of the Association and the Management Committee and in the operation of the Property.

5.4.11. The power to keep adequate books and records.

5.4.12. The authority, without the vote or consent of the Unit Owners or of any other person(s), to grant or create, on such terms as it deems advisable, reasonable utility and similar easements over, under, across, and through the Common Areas and Facilities.

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

5.4.14. The power to sue and be sued.

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

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

obtained.

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

5.4.18. The power and authority to add any interest in real property obtained pursuant to Subsection 5.4.17 above to the Project, so long as such action has been authorized by the necessary vote or consent.

5.4.19. The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Association and Management Committee to perform their functions on behalf of the Unit Owners.

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

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

5.5. Professional Management. The Management Committee may employ professional or full-time management to manage the Project provided that any such management contact shall be terminable as provided in Section 5.4.2. The Management Committee may also terminate professional or full-time management and assume self- management of the Project.

5.6. Powers and Duties of Professional Management. The Management Committee may delegate to a professional manager or managing company all of its powers, duties and responsibilities referred to in Paragraph 5.4 above except: the final determination of Common Expenses, budgets and assessments based thereon; the promulgation of house rules and administrative rules and regulations; the power to enter into any contract involving more than \$10,000 in any one fiscal year; the power to purchase, hold, sell, convey, mortgage, or lease realty or any interest therein; the power to bring, prosecute and settle litigation; the power to execute and record amendments to this Declaration, the Bylaws or the Survey map; or any other power, duty or responsibility nondelegable by law.

5.7. Limitation of Liability of Management Committee and Officers. Members of the Management Committee and the officers of the Association: (i) shall not be liable to the Unit Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct, gross negligence or

bad faith; (ii) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to any Unit Owner or any person or entity directly or imputed by virtue of acts performed by them except for their own willful misconduct, gross negligence or bad faith regarding acts performed by them in their capacity as such; (iv) shall have no personal liability arising out of the use, misuse or condition of the Property which might in any way be assessed against or imputed to them as a result of or by virtue of their capacity as such.

5.8. Indemnification of Management Committee and Officers. The Unit Owners shall indemnify and hold harmless any person, his heirs and personal representatives from and against all personal liability and all expenses, including attorney's fees, incurred or imposed or arising out of or in settlement of any threatened, pending or completed civil action, suit or proceeding, instituted by any one or more Unit Owners or any other persons or entities to which he shall be made or threatened to be made a party by reason of the fact that he was a member of the Management Committee or an officer of the Association, other than to the extent, if any, such liability or expense shall be attributable to his willful misconduct, gross negligence or bad faith, provided, that in the case of any settlement that the Management Committee shall have approved, the indemnification shall apply only when the Management Committee approves the settlement as being in the best interests of the Association. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Unit Owners or of the Management Committee or otherwise. The indemnification by the Unit Owners as contained herein shall be paid by the Management Committee on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectable as such.

VI. MAINTENANCE, ALTERATION AND IMPROVEMENT

6.1. Maintenance of Common Areas and Facilities. The maintenance, alteration, replacement and repair of the Common Areas and Facilities shall be the responsibility of the Management Committee and the cost thereof shall be a Common Expense. The Management Committee shall also maintain, alter, replace and repair all limited common parking areas, limited common balconies and patios and all conduits, ducts, plumbing and wiring and other facilities for the furnishing of heat, gas, light, power, air conditioning, water, sewer or television that may be contained in portions of the Units, but which service part or parts of the Project other than the Unit in which they are contained. All incidental damages caused to a Unit by the maintenance, alteration, replacement and repair of the Common Areas and Facilities or utilities shall be repaired promptly by the Management Committee as a Common Expense.

6.2. Maintenance of Units. Unit Owners shall, at their own cost and expense, maintain, repair, paint, wax, tile, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors and doors forming the boundaries of their Units, as well as all walls, ceilings, floors, windows and doors within the boundaries thereof and

shall replace any broken windows. In addition, each Unit Owner shall otherwise keep the interior of his Unit in good repair, in a clean and sanitary condition, and shall be responsible for the maintenance, repair or replacement of any cabinetry, plumbing fixtures, water heaters, heating equipment, air conditioner, lighting fixtures, refrigerator, dishwasher, disposal equipment, range, or other appliances or fixtures that may be in or are used exclusively for his Unit, even though not within its boundaries. Each Unit Owner shall keep clean and in a sanitary condition his storage area, balcony or patio designated as Limited Common Area associated with his Unit, if any. The Management Committee shall be responsible for cleaning and general maintenance of all parking areas including the Limited Common parking areas.

6.3. Right of Access for Maintenance and Repairs. The Management Committee or manager shall have the irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for maintenance, repair, or replacement of any of the Common Areas and Facilities or for making emergency repairs necessary to prevent damage to the Common Areas and Facilities or to another Unit or Units. Each Unit Owner or occupant shall deposit a key to the Unit with the Management Committee or manager to be used for emergency access to the Unit.

6.4. Limitation on Improvements by Association. Until occurrence of the event described in Subsection 15.5.4, neither the Association nor the Management Committee shall, without the written consent of Declarant, make any improvement to or alteration in any of the Common Areas and Facilities other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as originally provided, created, and/or constructed by Declarant.

VII. ASSESSMENTS

7.1. Agreement to Pay Assessment. Declarant, for each Unit owned by it within the Project, hereby covenants, and each Owner of any Unit by the acceptance of a deed therefore, whether or not it be so expressed in the deed, or by entering into a sale and purchase contract, shall be deemed to covenant and agree with each other and with the Association to pay to the Association annual assessments made by the Association for the Common Expenses and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time pursuant to the Bylaws and subject to the provisions of in this Article VII.

7.2. Apportionment of Expenses. Each Unit Owner shall be liable for a proportionate share of the Common Expenses and shall share in the common profits, such shares being the same as the percentage of undivided interest in the Common Areas and Facilities appurtenant to the Unit owned by the Unit Owner as set forth in Exhibit B.

7.3. Payment of Expenses and Working Capital Fund. Before the end of each fiscal year, the Committee shall prepare a budget which sets forth an itemization of the Common Expenses which are anticipated for the upcoming fiscal year. Such budget shall

take into account any deficit or surplus realized during the current fiscal year and such sums as may be necessary to fund an appropriate reserve to cover major repair or replacement of portions of the Common Areas and Facilities. The total of such expenses shall be apportioned among all the Units on the basis of their respective appurtenant percentages of undivided ownership interest (subject, however, to the proviso which appears toward the end of this Section 7.3). Prior to the first day of each month during the fiscal year covered by the budget, each Unit Owner shall pay to the Committee as his share of the Common Expenses one-twelfth of the amount so apportioned to his Unit. If the aggregate of monthly payments attributable to all of the Units is too large or too small as a result of unanticipated income or expenses, or if the monthly payments attributable to a particular Unit or Units are too large or too small as a result of a Unit's actually being occupied by an Owner or contract purchaser for the first time or record title thereto no longer being vested in Declarant (as hereinafter provided), the Committee may from time to time effect an equitable change in the amount of said payments. The dates and manner of payment shall be determined by the Committee. The foregoing method of assessing the Common Expenses to the Units may be altered by the Committee so long as the method it adopts is consistent with good accounting practice and requires that the portion of Common Expenses borne by each Unit during a fiscal year be determined on the basis of its appurtenant undivided ownership interest; provided, however, that the share of Common Expenses required to be borne by a Unit shall be 30 % of the amount otherwise applicable until both of the following have occurred: (i) Record title to such Unit is no longer vested in Declarant or such Unit is actually occupied by a tenant, Owner, or contract purchaser for the first time, whichever first occurs; and (ii) That portion of the Building containing such Unit has been fully constructed and completed. The Common Expense payments provided for in the foregoing portion of this Section 7.3 shall commence as of, but not prior to, the first day of the month immediately after such time as there have been closed sales by Declarant to purchasers of Units to which an aggregate of not less than 75 % of the total undivided ownership interest in the Project appertains. Until that time, Declarant shall have the right and obligation either to pay the Common Expenses itself or to provide the Association with funds with which to do so. The funds used by Declarant for that purpose may include the monies received by Declarant pursuant to the following Section 7.4.

7.4. Initial Working Capital Fund. In connection with the closing of the initial sale of each Condominium Unit (i.e., the sale by Declarant to the first Owner other than Declarant of such Condominium Unit), Declarant may (but need not) require the purchasing Owner to pay into a fund under the control of the Declarant or Association an amount equal to the product between (a) the percentage of undivided interest appurtenant to the Unit that is the subject of the closing, and (b) \$18,000. The sums thus accumulated shall be used by Declarant, the Association, and the Management Committee as a working capital fund for operation of the Project. Any sums still remaining in such fund when Common Expense payments begin pursuant to the preceding Section 7.3 shall belong to and be turned over to the Association.

7.5. Costs of Capital Improvements. Except as otherwise provided herein, in assessing the Unit Owners for capital improvements to the Common Areas and Facilities,

for which there are not sufficient funds already held in reserve by the Association, there shall be no assessment, whether part of the annual budget or otherwise, for any single improvement exceeding the cost of \$15,000 made by the Management Committee without such expenditure having been first voted on and approved by the Owners holding at least two-thirds of the votes cast in person or by proxy at a meeting duly called for that purpose. The foregoing shall not apply in connection with any restoration pursuant to Article IX of this Declaration or to such structural alterations, capital additions to or capital improvements of the Common Areas and Facilities as may be necessary in the Management Committee's reasonable judgment to preserve or maintain the integrity of the Common Areas and Facilities of the Project.

7.6. Interest on Delinquent Assessments. Assessments and any installments thereof not paid on or before ten days after the date when due shall bear interest at the rate of 18% per annum, from the date when due until paid. All payments on account shall be first applied to interest and then to the assessment payment first due.

7.7. Lien for Assessments. Any unpaid annual or special assessments shall constitute a continuing lien on the interest of any Unit Owner, which shall also secure reasonable attorney's fees and all costs and expenses incurred by the Management Committee incident to the collection of such assessment or enforcement of such a lien. Such lien shall be superior to all other liens and encumbrances on such Unit, recorded or unrecorded, except only for: (i) valid tax and special assessments liens on the Unit in favor of any governmental assessing authority; (ii) the lien of a Mortgage; and (iii) encumbrances on the interest of the Unit Owner recorded prior to the date a notice of lien under this Section is recorded which by law would be a lien prior to subsequently recorded encumbrances. To evidence a lien for sums assessed hereunder, the Management Committee may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by the Chairman of the Management Committee or the Professional Manager and may be recorded. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Committee in the same manner in which mortgages on real property may be foreclosed in Utah. In any foreclosure of a lien for assessments, the Unit Owner subject to the lien shall be required to pay a reasonable rental for the Unit, and the Management Committee shall be entitled to the appointment of a receiver to collect the same. The Management Committee shall have the right and power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale and (either in its own name or in the name of a nominee) to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof. A release of notice of lien shall be executed by the Chairman of the Management Committee or the Professional Manager and recorded in the Office of the County Recorder of Salt Lake County, Utah, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien. Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created hereunder, and upon such payment such encumbrancer shall be subrogated to all rights of the Management Committee with respect to such lien, including priority. If a Unit Owner

shall, at any time, let his Unit and shall default for a period of one month in the payment of assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant of the Owner the rent due or becoming due, and the payment of such rent to the Management Committee shall discharge such tenant from his obligation for rent to the Owner and the Owner from his obligation to the Association, to the extent of the amount so paid. Any excess of the rent over and above the amount due to the Management Committee from the Unit Owner shall be remitted by the Committee to the Unit Owner.

7.8. Personal Obligation of Owner. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Unit Owner to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Committee without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit.

7.9. Statement of Account. Upon payment of a reasonable fee not to exceed ten dollars (\$10.00), or such other amount as may in the future be allowed by the Act, and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Unit, the Committee shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; the amount of the current yearly assessment and the date that such assessment becomes or became due; any credit for advance payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums; and such statement shall be conclusive upon the Committee in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within 20 days, all unpaid assessments which became due prior to the date of mailing such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within the 20 day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten days, and the prospective purchaser subsequently acquires ownership of the Unit.

7.10. Personal Liability of Purchaser for Assessments. Subject to the provisions of Section 7.9, a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessment.

VIII. INSURANCE

8.1. Insurance Requirements. The Management Committee shall obtain and

maintain at all times insurance of the types and kinds as provided herein and including insurance for all other risks, of a similar or dissimilar nature, as or shall hereafter customarily be covered with respect to other properties similar to the Project in construction, design and use. The Management Committee shall make a reasonable effort to obtain insurance with the following provisions or endorsements:

8.1.1. Exclusive authority to adjust losses shall be vested in the Management Committee as insurance trustees or any successor trustee as designated by the Management Committee.

8.1.2. The insurance coverage shall not be brought into contribution with insurance purchased by individual Unit Owners or their respective Mortgagees.

8.1.3. Each Unit Owner may obtain additional insurance covering his real property, fixtures, or personal interest at his own expense, so long as such additional or other insurance does not have the effect of decreasing the amount which may be realized under any insurance maintained by the Management Committee.

8.1.4. The insurer waives its rights of subrogation as to any and all claims against the Association, each Unit Owner, and/or their respective agents, employees or tenants, and all defenses based upon co-insurance or upon invalidity arising from the act of the insured.

8.1.5. The insurance coverage cannot be canceled, invalidated or suspended because of the conduct of any one or more individual Unit Owners or their respective lessees, employees, agents, contractors, and guests.

8.1.6. The insurance coverage cannot be canceled, invalidated or suspended because of the conduct of any officer or employee of the Association or Management Committee or their employees, agents, or contractors, without prior demand in writing that the Management Committee cure the defect and then only if the defect is not cured within 30 days.

8.1.7. Such policies shall provide that coverage shall not be prejudiced by any failure of the Association to comply with any warranty or condition with regard to any portion of the Project over which the Owners Association has no control.

8.1.8. The insurance coverage shall provide that coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to any and all insureds' named thereon, including all Mortgagees.

8.1.9. All policies of property insurance shall provide that, notwithstanding any provisions thereof which give the insurer the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Management Committee (or any insurance trustee) or when in conflict with

the provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law.

8.2. Property Insurance. The Management Committee, for the benefit of the Project and the Unit Owners, shall maintain a "master" or "blanket" policy of property insurance in an amount equal to the full replacement value (i.e. 100% of the current "replacement cost" exclusive of land, foundations, excavations, and other items normally excluded from coverage) of the entire Condominium Project (including all Units, all Common Areas and Facilities, service equipment and any fixtures or equipment, but not contents furnished or installed by Unit Owner within the Units) with an "Agreed Amount Endorsement" or its equivalent, and, if necessary, an "increased Cost of Construction Endorsement" or "Contingent Liability from Operation of Building Laws Endorsement" or the equivalent, payable to the insurance trustee to be disbursed in accordance with the terms of this Declaration. Such insurance is to afford protection against at least the loss or damage by fire and other hazards covered by the standard extended coverage endorsement, debris removal, vandalism, malicious mischief, windstorm, and water damage. The limits and coverage of said insurance shall be reviewed at least annually by the Management Committee. The named insured under the policy required to be maintained by this Section shall be in form and substance essentially as follows: "Association of Unit Owners of the Country Club Ridge Condominiums, or its authorized representative, as Trustee for and for the use and benefit of the individual Owners." (Said Owners shall be designated by name, if required.) Such policy shall include the standard mortgagee clause (without contribution) customarily accepted by institutional mortgage investors in the area in which the Project is located, which clause either shall be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of Mortgagees as their interests may appear or shall be otherwise endorsed to fully protect the interests of Mortgagees. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each Mortgagee at least 30 days in advance of the effective date of any reduction in or substantial modification or cancellation (including cancellation for nonpayment of premium) of the policy.

8.3. Liability Insurance. The Management Committee shall obtain a comprehensive policy or policies of public liability insurance insuring the Association, the Management Committee, the Unit Owners and their respective lessees, agents or guests against any liability of the Unit Owners, members of the households of Unit Owners or their respective invitees or tenants, incident to the ownership and/or use of the Property, and including the personal liability of the Unit Owners, incident to the ownership and/or use of the Property. Limits of liability under such insurance shall not be less than \$2,000,000 for any one person injured in any one occurrence, and shall not be less than \$200,000 for property damage in each occurrence. The limits in coverage of said liability policy or policies shall be reviewed at least annually by the Management Committee and increased at its discretion. Said policy or policies shall be issued on a comprehensive liability basis and, if possible, shall provide cross-liability endorsements for possible claims of any one or more or group of insureds against any one or more other or group of other insureds, without prejudice to the right of a named insured under the policies to maintain an action against another named insured. Such coverage is to include protection against water damage liability, liability for non-owned

and hired automobiles, liability for property of others, and such others risks as shall customarily be covered with respect to projects similar in construction, location and use.

8.4. Fidelity Coverage. The Management Committee shall maintain adequate fidelity coverage to protect against dishonest acts on the part of members of the Management Committee and officers and employees of the Association, including professional managers and their employees. Such fidelity bonds meet the following requirements:

8.4.1. All such fidelity bonds shall name the Association as the insured.

8.4.2. Such fidelity bonds shall be written in an amount equal to at least 50 of the estimated annual operating expenses of the Association, including reserves.

8.4.3. Such fidelity bonds shall include as part of any definition of "employee" or similar expression both persons who serve with and without compensation.

8.4.4. Such bonds shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days prior written notice to the Mortgagees of the Units.

8.5. Other Insurance. The foregoing provisions of this Article VII shall not be construed to limit the power or authority of the Management Committee to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Management Committee may deem proper from time to time. Earthquake insurance shall not be required unless requested by the Owners of at least two-thirds of the percentage of undivided interest in the Common Areas and Facilities in the Project.

8.6. Notice of Improvements to Units. Each Unit Owner shall be required to notify the Management Committee of, and shall be liable for any increased insurance premium for insurance maintained by the Management Committee occasioned by, improvements made by the Unit Owner to his unit, the aggregate value of which is in excess of \$10,000. Each Unit Owner shall bear the risk of loss for all improvements made to his Unit that were not the subject of notice to the Management Committee.

8.7. Insurance by Unit Owners. Any Unit Owner may obtain individual insurance coverage at his own expense so long as such insurance does not have the effect of decreasing the amount that the Management Committee, on behalf of all of the Unit Owners, may realize under any insurance policy that the Management Committee may have in force covering the Property or any part thereof at any time. Any Unit Owner who obtains individual insurance coverage, other than on personal property belonging to such Unit Owner, shall be required to file a copy of such individual policy or policies with the Management Committee within 30 days after obtaining such insurance coverage.

8.8. Unobtainable Coverage. If due to changed circumstances, excessive cost, or

any other reason, any of the insurance coverage required to be obtained and maintained under this Article VIII cannot reasonably be secured, with respect to such coverage the Association or the Committee shall obtain and maintain such substitute, different, or other coverage as may be reasonable and prudent under the circumstances as they then exist.

IX. DESTRUCTION, CONDEMNATION AND OBSOLESCENCE

9.1. Definitions. The provisions of this Article IX shall apply with respect to the destruction, condemnation, or obsolescence of the Project. As used in this Article IX each of the following terms shall have the meaning indicated:

9.1.1. Destruction. "Substantial Destruction" shall exist whenever, as a result of any damage or destruction to the Project or any part thereof, the excess of Estimated Costs of Restoration over Available Funds is 50 % or more of the estimated Restored Value of the Project. "Partial Destruction" shall mean any other damage or destruction to the Project or any part thereof.

9.1.2. Condemnation. "Substantial Condemnation" shall exist whenever a complete taking of the Project or a taking of part of the Project has occurred under eminent domain or by grant or conveyance in lieu of condemnation, and the excess of the Estimated Costs of Restoration over Available Funds is 50 % or more of the estimated Restored Value of the Project. "Partial Condemnation" shall mean any other such taking by eminent domain or grant or conveyance in lieu thereof.

9.1.3. Obsolescence. "Substantial Obsolescence" shall exist whenever the Project or any part thereof has reached such a state of obsolescence or disrepair that the excess of Estimated Costs of Restoration over Available Funds is 50 % or more of the estimated Restored Value of the Project. "Partial Obsolescence" shall mean any state of obsolescence or disrepair which does not constitute Substantial Obsolescence.

9.1.4. Restoration. "Restoration," in the case of any damage or destruction, shall mean restoration of the Project to a condition the same or substantially the same as the condition in which it existed prior to the damage or destruction concerned; in the case of condemnation, shall mean restoration of the remaining portion of the Project to an attractive, sound, and desirable condition; and, in the case of obsolescence, shall mean restoration of the Project to an attractive, sound, and desirable condition.

9.1.5. Restored Value. "Restored Value" shall mean the value of the Project after Restoration.

9.1.6. Estimated Costs of Restoration. "Estimated Costs of Restoration" shall mean the estimated costs of Restoration.

9.1.7. Available Funds. "Available Funds" shall mean any proceeds of

insurance, condemnation awards, payments in lieu of condemnation, and any uncommitted funds of the Management Committee or Association, including amounts contained in any reserve or contingency fund. Available Funds shall not include that portion of insurance proceeds legally required to be paid to any party other than the Association, including a Mortgagee, or that portion of any condemnation award or payment in lieu of condemnation payable to the Owner or Mortgagee of a Condominium Unit for the condemnation or taking of the Unit in which they are interested.

9.2. Determination by Committee. Upon the occurrence of any damage or destruction to the Project or any part thereof, or upon a complete or partial taking of the Project under eminent domain or by grant or conveyance in lieu thereof, the Committee shall make a determination as to whether the excess of Estimated Costs of Restoration over Available Funds is 50 % or more of the estimated Restored Value of the Project. In addition, the Committee shall, from time to time, review the condition of the Project to determine whether Substantial Obsolescence exists. In making such determinations the Committee may retain and rely upon one or more qualified appraisers or other professionals.

9.3. Restoration of Project. Restoration of the Project shall be undertaken by the Committee promptly without a vote of the Owners in the event of Partial Destruction, Partial Condemnation, or Partial Obsolescence, but shall be undertaken in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence only with the consent of Owners collectively holding at least 75 % of the total percentage of undivided interests of all Unit Owners and with the consent of at least 75 % of the Mortgagees (based upon one vote for each Mortgage). Within 30 days after the Committee has determined that Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence exists, it shall send to each Owner and Mortgagee a written description of the destruction, condemnation, or state of obsolescence involved, shall take appropriate steps to ascertain the preferences of the Mortgagees concerning Restoration, and shall, with or without a meeting of the Owners (but in any event in accordance with the applicable provisions of this Declaration), take appropriate steps to determine the preferences of the Owners regarding Restoration. In the event insurance proceeds, condemnation awards, or payments in lieu of condemnation actually received by the Committee or Association exceed the cost of Restoration when Restoration is undertaken, the excess shall be paid and distributed to the Owners in proportion to their respective undivided interests in the Common Areas. Payment to any Owner whose Condominium Unit is subject to a Mortgage shall be made jointly to such Owner and the interested Mortgagee. In the event the cost of Restoration exceeds Available Funds, all of the Units shall be assessed for the deficiency on the basis of their respective percentages of undivided ownership interest in the Common Areas.

9.4. Sale of Project. The Project shall be sold in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence unless the consents required by the preceding Section 9.3 have been obtained within six months after the Committee sends the written description contemplated by said Section 9.3. In the event of

such sale, condominium ownership under this Declaration and the Survey Map shall terminate and the proceeds of sale and any available funds shall be distributed by the Committee to the Owners in proportion to their respective undivided interests in the Common Areas. Payment to any Owner whose Condominium Unit is then subject to a Mortgage shall be made jointly to such Owner and the interested Mortgagee.

9.5. Authority of Committee to Restore or Sell. The Committee, as attorney-in-fact for each Owner, shall have and is hereby granted full power and authority to restore or to sell the Project and each Condominium Unit therein whenever Restoration or sale, as the case may be, is undertaken as hereinabove provided. Such authority shall include the right and power to enter into any contracts, deeds, or other instruments which may be necessary or appropriate for Restoration or sale, as the case may be.

9.6. Inapplicability of Act Provisions. The provisions of this Article IX shall in all respects apply to the Project in lieu of, and shall be deemed to supersede and replace, Sections 57-8-30, 57-8-31, and 57-8-32 of the Act.

X. MORTGAGE PROTECTION

10.1. Roster of Unit Owners and Mortgagees. The Management Committee shall maintain a roster of Unit Owners from the evidence of change of ownership furnished to the Management Committee, which roster shall include the mailing addresses of Unit Owners. If the Management Committee has been given notice and the necessary information, the Management Committee shall maintain another roster which shall contain the name and address of each Mortgagee of a Unit. Each notice shall consist of a certified copy of the recorded instrument evidencing the encumbrance of the Mortgage. The Mortgagee shall be stricken from the roster upon receipt by the Management Committee of a request from the Mortgagee or of a certified copy of a recorded release, reconveyance or satisfaction of the Mortgage. Notice of such removal shall be given to the Mortgagee unless the removal is requested by the Mortgagee. The Committee and Association may for all purposes act and rely on the information concerning Owners, Mortgagees, and Unit ownership which is acquired by the Committee or Association as contemplated by this Section 10.1 or, at their option, the Committee and Association may act and rely on current information respecting any Condominium Unit or Units which is obtained from the office of the County Recorder of Salt Lake County, Utah.

10.2. Notice of Default by Unit Owners. The Mortgagee under any Mortgage on a Unit is entitled to written notification from the Management Committee of: (i) any default by the mortgagor of such Unit in the performance of such Owner's obligation under the Declaration which is not cured within 30 days; (ii) any condemnation loss or casualty loss which affects a material portion of the Project or such Unit; (iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; or (iv) any proposed action which would require the consent of Mortgagees.

10.3. Right to Examine Books Etc. Any Mortgagee shall have the right to examine the books and records of the Association during normal business hours and, upon

request, shall be entitled to received copies of annual reports, financial statements and other financial data for the preceding fiscal year, and shall be entitled to receive written notice of all meetings of the Association and may designate a representative to attend all such meetings.

10.4 Priority of Liens. A Mortgagee of any Unit who comes into possession of the Unit pursuant to the remedies provided in the Mortgage or by deed in lieu of foreclosure, shall take the property free of any claims or unpaid assessments or charges against the mortgaged Unit which accrued prior to the time such Mortgagee comes into the possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units, including the mortgaged Unit). The liens created under the Act or pursuant to this Declaration or the Bylaws upon any Unit shall be subject and subordinate to any Mortgage on that Unit, and shall not affect the rights of the Mortgagee pursuant to a Mortgage upon a Unit, recorded prior to the date such liens arose and which is made in good faith and for value, provided that after the foreclosure of any such Mortgage, any assessments created pursuant to this Declaration or the Bylaws after the date of such sale shall have the same effect and be enforced in the same manner against the Purchaser at such sale as would be the case for any other Unit Owner.

10.5 Interpretation. In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Article X, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority, as the case may be, applicable to the Management Committee and Association with respect to the subject concerned.

10.6. Amendment. No amendment to this Article X which has the effect of diminishing the rights, protection, or security afforded to Mortgagees shall be accomplished or effective unless at least 75 % of the Mortgagees (based upon one vote for each Mortgage) of the individual Condominium Units have given their prior written approval to such amendment. Any amendment to this Article X shall be accomplished by an instrument executed by the Management Committee or Association and filed for record in the office of the Salt Lake County Recorder. In any such instrument an officer of the Management Committee or Association shall certify that any prior approval of Mortgagees required by this section 10.6 as a condition to amendment has been obtained.

XI. CONVEYANCE, EASEMENTS AND ENCROACHMENTS

11.1. Conveyancing. Every deed, lease, mortgage, instrument of conveyance or sale, or other instrument affecting title to a Condominium Unit shall describe the Condominium Unit by its designation set forth in Exhibit B and in the Survey Map with appropriate reference to the Survey Map and this Declaration, as each shall appear on the records of the County Recorder of Salt Lake County, State of Utah. Every such description shall be deemed good and sufficient for all purposes and shall be deemed to convey, transfer, encumber or otherwise affect the Unit Owner's appurtenant percentage of undivided ownership in the Common Areas and Facilities, as set forth in Exhibit B. A description shall be deemed sufficient if it appears in substantially the following form:

Unit _____, as shown in the Record of Survey Map for Country Club Ridge Condominiums appearing in the Records of the County Recorder of Salt Lake County, State of Utah, in Book No. _____, Page No. _____, of Plats, and as defined and described in the Declaration of Condominium for Country Club Ridge Condominiums, recorded the ____ day of _____, 20____, as Entry No. __, Book No. __, page No. _____. Whether or not the description employed in any such instrument is in the above-specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Condominium Unit. Neither the percentage of undivided ownership interest in the Common Areas and Facilities nor any right of exclusive use of a Limited Common Area and Facility shall be separated from the Unit to which it appertains; and, even though not specifically mentioned in the instrument of transfer, such percentage of undivided ownership interest and any such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

11.2. Easements. Every deed, lease, mortgage or other similar instrument conveying, leasing, mortgaging or otherwise affecting a Condominium Unit shall be deemed to:

11.2.1. Except from and not include with respect to a Unit; (i) any portion of the Common Areas and Facilities lying within said Unit; (ii) easements through said Unit, appurtenant to the Common Areas and Facilities or other Units, for support and repair of the Common Areas and Facilities and all other Units; and (iii) easements, appurtenant to the Common Areas and Facilities, for encroachment upon the air space within said Unit by any portions of the Common Areas and Facilities located within said Unit.

11.2.2. Include with respect to a Unit nonexclusive easements for ingress and egress through the Common Areas and Facilities and for the support of said Unit, non-exclusive easements through all Common Areas for the repair of said Unit and rights for the use of the Limited Common Areas associated with the Unit as indicated in this Declaration and the Survey Map.

11.2.3. Except from and not include, with respect to the undivided percentage interest in the Common Areas and Facilities appurtenant to said Unit, nonexclusive easements appurtenant to all other Units for ingress, egress, support and repair.

11.3 Encroachments. None of the rights and obligations of any Unit Owner created by this Declarations, the Bylaws or any deed conveying a Unit shall be altered in any way by (but shall be subject to) any encroachments (i) by any portion of the Common Areas and Facilities upon any Unit; (ii) by any Unit upon another Unit or upon the Common Areas due to settling or shifting of the Building or other structure, including the rebuilding of the Building or other structure after fire or other casualty or an eminent domain taking or delivery of a deed in lieu of condemnation, unless there occurs an encroachment that results from the willful or negligent act or omission of the Unit Owner of the encroaching Unit, or of

the owners of the Units to which the use of encroaching Limited Common Areas is appurtenant, or of the Management Committee in the event of an encroachment by any portion of the Common Areas and Facilities other than the Limited Common Areas. There are hereby created valid easements for the maintenance of any encroachments permitted by this Section so long as such encroachments exist.

XII. AMENDMENT

12.1. Amendment by Unit Owners. Except as otherwise provided in this Declaration and except as prohibited by the Act, the provisions of this Declaration or the Survey Map may be amended by an instrument in writing signed and acknowledged by Unit Owners who own 75 % of the undivided interests in the Common Areas and Facilities in the Project, which amendment shall be effective upon recording, and upon approval of Mortgagees where necessary. Any material amendment to this Declaration or the Survey Map, including, but not limited to any such amendment which would alter the percentage interests in the Common Areas and Facilities, other than those alterations allowed in Article XIV, must be approved in writing by 75% of all Mortgagees of the individual Units (based on one vote for each Mortgage). Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Association or Management Committee. In such instrument the Association or Committee shall certify that the vote required by this Section for amendment has occurred. The foregoing right of amendment shall, however, be subject to the following:

12.1.1. Any amendment to Article X ("Mortgage Protection") shall be subject to the requirements of Section 10.6.

12.1.2. Until the happening of the event described in Subsection 15.5.4, no amendment to the Survey Map or to any provision of this Declaration which has or may have the effect of diminishing or impairing any right, power, authority, privilege, protection, or control accorded to Declarant (in its capacity as Declarant) herein shall be accomplished or effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant.

12.2. Amendment by Declarant. Within 24 months from the recording date hereof, Declarant reserves the right without the vote or consent of any other person to amend the Declaration or the Survey Map if required by the Federal National Mortgage Association or by some other governmental agency or lending institution, provided that such amendment either (i) is to comply with the then-applicable underwriting or other requirements of the agency or institution, or (ii) does not materially affect the rights of Unit Owners or Mortgagees.

XIII. LEASING OF UNITS

13.1. Leases of Units. All leases of Units shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the terms of this Declaration and

Bylaws and that failure of the lessee to comply with the terms of said documents shall be a default under the lease. All leases shall contain the following provisions:

13.1.1. The tenant shall agree to comply with all of the terms and conditions of this Declaration and Bylaws.

13.1.2. The tenant shall agree not to allow or commit any nuisance, waste or unlawful or illegal act upon the Project.

13.1.3. The Owner and the tenant shall acknowledge that the Association is intended to be a third party beneficiary of the lease agreement and that the Association shall have the right to enforce compliance with the Declaration and Bylaws and to abate any nuisance, waste or unlawful or illegal activity upon the Project; and that the Association shall be entitled to exercise all of the Owner's rights and remedies under the lease to do so. They shall also acknowledge that the Association shall have all rights and remedies available under State or local law.

13.2. Limitations on Leasing. Units shall be leased only for use as Single Family residences and shall not be leased for transient or hotel purposes. No Unit Owner shall lease less than his entire Unit. The Management Committee may adopt rules and regulations providing that all leasing of Condominium Units must be done by and through the Association or a management company appointed by the Association. The Management Committee may regulate, limit or prohibit the lease of Condominium Units.

13.3. Management Committee to Approve Lease. Prior to a tenant being allowed to occupy a Condominium Unit, the Owner shall provide the Management Committee or management company with a copy of the written lease and the proposed tenant's name address and telephone number. The Management Committee or management company must approve the lease agreement, and the Management Committee or management company may screen the tenant and must approve the tenant prior to the lease becoming effective and the tenant being allowed to occupy the Condominium Unit. Such approval shall not be unreasonably withheld.

XIV. COMBINATION OF UNITS

14.1. Combination of Units. An Owner of two or more adjoining Units shall have the right, upon the approval of the Management Committee and the Mortgagees of said Units, and in compliance with all applicable zoning or other ordinances, to combine one or more adjoining Units or portions thereof and to alter or amend the Declaration and Survey Map to reflect such combination.

14.2. Amendments of Declaration and Survey Map to Effect Combination. Such amendments may be accomplished by the Owner who owns the Units concerned, together with the Management Committee executing and recording an amendment or amendments to this Declaration, together with an amended Survey Map or Maps, containing the same

information with respect to the altered Units as is required in the initial Declaration and Survey Map with respect to the initial Units. All costs and expenses incurred in connection with the combination or such amendments shall be borne by the Unit Owner desiring such combination. Any such amendments to the Declaration and Survey Map must be approved by attorneys employed by the Management Committee to ensure the continuing legality and propriety of the Declaration and the Survey Map. The cost of such review by the attorneys shall be borne by the person wishing to combine the Units.

14.3. Changes to Undivided Interests in Common Areas. Any amendment of the Declaration or Survey Map pursuant to this Article XIV shall reflect the changes occasioned by the alteration. Such changes shall include a change in the percentage of undivided interest in the Common Areas and Facilities which is appurtenant to each Unit involved in the alterations. The resulting combined Unit, if two or more units are totally combined, will acquire the total of the percentage of undivided interest in the Common Areas and Facilities, as set forth in Exhibit B, appurtenant to the Units that are combined. If a portion of one Unit is combined with another, the resulting larger Unit shall acquire, and the Unit that is reduced in size shall lose, a portion of the percentage of undivided interest in the Common Areas and Facilities that was previously appurtenant to the Unit that is being reduced in size, such portion bearing the same ratio to the previous entire percentage of undivided interest as the floor area that is removed from the reduced Unit (and added to the Unit being made larger) bears to the original entire floor area of such Unit. All such amendments must, in all instances, be consented to by the Management Committee and also all other persons holding any interest in the Units affected. The consent of other Unit owners need not be obtained to make such amendments or alterations valid, providing the Par Values and percentages of undivided interest in the Common Areas and Facilities of the other Unit Owners remain unchanged.

XV. GENERAL PROVISIONS

15.1. Agent for Service of Process. The name and address of the person in Salt Lake County, State of Utah, appointed agent to receive service of process in cases authorized by the Act is Rick Plewe, 2045 Wilmington Ave., Salt Lake City, Utah 84109. The agent for service of process may be changed by the Management Committee by recording an appropriate affidavit or other document.

15.2. Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered 48 hours after a copy of the same has been deposited in the U.S. postal service, postage prepaid, return receipt requested. Notice to Unit Owners shall be addressed to each Unit Owner at the address given in writing by such Unit Owner to the Management Committee for the purpose of service of such notice or to the Unit of such Unit Owner if no such address has been given to the Management Committee. Such address may be changed from time to time by notice in writing addressed to the Management Committee.

15.3. Waiver. The failure of the Management Committee or its contractors to

insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration or the Bylaws, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or 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 contractor of the payment of any assessment from a Unit 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.

15.4. Enforcement. Each Owner or occupant of a Unit shall strictly comply with, and all interests in all Units shall be subject to, the terms of the Act, the terms of this Declaration, the Bylaws, and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee on behalf of Unit Owners, or, in a proper case, by an aggrieved Unit Owner. The prevailing party in any enforcement action shall be entitled to recover from the other party the prevailing party's costs of such action including reasonable attorney's fees

15.5. Declarant's Use and Sales Program. Declarant and persons it may select from time to time shall have the right of ingress and egress over, upon and across the Common Areas and Facilities and Limited Common Areas and Facilities and the right to store materials therein and to make such other use thereof as may be reasonably necessary incident to construction of the Project and development and sale of all of the Units. Notwithstanding any other provision of this Declaration, until the happening of the event described in Subsection 15.5.4, Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Condominium Units owned by Declarant:

15.5.1. Declarant shall have the right to maintain two (2) or less sales offices and/or model Units. Such offices and/or model Units may be Units owned by Declarant.

15.5.2. Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners, or similar devices at any place or places on the Project, but any such device shall be of a size and in a location as is reasonable and customary.

15.5.3. Declarant shall have the right from time to time to locate or relocate any of its sales offices, model Units, and/or signs, banners, or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Section 5.5. Within a reasonable period of time after the happening of the event described in the Subsection 15.5.4 Declarant shall have the right to remove from the Project any signs, banners, or similar devices and any separate structure or facility which may have been placed in the Project for the purpose of aiding Declarant's sales effort.

15.5.4. The event referred to in the first paragraph of this Section 15.5 and in Subsection 15.5.3 shall be the first to occur of the following: (i) Declarant ceases to be a Unit Owner; or (ii) the expiration of four (4) years after the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah.

15.6. Completion Obligation. Declarant hereby covenants in favor of each person who contracts with Declarant for the purchase of a Condominium Unit that no later than 23 months after the date on which such contract is entered into: (i) the Unit which such person has contracted to purchase and the Limited Common Area (if any) for which Declarant is responsible and which is appurtenant to such Unit shall be fully constructed and ready for use or occupancy (as the case may be); and (ii) There shall be substantially completed and usable as part of the Common Areas all proposed or planned vehicular driving areas, parking spaces, sidewalks, landscaping, and utility lines and conduits necessary to enable full use and enjoyment of the Unit concerned.

15.7. Declarant's Rights Assignable. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer, or assignment.

15.8. Gender. The use of any gender in this Declaration shall be deemed to refer to each other gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

15.9. Severability. The provisions of this 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.

15.10. Law Controlling Conflicts. This Declaration, the Survey Map and the Bylaws shall be construed and controlled by and under the laws of the State of Utah. This Declaration is set forth to comply with the requirements of the Act. To the extent the provisions of the Act are consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein.

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

15.12. Effective Date. This Declaration and any amendment hereof and the Survey Map and any amendment thereof, shall take effect upon recording in the office of the County Recorder of Salt Lake County, Utah.

EXECUTED on the day and year first above written.

EQUITY CAPITAL, LLC

By

Raymond F. Plewe
its Manager

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

The foregoing instrument was acknowledged before me this 2nd day of December, 2005, by Raymond F. Plewe as Manager of Equity Capital, LLC.

My Commission Expires:

9-19-09

Kristi Carrell
Notary Public

Residing at: sandy, Utah



EXHIBIT "A"

Beginning at a point which is North $0^{\circ} 02'$ East 343.6 feet and North 51° West 119.83 feet from the East quarter corner of Section 22, Township 1 South, Range 1 East, Salt Lake Base and Meridian; thence North $39^{\circ} 02'$ East 148.05 feet; thence North $0^{\circ} 02'$ East 229.79 feet; thence North $89^{\circ} 45'$ West 106 feet; thence South $44^{\circ} 07'$ West 106 feet; thence South $41^{\circ} 02'$ West 155.3 feet; thence South 51° East 242.05 feet to the point of beginning.

The above described real property may also become known as the Country Club Ridge Condominiums, Units 1 - 40, together with any and all common and limited common areas.

Exhibit B
Declaration of Condominium
Country Club Ridge Condominiums

<u>Unit Designations</u>	<u>Unit Size Square Feet</u>	<u>Percentage Undivided Interest in Common Areas & Facilities</u>	<u>Assigned Storage Unit</u>	<u>Assigned Parking Stalls</u>
101	1,394	1.9924%	40	61 & 62
102	1,203	1.7194%	2	35 tandem
103	1,223	1.7480%	27	30 tandem
104	1,214	1.7351%	8	31 tandem
105	1,628	2.3268%	9	15 & 16
106	1,519	2.1710%	23	36 tandem
107	1,538	2.1982%	22	40 & 41
108	1,468	2.0981%	35	59 & 60
109	1,358	1.9409%	36	74 & 75
110	1,321	1.8880%	29	72 & 73
111	1,481	2.1167%	39	70 & 71
112	1,329	1.8995%	33	46 & 47
113	1,487	2.1253%	14	68 & 69
114	1,465	2.0938%	38	63 & 64
115	1,442	2.0610%	3	34 tandem
116	1,418	2.0267%	13	19 tandem
117	1,502	2.1467%	10	29 & 32
201	1,943	2.7770%	1	1 & 2
202	1,223	1.7480%	4	5 & 65
203	2,209	3.1572%	19	25 & 26
204	2,119	3.1429%	18	23 & 24
205	2,352	3.3615%	25	42 & 43
206	1,993	2.8485%	26	44 & 45
207	2,148	3.0700%	24	33 & 48
208	1,326	1.8952%	28	37 tandem
209	1,483	2.1196%	21	38 & 39
210	1,462	2.0896%	20	27 & 28
211	1,442	2.0610%	16	4 & 66
212	1,358	1.9409%	11	3 & 67
213	1,855	2.6512%	15	20 tandem
301	2,093	2.9914%	5	6 & 7
302	1,838	2.6270%	17	21 & 22
303	1,667	2.3826%	7	11 & 12
304	2,385	3.4087%	6b	9 & 10
305	2,349	3.3573%	34	53 & 54
306	4,081	5.7769%	31	49, 50, & 51 tandem
307	1,985	2.8371%	37	55 & 56
308	2,322	3.3187%	30	57 & 58
309	2,238	3.1987%	6a	13 & 14
310	<u>2,065</u>	<u>2.9514%</u>	12	17 & 18
Totals	69,697			

2005089.5

EXHIBIT C
BYLAWS
OF
COUNTRY CLUB RIDGE CONDOMINIUM ASSOCIATION

An Association of Unit Owners
Under the Utah Condominium Ownership Act

The administration of the Country Club Ridge Condominiums and the Country Club Ridge Condominium Association shall be governed by these Bylaws, the Act and the Declaration.

1. Application of Bylaws.

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

2. Management Committee.

2.1. The administration of the property on behalf of the Association shall be conducted by a Management Committee. Only Unit Owners who are individuals and residents of the State of Utah and Utah-resident officers, agents, and representatives of Owners other than individuals shall be eligible for Committee membership. Provided, however, that during such time as the Declarant appoints the members of the Management Committee as provided in Section 2.11 of these Bylaws, the persons so appointed shall not be required to be either Unit Owners or residents of the State of Utah. The actual number of members of the Committee shall be either three or five natural persons as determined by the Declarant during such time as Declarant appoints the Members and thereafter shall be five members.

2.2. At each annual meeting of the Association, subject to the provisions of Section 2.11 of these Bylaws, the Association shall elect members to fill vacancies on the Management Committee. At each annual meeting the percentage of undivided interest in the Common Areas and Facilities appurtenant to a Unit may be voted in favor of as many candidates for Committee membership as there are seats on the Committee to be filled. At least 30 days prior to any annual meeting of the Association, the Management Committee shall select from the Unit Owners a nominating Committee of not less than three members (none of whom shall be members of the then Management Committee) who shall recommend to the annual meeting one nominee for each position on the Management Committee to be filled at that particular annual meeting. Nominations for

positions on the Management Committee may also be made by petition filed with the secretary of the Association at least seven days prior to the annual meeting of the Association, which petition shall be signed by ten or more Unit Owners and signed by the nominee named therein indicating his willingness to serve as a member of the Management Committee, if elected.

2.3. Members of the Management Committee shall serve for a term of two years; provided, however, that two members of the Management Committee first elected by the Unit Owners shall serve for an initial term of one year while the other member(s) shall serve for initial terms of two years. Thereafter, all Management Committee members elected or appointed shall serve for a two-year term or the unexpired term of the person in whose place they were appointed. The terms of no more than three members will end each year. The members of the Management Committee shall serve until their respective successors are elected, or until their death, resignation or removal. Any member of the Management Committee who fails to attend four consecutive Management Committee meetings or fails to attend at least six of the Management Committee meetings held during any calendar year shall forfeit his membership on the Management Committee.

2.4. Any member of the Management Committee may resign at any time by giving written notice to the chairman of the Committee, or the remaining Management Committee members. Any member of the Management Committee may be removed from membership on the Management Committee by a vote of at least two-thirds vote of the total percentage of undivided interest in the Common Areas and Facilities in the Project that votes on the question. Whenever there shall occur a vacancy on the Management Committee due to forfeiture, death, resignation, removal or any other cause, the remaining members of the Committee shall appoint a successor member to serve until the next annual meeting of the Association, at which time said vacancy shall be filled by the Association for the unexpired term, if any.

2.5. The members of the Management Committee shall receive no compensation for their services, other than reimbursement of expenses, unless expressly approved by a majority of the Association, provided, however, that any member of the Management Committee may be employed by the Association in another capacity and receive compensation for such employment.

2.6. 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 Declaration, these Bylaws, the house rules and the administrative rules and regulations governing the Project. The Management Committee shall have the powers, duties, and responsibilities with respect to the Property as contained in the Act, the Declaration and these Bylaws.

2.7. Regular meetings of the Management Committee shall be held at such places

within the State of Utah as the Management Committee shall determine. At least six such meetings shall be held during each fiscal year after the first annual meeting of the Association. At all meetings of the Management Committee, a majority of the members shall constitute a quorum for the transaction of business, and the acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Committee. The Management Committee shall annually elect all of the officers of the Association. The meeting for the election of officers shall be held at the first meeting of the Management Committee immediately following the annual meeting of the Association.

2.8. Regular meetings of the Management Committee may be held without call or notice. The person or persons calling a special meeting of the Management Committee shall, at least ten days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called, and if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of the matters listed on the agenda.

2.9. Special meetings of the Management Committee may be called by the chairman or by any two Management Committee members.

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

2.11. Until the earlier of (a) the date three years from the recording of the Declaration, or (b) when Units to which three-fourths of the percentage of undivided interest in the Common Areas and Facilities in the Project appertains have been conveyed by Declarant to individual purchasers, the Declarant, or some other person or persons selected or to be selected by Declarant, shall have the option to appoint and remove all members of the Management Committee, appoint and remove all officers of the Association, or at Declarant's option, to exercise the powers and responsibilities otherwise assigned by the Declaration, these Bylaws, and the Act to the Association or the Management Committee. Declarant shall have the option at any time after the recording of the Declaration to turn over to the Association the total responsibility for electing and removing members of the Management Committee.

2.12. The Management Committee, for the benefit of the Project and the Association, shall enforce the provisions of the Declaration, these Bylaws, and the rules and regulations governing the Property; and, subject to restrictions of Section 5.2 of these Bylaws, shall acquire, arrange and pay for out of the Common Expense fund at least the following:

2.12.1. Water, sewer, garbage collection, electrical, telephone, gas and other

necessary utility services for the Common Areas and Facilities.

2.12.2. Water, sewer, electrical, gas or other necessary utility costs for Units and Limited Common Areas and Facilities which are not separately metered or charged, the cost thereof, so far as practicable, to be specifically assessed to the Owners of the Units affected thereby.

2.12.3. A policy or policies of fire insurance, with extended coverage endorsements, for the full insurable replacement value of the Units and Common Areas and Facilities as provided in Section 8.2 of the Declaration, or such other fire and casualty insurance as the Management Committee shall determine gives substantially equal or greater protection to the Unit Owners and their Mortgagees. The limits and coverage of such policies shall be reviewed at least annually by the Management Committee as per the Declaration and increased in its discretion. Insurance proceeds shall be payable and applicable as provided in the Declaration.

2.12.4. A policy or policies of public liability insurance insuring the Management Committee, the Association and the individual Unit Owners against any liability to any persons or persons incident to the Ownership and/or use of the Property. Such policy or policies shall be consistent with the provisions of Section 8.3 of the Declaration. Limits of liability under such insurance shall be as provided in said Section.

2.12.5. Workmen's Compensation Insurance to the extent necessary to comply with any applicable laws.

2.12.6. The services of a manager to manage its affairs as provided in the Declaration, as well as such other personnel as the Management Committee shall determine shall be necessary or proper for the operation of the Common Areas and Facilities, whether such personnel are employed directly by the Management Committee or are furnished by the manager.

2.12.7. Legal and accounting services necessary or proper in the operation of the Project and the Common Areas and Facilities or the enforcement of the Declaration.

2.12.8. A fidelity bond as provided for in the Declaration.

2.12.9. Painting, maintenance, repair and all landscaping of the Common Areas and Facilities, and such furnishings and equipment for the Common Areas and Facilities as the Management Committee shall determine are necessary and proper, and the Management Committee shall have the exclusive right and duty to acquire the same for the Common Areas and Facilities.

2.12.10. Any other material, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Management Committee is required to secure or pay for pursuant to the terms of the Declaration or Bylaws or which in its opinion shall be necessary or proper for the operation of the Common Areas and Facilities or for the enforcement of the Declaration; provided that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for particular Units, the cost thereof shall be specifically assessed to the

Owners of such Units.

2.12.11. Maintenance and repair of any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Management Committee to protect the Common Areas and Facilities or preserve the appearance and/or value of the Property, and the Unit Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity therefor is delivered by the Management Committee to said Unit Owner; provided that the Management Committee shall levy a special assessment against the Condominium Unit of such Unit Owner for the cost of said maintenance or repair.

2.12.12. The Management Committee shall have the exclusive right to contract for all goods, services and insurance when payment is to be made from the Common Expense Fund. This provision shall not be construed to prohibit the Management Committee from delegating such authority to the manager as it deems proper.

2.13. The fiscal year shall be determined by the Management Committee.

3. Meetings of the Association.

3.1. The presence in person or by proxy at any meeting of the Association of Unit Owners owning at least 50 percent of the percentage of undivided interest in the Common Areas and Facilities in the Project in response to notice to all Unit Owners of record properly given shall constitute a quorum. In the event that Unit Owners owning such 50 percent of the percentage of undivided interest in the Common Areas and Facilities are not present in person or by proxy, the meeting shall be adjourned for 24 hours, at which time it shall reconvene and any number of Unit Owners present at such subsequent meeting shall constitute a quorum. Unless otherwise provided in the Declaration or the Act, any action may be taken at any meeting of the Unit Owners upon a majority vote of the percentage of undivided interest in the Common Areas and Facilities held by the Owners who are present in person or by proxy and who are voting. Notwithstanding the foregoing provisions of this Section, however, in any case in which the Act or the Declaration requires the affirmative vote of at least a specified percentage of the Project's total percentage of undivided interest in the Common Areas and Facilities for authorization or approval of a matter, the presence of Owners entitled to cast such percentage shall be necessary to constitute a quorum at any meeting (whether original or rescheduled) at which action on such matter is taken.

3.2. A Unit Owner shall be deemed to be in "good standing" and "entitled to vote" at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all due installments of assessments made or levied against him and his Unit by the Management Committee as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Unit, prior to the date fixed for such annual or special meeting.

3.3. At all meetings of the Association, Unit Owners may vote in person or by proxy executed in writing by the Unit Owner or his duly authorized attorney in fact. Proxies shall be filed with the secretary of the Management Committee before or at the time of the meeting. Unless otherwise specified therein, each proxy shall be valid for 11 months from the date of its execution.

3.4. There shall be an annual meeting of the Association on the second Thursday of February each year at 7:00 pm. or such other time as set by the Management Committee, either at the Project or at such other reasonable place as may be designated. The Management Committee shall give written notice of the time and place of the annual meeting, said notice to be delivered to the Unit Owners not less than ten days prior to the date fixed for said meeting.

3.5. Special meetings of the Association may be held at any time at the Project or at some other reasonable place to consider matters which, by the terms of the Declaration, the Act, or these Bylaws, require the approval of all or some of the Unit Owners, or for any other reasonable purpose. Special meetings shall be called by written notice, signed by a majority of the Management Committee, or by Unit Owners representing at least one-third of the undivided Ownership of the Common Areas and Facilities and delivered to all Unit Owners not less than 15 days prior to the date fixed for said meeting. The notices shall specify the date, time and place of this meeting, and the matters to be considered.

3.6. Robert's Rules of Order (latest edition) shall govern the conduct of the Associations' meetings when not in conflict with the Declaration or these Bylaws.

4. Officers.

4.1. The Management Committee shall perform its functions and responsibilities through those members of the Committee who are elected as officers annually by the Committee and through such agents or employees as the Committee may appoint. Such officers shall also be officers of the Association, with each holding for the Association the same office he holds on the Management Committee. The primary officers shall consist of a chairman, vice chairman, secretary and treasurer. The offices of secretary and treasurer may be combined as one office. The Management Committee may appoint such assistant officers as the Management Committee may deem necessary. No officer shall receive compensation for serving as such unless a majority of Unit Owners vote otherwise.

4.2. The chairman 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 powers ordinarily allocable to the presiding officer of an Association, including the appointment of committees. The chairman shall exercise general supervision over the Property and its affairs. He shall sign on behalf of the Association all conveyances, mortgages and contracts of material importance to its business. He shall do and perform all acts which the

Management Committee may require.

4.3. The vice chairman shall perform the functions of the chairman in the absence or inability of the chairman.

4.4. The secretary 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 Association and the Management Committee. In the absence or inability of the chairman or vice chairman, the secretary shall perform the functions of the chairman.

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

4.6. If the Management Committee appoints other officers, such officers shall perform such duties as may be prescribed or delegated from time to time by the Management Committee.

4.7. Any officer or agent shall be subject to removal, with or without cause, at any time by the affirmative vote of a majority of the members of the Management Committee then serving.

4.8. All agreements, contracts, deeds, leases, checks and other instruments of the Project for expenditures or obligations shall be executed by any two officers of the Management Committee or by such other person or persons as may be designated by the Management Committee.

5. Common Expenses; Assessments.

5.1. All assessments shall be made in accordance with the provisions of Article VII of the Declaration.

5.2. It shall be the responsibility of the Management Committee to determine questions relating to the maintenance, repair and replacement of all Common Areas and Facilities. However, except as provided otherwise in the Declaration, there shall by no single structural alteration, capital addition to, or capital improvement of the Common Areas and Facilities requiring an expenditure in excess of \$15,000, unless those holding two thirds of the votes present in person or by proxy at a duly called meeting shall approve the expenditure for such structural alterations, capital addition to, or capital improvement of the Common Areas and Facilities.

5.3. Every determination by the Management Committee with respect to the Common Expenses and common expenditures necessary to maintain the Property, that is made within the bounds of the Act, the Declaration, and these Bylaws, shall be final and

conclusive as to the Unit Owners and shall be deemed necessary and properly made for such purposes.

5.4. The rights, duties and functions of the Management Committee set forth in this Section 5 may be exercised by Declarant for the period ending 30 days after the election of the first Management Committee hereunder.

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

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

5.7. The treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Common Areas and Facilities, specifying and itemizing the maintenance, repair and replacement expenses of the Common Areas and Facilities and any other expenses incurred. Such record shall be available for examination by the Unit Owners during regular business hours. The treasurer shall keep an accurate record of such assessments and of the payments thereof by each Unit Owner.

5.8. All common expense assessments shall be a separate, distinct and personal liability of the owner of the Unit 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 for Common Expenses.

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

5.10. In the event that title to a Unit is transferred at sheriff's sale pursuant to execution upon any lien against the Unit, the Management Committee shall give notice in

writing to the sheriff of any unpaid assessments for Common Expenses which are a lien against the Unit, and for any expenses of or advances by the Management Committee which have not theretofore been reduced to a lien, which shall be paid out of the proceeds of the sale prior to the distribution of any balance to the former Unit Owner against whom the execution was issued. The purchaser at such sheriff's sale and the Unit involved shall not be liable for unpaid assessments for Common Expenses nor for any expenses of or advances by the Management Committee which became due prior to the sheriff's sale of the Unit. Any such unpaid assessments which cannot be promptly collected from the former Unit Owner shall be reassessed by the Management Committee as a Common Expense to be collected from all of the Unit Owners, including the purchaser who acquired title at the sheriff's sale, his successors and assigns. To protect its rights to collect unpaid assessments for Common Expenses which are a lien against a Unit, and for any expenses of and advances by the Management Committee, the Management Committee may on behalf of all the Unit Owners, purchase the Unit at a sheriff's sale, provided such action is authorized by the affirmative vote of a majority of the members of the Management Committee.

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

5.12. In each case 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 Act, Declaration of Bylaws, the Management Committee shall reassess the same as a common expense, without prejudice to its rights of collection against such persons or entities.

6. Litigation.

6.1. If any action is brought by one or more but less than all Unit Owners on behalf of the Association, and recovery is had, the plaintiff's expenses, including reasonable counsel's fees, shall be a Common Expense. If an action is brought by one or more but less than all Unit Owners against the Association or the Management Committee or the officers, employees, or agents of the Association, in their capacities as such, so that the ultimate liability asserted would, if proved, be borne by all the Unit Owners, the plaintiff's expenses, including counsel fees, shall not be charged to or borne by the other Unit Owners, as a Common Expense or otherwise.

6.2. Complaints brought against the Association, the Management Committee or the officers, employees or agents thereof, in their respective capacities as such, or the Project as a whole, shall be directed to and defended by the Management Committee, and the Unit Owners and Mortgagees shall have no right to participate other than through the Management Committee in such defense. Complaints against one or more, but less than all

Unit Owners shall be directed to and defended by such Unit Owners.

7. Abatement and Enjoyment of Violations by Unit Owners.

The violation of any house rules or administrative rules or regulations adopted by the Management Committee or the breach of any provisions 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:

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

7.2. To bring suit for damages suffered and to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. In the event the Management Committee is required to commence legal action to enforce its rights hereunder, the Unit Owner or other person in violation or breach shall also pay all costs and reasonable attorney's fees incurred by the Management Committee.

8. Lease of Units by Owners.

8.1. Any Unit Owner who leases his Unit shall be subject to the requirements and restrictions of Article XIII of the Declaration. Such Owner shall give written notice to and provide the information to the Management Committee or manager required by the Declaration. The provisions of the Declaration, these Bylaws and the rules and regulations shall apply with equal force to tenants or lessees of a Unit.

8.2. Any Unit Owner who rents or leases his Unit shall be responsible for the conduct of his tenants and shall be responsible for ensuring that the tenants do not violate the Declaration, Bylaws, or rules and regulations of the Association.

8.3. If a Unit Owner fails to correct violations by his tenants within 72 hours of notice by the Management Committee to such Owner of such violation, the Management Committee or manager shall be deemed to be the agent of the Unit Owner and empowered to take any enforcement action the Unit Owner would be entitled to take, the cost of such action to be assessed to the Unit Owner and payable within 30 days of assessment. Such costs shall be collected and enforced in the same manner as common assessments under the Declaration and these Bylaws.

8.4. The power of the Management Committee or manager hereunder shall include, but not be limited to, any and all legal remedies available under the laws of the State of Utah. Any Unit Owner by the act of renting or leasing his Unit shall be deemed to have consented to these procedures and shall indemnify and save harmless the Management

Committee and the manager from and against any and all liability there for. It is expressly understood that the remedies available to the Management Committee or manager shall include but not be limited to the right to seek eviction of the tenant without any liability to the Unit Owner.

9. Office. The office of the Project and of the Management Committee shall be located at the Project or at such other place as may be designated from time to time by the Management Committee.

10. Accounting.

10.1. The books and accounts of the Association shall be kept in accordance with generally accepted accounting procedures under the direction of the treasurer.

10.2. At the close of each fiscal year, the books and records of the Association shall be reviewed by an independent public accountant approved by the Management Committee. A report of the review shall be prepared and submitted to Unit Owners at or before the next annual meeting of the Association. In the event that at the Owners of least two-thirds of the percentage of undivided interest in the Common Areas and Facilities voted at a meeting vote to do so for any year, a certified audit by a Certified Public Accountant shall be obtained by the Management Committee.

10.3. The books and accounts of the Association shall be available for inspection at the office of the Association by any Unit Owner or his Mortgagee or their authorized representative during regular business hours at the expense of the inspecting party.

11. Special Committees.

The Management Committee by resolution may designate one or more special committees, each committee to consist of two or more Unit Owners, which to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Management Committee. Such special committees shall keep regular minutes of their proceedings and report the same to the Management Committee when required. The members of such special committee or committees designated shall be appointed by the Management Committee. The Management Committee may appoint Unit Owners to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

12. Management Rules and Regulations.

The Management Committee shall have the right to adopt and amend such rules and regulations as may be authorized by the Act and the Declaration for the purpose of governing the details of the operation and use of the Common Areas

and Facilities and setting forth restrictions on, and requirements respecting the use and maintenance of Units and Limited Common Areas and Facilities. Copies of the rules and regulations shall be provided for each Unit Owner prior to the time the same shall become effective.

13. Amendment of Bylaws.

Except as otherwise provided in the Declaration or the Act, these Bylaws may be amended by approval of Unit Owners who own at least 75 % of the aggregate of the percentage of undivided interest in the Common Areas and Facilities in the Project. Upon such approval, the Management Committee shall acknowledge the amended Bylaws, setting forth the fact of the required approval of the Unit Owners and the amendment shall be effective upon recording. Any material amendment to these Bylaws, however, including, but not limited to, any amendments which might affect or change the percentage interest of Unit Owners in the Common areas (other than as allowed by Article XIV of the Declaration) must also be approved in writing by 75 percent of all Mortgagees of the individual Units (based on one vote for each Mortgage).

14. 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.

15. Captions.

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

16. Effective Date.

These Bylaws shall take effect upon recording of the Declaration of which they are a part and are attached.

Exhibit D

Declaration of Condominium
Country Club Ridge Condominiums

DESIGN GUIDELINES

Plantation Shutter Requirements for Windows Facing Parleys Way:

All windows facing Parleys Way and the Northwest elevation facing Slat Lake City must be covered with 5.25 inch plantation shutters manufactured by Stanfield Shutter Manufacturing. They must be painted with "White/White" semi-gloss Sherman Williams paint. The Units with windows that must use the required plantation shutters are as follows:

First Level

101, 102, 103, 104, 105, 106, 107, 108, 109, 110

Second Level

201,202,203,204, 205,206

Third Level

301,302,303,304,305,306

Hard Surface Flooring Requirements for Second and Third Floors of Building

In order to protect the sound quality of the Units, Declarant has consulted with an Acoustic Engineer regarding acoustic design requirements for the Building. Based on the recommendations of the Acoustic Engineer, the Declarant has determined that these Design Guidelines shall require that Units on the second and third floors of the building be constructed with minimum Floor/Ceiling STC ("STC") and Impact Isolation Class ("IIC") requirements of STC 60 and UC 60. (Since no one will be living below the first floor of the Building these minimum requirements will not be applied to the first floor.)

Declarant will cause the Building to be built with floor/ceiling systems on the second and third floor of the Building that, with the carpeting that the Declarant installs, will provide acoustic performance above STC 70 and IIC 70.

Because hard surface flooring will create substantially more noise than carpeted floors to the Unit or Units located below the hard surface flooring, it will necessary to make modifications to the standard floor/ceiling system being used in the Building to meet the STC 60 and IIC 60 minimum standard. The modified standard floor/ceiling system standards require modifications to both the floor assembly and the ceiling assembly below the hard surface flooring. The Management Committee will require utilization of the modified floor and ceiling assembly requirements that will meet the STC 60 and IIC 60 minimum standard in approving the installation of hard surface flooring in Units on the second and third floors of the Building. (Copies of the modified floor / ceiling assembly requirements to meet the STC 60 and IIC 60 minimum standard can be obtained from the Management Committee.)

Exhibit D
Design Guidelines
2 of 3

The Management Committee will only approve the installation of hard surface flooring on the second and third floors of the Building if the Owner of the Unit desiring hard surface flooring is able to install both the modified ceiling assembly in the Unit(s) below the hard surface flooring and the modified floor assembly below the hard surface flooring. In the event that a Unit Owner is not able to install the modified ceiling assembly below the hard surface flooring, the Management Committee will not approve installation of hard surface flooring in a second or third floor Unit. This means that hard surface flooring will most likely only be able to be installed as part of the original construction and will have to be installed before the Unit(s) below the hard surface flooring is finished and/or occupied. However, if new flooring products and methods are developed in the future that will allow hard surface flooring to meet the STC 60 and IIC 60 minimum requirements without the modified ceiling assembly, the Management Committee may allow hard surface flooring upon being assured that the STC 60 and IIC 60 minimum requirements will be met.

Remodeling Requirements

1. The term "remodel" or "remodeling" or "remodeled" shall mean any structural modification to the interior of a Unit, including but not limited to movement, relocation, construction, or removal of Unit walls, floors, bathrooms, bathroom facilities, kitchen facilities, balconies, porches, decks, installation or re-surfacing of unit flooring or any other improvement or fixture other than wall coverings or painting.
2. No Unit may be remodeled without the prior written approval of the Management Committee. In order to obtain the written approval of the Management Committee to remodel a Unit, a Unit Owner must submit a written application for approval to the Management Committee that includes the following:
 - (A) A detailed written description of the intended remodeling, including the nature of the work to be performed, when remodeling activity will begin, the extent of any construction that might adversely impact other Unit owners or residents, and the specific time and days during which construction might occur.
 - (B) Written diagrams/drawings detailing the proposed remodeling.
 - (C) The name, address, telephone number and Utah Contractor's license number for each Contractor who will remodel the Unit.
3. The Management Committee, in reviewing each remodeling application, will exercise reasonable discretion in approving a remodeling request. The Management Committee shall consider the following factors in determining whether the proposed remodel should be approved: Exhibit D Design Guidelines
 - (A) How the Unit as remodeled will affect the use of the interior of the Unit.
 - (B) The adverse impact upon other Unit Owners or residents that might result from construction associated with the proposed remodel.
 - (C) Whether the proposed remodel complies with the Declaration, these Design

Guidelines and local, state or federal laws or regulations.

(D) Additional kitchens, bathrooms or rooms may not be added to a Unit and Unit kitchens and bathrooms may not be relocated within the Unit. No installation or re-surfacing of unit flooring on the second and third levels of the Building will be allowed that cannot meet the hard surface flooring requirements of these Design Guidelines.

4. The Management Committee shall provide a written decision to an applicant's request to remodel a Unit. If approval is denied, the written decision shall describe the specific reason for denial.

5. A Unit Owner who is allowed to remodel his Unit shall be responsible to protect the Common Areas and Facilities including floors, wall coverings, elevators, doors, frames and trim and shall be liable for any damage thereto. The remodeling Unit Owner shall be required to clean up any mess made in the Building by the remodeling. A Unit Owner who is allowed to remodel a Unit shall be required to make a refundable deposit of not less than \$500.00 to be held by the Management Committee to secure cleaning or repairs of Common Areas made necessary by the remodeling but the Unit Owner's liability shall not be limited to the amount of the deposit. A Unit Owner who remodels a Unit with the written approval of the Management Committee agrees to indemnify and hold harmless the Association and the Management Committee and other Unit Owners for any costs or liability caused by the remodeling. The Management Committee may require that the remodeling Unit Owner and/or his contractors provide evidence of insurance that will cover the Unit Owner's liability to the Association, the Management Committee and the other Unit Owners for the remodeling.

6. Approved remodeling must be completed and all remodel construction activity concluded within 180 days from the date the Management Committee approves the remodeling. The Management Committee and its representatives shall have the right to inspect a Unit being remodeled at any time and at the completion of the remodel to ensure compliance with all applicable rules and regulations and these Design Guidelines.

7. A Unit Owner or Unit resident who remodels a Unit without written permission from the Management Committee must immediately cease remodeling and shall remove and be financially responsible for the removal of said remodeling.

The above remodeling requirements may be supplemented or modified by the Rules and Regulations adopted by the Management Committee as allowed by the Declaration.

9592159
12/23/2005 09:50 AM \$10.00
Book-- 1234 Pg-- 5839
GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
EQUITY CAPITAL LLC
2045 WILMINGTON AVE.
SLC UT 84109
BY ZJM, DEPUTY - W11P.

LENDER CONSENT

America First Federal Credit Union approves that certain Record of Survey Map recorded in connection with the Condominium Declaration for the Condominiums consisting of Four (4) pages prepared by McNeil Engineering and Land Surveying Services, signed by the Salt Lake City Planning Director on November 29, 2005. Nothing contained in this consent shall alter, modify or otherwise amend any of the loan documents entered into between the undersigned and its borrower(s) and/or guarantors.

Dated: November 30th, 2005.

LENDER:

AMERICA FIRST FEDERAL CREDIT
UNION

By: Shari Cheney
Its: Manager

STATE OF UTAH)
 : SS.
COUNTY OF WEBER)

On this 30th day of November, 2005, before me, personally appeared SHARI CHENEY, known or identified to me to be the president, or vice president, or secretary, or assistant secretary of AMERICA FIRST FEDERAL CREDIT UNION, the corporation that executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

NOTARY PUBLIC Traci Jorgensen
Residing at: Weber County



AMENDMENT OF DECLARATION OF CONDOMINIUM
FOR
COUNTRY CLUB RIDGE CONDIMINIUMS

THIS AMENDMENT OF DECLARATION OF CONDOMINIUMS (this "Amendment") is made and executed effective as of January 24th, 2007 by EQUITY CAPITAL, LLC, a Utah limited liability company ("Declarant").

RECITALS:

A. Declarant, as the owner of the property located in Salt Lake City, Salt Lake County, Utah more particularly described in Exhibit A attached hereto and made a part hereof by reference, executed as and recorded that certain Declaration of Condominium for Country Club Ridge Condominiums dated December, 2005 and recorded December 23, 2005 as Entry No. 9592157, Book 9234, Pages 5793-5837, of the Salt Lake County Recorder's Office (the "Declaration").

B. Declarant also caused a Survey Map of the Country Ridge Condominiums to be recorded December 23, 2005 as Entry No. 9592156, Book 2005, Page 402, in the Salt Lake County Recorder's Office (the "Survey Map").

C. Article XII, Section 12.1 of the Declaration provides that provisions of the Declaration and/or the Survey Map may be amended by an instrument in writing signed and acknowledged by Unit Owners who own 75% of the undivided interest in the Common Areas and Facilities in the Project, which amendment shall be effective upon recording, and upon approval of Mortgagees where necessary.

D. As of the date of this Amendment, Declarant is the owner of 100% of the undivided interest in the Common Areas and Facilities in the Project and there are no Mortgagees. Therefore the Declaration and the Survey Map may be amended by this Amendment signed by the Declarant.

E. This Amendment is being executed and recorded by Declarant to amend exhibit B to the Declaration to reflect changes in the designation of rights to some Parking Limited Common Areas and some Storage Unit Limited Common Areas. Exhibit B is also amended to reflect a change in the undivided interests owned by each Unit as the result of Unit 306 being enlarged by reason of part of the Limited Common Area adjacent to that Unit being enclosed and included within the Unit.

F. Concurrent herewith Declarant is also recording an Amended Sheet 3 of the Survey Map, to reflect the change resulting from Unit 306 being enlarged by reason of part of the Limited Common Area adjacent to that Unit being enclosed and included within the Unit.

NOW THEREFORE, Declarant hereby amends the Declaration as follows:

1. Exhibit B to the Declaration is hereby deleted in its entirety and the Amended Exhibit B attached to this Amendment is substituted in lieu thereof. The parking and storage Limited Common Areas and the reallocated undivided percentages of ownership interest in the Common Areas and Facilities set out in the Amended Exhibit B attached to this Amendment shall be as set out in said Amended Exhibit B from and after the effective date of this Amendment.

2. Effective Date. The effective date of this Amendment to the Declaration and the Amended Survey Map shall be the date on which both of said instruments are filed for record with the Salt Lake County Recorder's Office.

Except as specifically modified by this Amendment, all terms of the Declaration shall remain unchanged and shall remain in full force and effect, and Declarant hereby reaffirms all of the terms of the Declaration as amended by this Amendment.

IN WITNESS WHEREOF, Declarant has executed this Amendment as of the day and year first above written.

EQUITY CAPITAL, LLC
By: [Signature]
Its: [Signature]

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

The foregoing instrument was acknowledged before me this 24 day of Jan, 2007, by Raymond F. Plewe, as managing member of Equity Capital, LLC.

My commission expires:

9/3/08

[Signature]
Notary Public
Residing at: Salt Lake

2007024



Amended Exhibit B
Declaration of Condominium
Country Club Ridge Condominiums

<u>Unit Designations</u>	<u>Unit Size Square Feet</u>	<u>Percentage Undivided Interest in Common Areas & Facilities</u>	<u>Assigned Storage Unit</u>	<u>Assigned Parking Stalls</u>
101	1,394	1.9902%	40	61 & 62
102	1,203	1.7175%	2	35 tandem
103	1,223	1.7460%	27	30 tandem
104	1,214	1.7332%	8	31 tandem
105	1,628	2.3242%	9	15 & 16
106	1,519	2.1686%	23	74 & 75
107	1,538	2.1957%	22	33 & 48
108	1,468	2.0958%	34	59 & 60
109	1,358	1.9387%	36	36 tandem
110	1,321	1.8859%	29	72 & 73
111	1,481	2.1144%	33	46 & 47
112	1,329	1.8973%	39	70 & 71
113	1,487	2.1229%	15	68 & 69
114	1,465	2.0915%	38	63 & 64
115	1,442	2.0587%	3	34 tandem
116	1,418	2.0244%	13	19 tandem
117	1,502	2.1443%	10a	29 & 32
201	1,943	2.7739%	1	1 & 2
202	1,223	1.7460%	4	5 & 65
203	2,209	3.1537%	18	25 & 26
204	2,119	3.1394%	17	23 & 24
205	2,352	3.3678%	26	44 & 45
206	1,993	2.8453%	35	53 & 54
207	2,148	3.0677%	24	40 & 41
208	1,326	1.8931%	28	37 tandem
209	1,483	2.1172%	21	38 & 39
210	1,462	2.0872%	19	27 & 28
211	1,442	2.0587%	10b	4 & 66
212	1,358	1.9387%	11	3 & 67
213	1,855	2.6483%	14	20 tandem
301	2,093	2.9881%	5	6 & 7
302	1,838	2.6240%	16	21 & 22
303	1,667	2.3799%	7	11 & 12
304	2,385	3.4050%	6b	9 & 10
305	2,349	3.3536%	25	42 & 43
306	4,081	5.7706%	31	49, 50, & 51 tandem
307	1,985	2.8339%	37	55 & 56
308	2,322	3.3150%	30	57 & 58
309	2,238	3.3065%	6a	13 & 14
310	<u>2,065</u>	<u>2.9481%</u>	12	17 & 18
Totals	69,697			

2007023