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DECLARATION OF CONDOMINIUM

OF

TIME SQUARE CONDOMINIUMS

THIS DECLARATION is made and executed this 2nd day of MARCH 1993 by HALLMARK BROKERAGE INCORPORATION (hereinafter referred to as "Declarant"), pursuant to the provisions of the Utah Condominium Ownership Act.

RECITALS:

A. Declarant is owner of that certain tract of land, more particularly described in Article II hereof.

B. Declarant has constructed, or is in the process of constructing, upon said tract a Condominium Project, including certain Units and other improvements. All of such construction has been, or is to be, performed in accordance with the plans and drawings contained in the Record of Survey Map filed for record simultaneously herewith, prepared and certified by Roger Dudley, Utah State Registered Land Surveyor.

C. Declarant desires, by filing this Declaration and the Record of Survey Map, to submit said tract and all improvements now or hereafter constructed hereon to the provisions of the Utah Condominium Ownership Act as a Condominium Project to be known as TIME SQUARE CONDOMINIUMS.

D. Declarant intends to sell to various purchasers the fee title to the individual Units contained in the Project, together with the undivided ownership interest in the Common Areas and facilities appurtenant to such Units, subject to the covenants, conditions, restriction, limitations and easements herein set forth.

DECLARATION:

NOW THEREFORE, for the foregoing purposes, Declarant hereby declares and certifies as follows:

ARTICLE I

DEFINITIONS

When used in this Declaration (including that portion hereof captioned "RECITALS") the terms used shall have the meaning stated in the Utah Condominium Ownership Act and as follows unless the context otherwise requires.

1. Act shall mean and refer to the Utah Condominium Ownership Act, Title 57, Chapter 8, Utah Code Annotated 1953 as the same may be amended from time to time.

2. Declaration shall mean and refer to this Declaration. This Declaration has been drafted to comply with the requirements of the Utah Condominium Ownership Act, Title 57, Chapter 8, Utah Code Annotated 1953. Any ambiguities, omissions, and/or conflicts shall be construed to comply with the provisions of said Act.

3. Map shall mean and refer to the Record of Survey Map filed herewith captioned TIME SQUARE Condominiums.

4. Property shall mean and refer to the Tract or Entire Tract described in Exhibit "B", the buildings, all improvements and the structures thereon, all easements, rights and appurtenances belonging thereto and all articles of personal property intended for use in connection therewith.

5. Common Areas or the Common Areas and Facilities shall mean and refer to and include:

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

b.) Those Common Areas and Facilities specifically set forth and designated in the respective Units as hereinafter defined.

c.) That part of the Condominium Project not specifically included in the respective Units as hereinafter defined.

d.) All Limited Common Areas and Facilities.

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

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

g.) All Common Areas and Facilities as defined in the Act, whether or not expressly listed herein.

6. Condominium Unit or Units mean and refers to one of the living Units intended for independent use as defined in the Act, and as shown in the Map. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only that Unit, such as

appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows inter alia and as appropriate, wallpaper, paint, flooring, carpeting, and tile. All pipes, wires, conduits, or other public utility lines or installation constituting a part of the Unit or serving only the Unit, and any structural members of any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

7. Management Committee or Committee shall mean and refer to the Committee as provided in the Declaration and charged with and having the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Property.

8. Association of Unit Owners or the Association shall mean and refer to the Unit Owners acting as a group in accordance with the Declaration and By-Laws.

9. Common Expenses shall mean all items, things and sums described in Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the By-Laws, such rules, regulations and other determinations and agreements pertaining to the Condominium Project as the Management Committee, the Unit Owners, or the Association as hereinafter mentioned, may from time to time adopt.

10. Mortgage shall mean any mortgage, deed of trust or other security instrument by which a Unit or any part thereof is encumbered.

11. Mortgagee shall mean any person named as a Mortgagee or beneficiary under or holder of a Deed of Trust.

12. Limited Common Areas and Facilities or Limited Common Areas shall mean those Common Areas designated in the Declaration and shown on the Map as reserved for use of certain Unit or Units to the exclusion of other Units. Limited Common Areas include storage areas and parking spaces specifically assigned to a Unit Owners.

13. Unit Number shall mean and refer to the number, letter or combination thereof which designates a Unit in the attached Exhibit "A" and on the Map.

14. Unit Owner or Owner shall mean and refer to the Owner of the Fee in a Unit and the Ownership of Undivided Interest in the

Common Areas which is appurtenant thereto. The Declarant shall be deemed to be the Owners of all completed but unsold Units. In the event a Unit is the subject of an executory contract of sale, the Buyer shall, unless the Seller and the Buyer have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for all purposes.

15. The Tract or Entire Tract of PHASE ONE shall mean and refer to the following described tract of land situated in Utah County, State of Utah, together with all appurtenances thereto.

(See Exhibit "B" for Property Description)

This Tract constitutes the entire Condominium Project.

16. Condominium Project or Projects shall mean and refer to the TIME SQUARE Condominium Project.

17. Management Body shall mean and refer to the Management Committee or the Committee of the TIME SQUARE Condominiums.

18. Declarant shall mean and refer to the person (s) who execute the Declaration or on whose behalf the Declaration is executed.

ARTICLE II

PROPERTY DESCRIPTION AND SUBMISSION

1. Submission. The Property which is and shall be held, transferred sold, conveyed, and occupied subject to the provisions of this Declaration consist of the following described real property in Utah County, State of Utah:

(See Exhibit "B" for property description)

ARTICLE III

COVENANTS, CONDITIONS AND RESTRICTIONS

The foregoing submission is made upon and under the following covenants, conditions and restrictions.

1. Description of Improvement. The improvements included in the Project are now or will be located on the Tract above described, and all of such improvements are described on the Map. The Map indicates the number of Units which are to be contained in the building which comprises a part of such Improvements, the dimensions of the Units, and other significant facts relating to such building and Common Areas.

The TIME SQUARE Condominium Project, Phase I consists of two major condominium buildings. The largest building has four (4) units on the middle level and four (4) units on top level. The second building has same arrangement plan with three levels but has only three (3) units on each level. The interior units have 772 square feet in each unit and the end units have 798 square feet in each unit. All units have two bedrooms, living room, dining-kitchen combination and one full bath. Each unit has area for washer and dryer and has its own refrigerated air conditioning.

Each unit has individual natural gas, electric and water meters. Sewer is to be paid through the Home Owners Association.

Parking consists of two assigned parking stalls for each unit. One stall is covered in a parking structure immediately behind the condominium building. In addition to the assigned stalls, there is an additional stall for every two units or .50 stalls per unit. All parking is located behind the buildings. Each condominium building has two stairwells; one on each end.

The condominium project will have a six foot high decorative chain-link fence completely along the south boundry. Automatic sprinkling systems with timers will be installed.

The construction is a combination of brick, contemporary synthetic stucco and aluminum facia and soffit. Extra design will be with coin block pillars and dental mold along upper top soffit. Roof is asphalt shingle. Exterior doors are steel with deadbolt locks on each.

Phase I is scheduled to commence March 15, 1993 and be completed August 1993. Phase II is scheduled to commence in June 1993 and be completed October 1993. Phase II plan consists of two of the larger buildings consisting of twelve units in each building making a total of 24 units. Phase I has a total of 21 units and Phase II has a total of 24 units making 45 units in the total project.

2. Description and Legal Status of Units. The Map shows the unit, its location, dimensions, etc. from which its areas may be determined, the Limited Common Areas which are reserved for its use, and the Common Areas of the Project. The individual family living Units shall be legally designated and described by letter and number.

3. Exhibit "A" Contents. Exhibit "A" attached to this Declaration and made a part hereof furnishes the following information with respect to each: (a) Unit-building designation; (b) par value of each Unit based on points; and (c) its appurtenant Undivided Ownership Interest in the Common Areas.

4. Common and Limited Common Areas. The Common Areas contained in the Project are described and identified in Article I hereof and in the Map. Neither the Ownership of Undivided Interest in the Common Areas nor the right of exclusive use of Limited Common Areas shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of conveyance, such percentage of Undivided Interest and such right of exclusive use shall automatically accompany the conveyance of the Unit to which they relate.

5. Determination of Interest in Common Area. The proportionate share of the Unit Owners in the Common Areas of the Project is based on the par value that each of the Units bear to the total value of all the Units. The proportionate ownership of the Common Areas shall be for all purposes, including but not limited to, voting and assessment for Common Expenses. The maximum interest for each of the Unit Owners in the Common Areas shall be set forth in the aforesaid Exhibit "A".

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

7. No Separation. No part of a Unit or of the legal rights comprising ownership of a Unit may be separated from any other part thereof during the period of Condominium Ownership described herein, so that each Unit, the Undivided Interest in the Common Areas appurtenant to such Unit, and the exclusive right to use and occupy the Limited Common Areas appurtenant to each Unit, shall always be conveyed, devised, encumbered, and otherwise effect only together and may never be separated from one another. Every gift, devise, bequest, transfer, encumbrance or other disposition of a

Unit or any part thereof, shall constitute a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Unit, together with all appurtenant rights created by law or by this Declaration.

8. No Partition. The Common Areas shall be owned in common by all the Owners of Units, and no Unit Owner may bring action for partition thereof.

9. Use of Common Areas and Limited Common Areas. Subject to the limitations contained in the Declaration, any Unit Owner shall have the exclusive right to use and enjoy the Common Areas designated herein (and on the Map) for exclusive use by such Unit

Owner subject to such reasonable rules for usage such as times of day, safety rules, etc.

10. Unit Maintenance. Each Owner shall at his own cost and expense maintain, repair, paint, re-paint, tile, wax, paper or otherwise refinish and decorate the interior walls and trim the interior surfaces of the walls, ceilings, floors and windows and doors forming the boundaries of his Unit and all walls, ceilings, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of his Unit in good repair and in a clean and sanitary condition, the Unit Owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air conditioner, lighting fixture, refrigerator, dishwasher, disposal equipment, range, or other appliances or fixtures that may be in, or connected with his Unit.

Exterior: In addition to maintenance upon the Common Area, the Association shall provide exterior Maintenance upon each Unit which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass windows of each Unit.

In the event that the need for maintenance or repair of a Unit is caused through the willful or negligent acts of its Owner, or through the willful or negligent acts of the family, guests or invitees of the Owner of the Unit needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment to which such Unit is subject.

In the event an Owner of any Unit in the Condominium Project shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Association, the Management Committee, after approval by two-thirds (2/3) vote of the Association, shall have the right, through its agents and employees, to enter the said Unit and to repair, maintain and

restore the Unit and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Unit is subject.

The Association shall provide maintenance and repairs upon all Common Areas and improvements, including, but not limited to, the following: roads, retaining walls, fences, sewer mains, water mains, snow removal, as well as all trees, shrubs, grass, etc. as exist upon the Common Area.

11. a. Maintenance of Limited Common Areas. Each Owner shall keep the Limited Common Areas designed for use in connection with this Unit in a clean, sanitary and attractive condition at all times.

b. Maintenance of Common Area. The Association shall post "No Parking" signs in areas other than designated parking. The Association shall be responsible for and provided maintenance (including snow removal) for all roads and park areas within the condominium project.

12. Easement for Encroachment. If any part of the Common Areas encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance for the same, shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common encroachment and for maintenance shall and does exist. Such encroachment shall not be considered to be encumbrances either in the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the building (s) on the Tract, by error in the Map, by settling, raising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

13. Access for Repair of Common Areas. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of the other Units shall have the irrevocable rights, to be exercised by the Committee as their agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Areas of another Unit or Units. The Committee shall also have such rights independent of the Agency relationship. Damage to the interior of any part of the Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit as the instance of the Committee or of Unit Owners, shall be an expense of all the Unit Owners and assessed proportionately:

provided, that if such damage is the result of negligence of the Owner of the Unit, then such Owner shall be financially responsible for all such damage. Amounts owing by Owners pursuant to the Declaration of Covenants, Conditions and Restrictions concerning the TIME SQUARE Condominiums above referred to.

14. Right of Ingress, Egress, Lateral Support. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas necessary for access to his Unit, and to the Limited Common Areas designated for use in connection with his Unit, and each Owner shall have the right to the horizontal and lateral support of a Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

15. Easement to Management Committee. The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

16. Easement for Utility Service. There is hereby created a blanket easement upon, across, over and under the Tract above described in Article II for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephone, electricity, and other utility services.

17. Legal Description of a Unit. Each conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit and every other instrument affecting title to a Unit may describe that Unit by the letter and number shown on the Map with the appropriate reference to the Map and to this Declaration, as each shall appear on the records of the county Recorder of Utah County, Utah and in substantially the following form:

Unit _____ contained within the TIME SQUARE Condominiums as the same is identified in the Record of Survey Map for the TIME SQUARE Condominiums appearing in the Records in of the County of Utah, in Book _____ Page _____ of Plats, and as defined and described in the Declaration of Condominium, appearing in such Records in Book _____ Page _____ of Records. Together with an undivided interest in and to the common areas as the same is established and identified in the Declaration and Map of the TIME SQUARE Condominiums.

This conveyance is subject to the provisions of the foresaid Declaration of the TIME SQUARE Condominiums.

Such description will be constructed to describe the Unit together with an Undivided Interest in and to the Common Areas as the same is established and identified in the Declaration and Map referred to herein above, and to incorporate all the rights incident to Ownership of a Unit and all the limitations of such Ownership as described in this Declaration.

18. Status and General Authority of Committee.

a. Except as hereinafter provided, the Condominium Project shall be managed, operated and maintained by the Management Committee as agent for the Unit Owners. The Committee shall, in connection with its exercise of any of the powers hereinafter provided, constitute a legal entity capable of dealing in the Committee's name. The Management Committee shall have, and is hereby granted, the following authority and powers:

(1) The authority with the consent of the Unit Owners or of any other person (s) to grant or create on such terms as it deems advisable, utility and similar easements over, under, across and through the Common Areas.

(2) The authority to execute and record, on behalf of all Unit Owners, any amendments to the Declaration or the Map which has been approved by the vote or consent necessary to authorize such amendment.

(3) The power to sue and be sued.

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

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

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

(7) The power and authority to add any interest in real property obtained pursuant to Subparagraph 6 above to the Project, so long as such action has been authorized by the necessary vote or consent.

(8) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out its function or to insure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners.

(9) The power and authority to perform any other acts and to enter into any other transactions, subject to the rights of the Homeowners Association, which may be reasonable necessary for the Management Committee to perform its functions as agent for the Unit Owners. Any instrument executed by the Management Committee relating to the Common Areas of the Project that recites facts which, if true, would establish the Committee's power and authority to accomplish thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

b. Composition of Committee, Election, Vacancy. The Management Committee shall be composed of three (3) members, President, Vice President and Secretary/Treasurer, all of whom shall be elected by and from the general membership. The Management Committee shall be elected annually at the organization meeting of each year and each shall hold office for one year. Members shall serve on the Committee until their successors are elected. Only Unit Owners or spouses of Unit Owners and officers, directors, agents and employees of Owners other than individuals shall be eligible for Committee Membership. At the annual meeting each Unit Owner may vote his percentage of Undivided Ownership Interest in favor of as many candidates or Committee Memberships as there are seats on the committee to be filled; provided, however, that until the happening of two events, namely either title to Units representing seventy-five percent (75%) of the votes of Unit Owners shall have been conveyed by Declarant to the purchasers thereof, or the expiration of five (5) years after the first conveyance of title to any Unit purchase, whichever shall first occur, the Declarant alone shall have the right to select the Management Committee or act as the Management Committee themselves. However, Declarant may waive the right at any time prior to the occurrence of either or both of the aforesaid events by (i) notifying Unit Owners in writing of such waiver of the right, and (ii) filing for record in the Office of the Utah County Recorder a written notice of waiver of the right, whereupon Unit Owners shall promptly hold a meeting to elect a new Management Committee, it being established hereby that the control of the Unit Owners in the Management Committee shall automatically vest thirty (30) days following the date such waiver is recorded by Declarants. In the event a Committee seat which was filled by a Declarant becomes vacant, Declarants have the right to select a replacement member to sit on the Committee for the balance of the term associated with the vacant seat. In all other cases of vacancy, the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member

being replaced was elected. Any Committee member who fails to attend at least 25% of all Committee meetings (whether regular or special) held during any 12-month period shall automatically forfeit his seat.

c. Rights and Duties. The Management Committee, subject to the rights and duties of the Association, this Declaration, and By-laws regarding Project maintenance as provided herein shall be responsible for the general management of the Project. It is understood that the Committee has the obligation to maintain the Common Areas of the Project.

d. Right of Delegation to Manager. The Management Committee may carry out any of its functions which are capable of delegation through a manager. The Manager so engaged shall be responsible for managing the Common Areas and shall, to the extent permitted by law and the terms of the agreement with the Management Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

e. Payment of Services, Etc. The Management Committee may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deem advisable, as well as such other personnel as the Management Committee shall determine to be necessary or desirable for the proper operation of its function in the Project, whether such Committee or by any person or entity with whom it contracts. The Management Committee may obtain and pay for the operation of the Project or the enforcement of this Declaration. It is recognized that the Committee may arrange with other persons to furnish snow removal, ground maintenance and other common services to the Project whether such personnel are furnished or employed directly by the Management Committee. The Committee may terminate any and each such service or employment for cause by giving such person or entity written thirty (30) day notice. All such service or employment shall be for a period of NOT more than one (1) year. Any employment or service to be renewed shall be first approved by the consent of the Management Committee.

f. Personal Property Ownership and Use. The Management Committee may acquire and hold for the use and the benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Areas. Such interest shall not be transferable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto, and such beneficial interest may in no event be reserved, but by the transferor of a Unit. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching

upon the lawful rights of Other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosure.

g. Rules and Regulations. The Management Committee may make reasonable rules and regulations governing the operation and use of the Common Areas and of other matters over which it has jurisdiction, which rules and regulations shall be consistent with the rights and duties established in this Declaration and By-Laws. The Management Committee may suspend any Owner's voting rights at the meeting of Unit Owners during any period or such periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owners under this Declaration. The Management Committee may also take judicial action against any Owner to enforce compliance with such rules and regulations or other obligation or to obtain damages for noncompliance, all to the extent provided by law.

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

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

19. The TIME SQUARE Condominiums Association. The conveyance of each Unit and its proportionate share of the Common Areas shall be subject to the covenants, conditions, restrictions, easements, charges and liens as contained in the Condominium Declaration and any supplements or amendments thereto recorded in the Office of the County Recorder of Utah County, Utah, prior to the conveyance of any Unit. The Condominium Declaration provides, inter alia, that all Unit Owners in TIME SQUARE Condominium shall, upon becoming same, automatically become members of the TIME SQUARE Condominium Association which shall elect the Management Committee to maintain and administer certain facilities, maintain Common Areas in the Project, and enforce the covenants and restrictions imposed in this Declaration and to collect and disburse the assessments and charges created herein. TIME SQUARE Condominium Association has been established for the benefit of the Unit Owners of TIME SQUARE Condominium Project.

20. Assessments.

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a.) Agreement to Pay Assessments. Each Owner of a Unit by the acceptance of a deed or contract therefore, whether or not it be so expressed in the deed or contract, shall be deemed to covenant and agree with each other and with the Management Committee to pay annual assessments made by and for the purposes provided in this Declaration, 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 in the manner provided hereunder.

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

c.) Apportionment of Expense. Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned among all Units in proportion to their respective Undivided Interest in the Common Areas assessable by the Management Committee provided, however, that for this purpose Declarant shall be deemed to own only the Undivided Interest in the Common Areas based upon Units which have been completed but not conveyed by Declarant.

d.) Method, Payment of Assessments, Etc. Annual assessments shall be made on a calendar year basis. The Committee shall give written notice to each Owner as to the amount of the annual assessment with respect to this Unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year, provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the day fixed by the Committee as the date of commencement of the assessment. Each annual assessment shall be due and payable in monthly installments. Each monthly assessment shall earn interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Such monthly assessment becomes payable upon the date the Unit Owner purchases his Unit, whether by conveyance of title

or entering into a contract of sale and purchase, and thereafter each monthly payment shall be due and payable on the first day of each and every month in advance. The amount of increase by the Committee in the Annual Assessment fee over the initial assessment or the previous year is limited to a maximum annual increase of 15%.

e.) Special Assessments. In addition to the annual assessments authorized hereunder, the Management Committee may levy in any assessment year special assessments, subject to the provisions of paragraph 18 (h) above, payable over such period as the Management Committee may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Areas of the Project or any other part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. This paragraph shall not be construed as an independent source of authority for the Management Committee to incur expenses, but shall be construed to prescribe the manner of assessing for expense authorized by other paragraphs hereof. Any amount assessed pursuant thereto shall be assessed to Owners in proportion to their respective Undivided Interest in the Common Areas. Declarant's interest in the Common Areas shall be determined on the same basis set forth in subparagraph (c) above. Notice in writing of the amount of such special assessment and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest out the rate of eighteen (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such dates.

f.) Liens for Unpaid Assessments. All sums assessed to any Unit pursuant to this section, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Management Committee. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for:

1. first mortgages;
2. governmental assessment authority; and
3. encumbrances on the interest on any Unit after this Declaration shall have been recorded shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instrument creating such liens.

All other lienors acquiring liens on any Unit after this Declaration shall have been recorded shall be deemed to consent that such liens shall be inferior to future liens for assessments,

as provided herein, whether or not such consent be specially set forth in the instrument creating such liens.

To evidence a lien for sums assessed pursuant of this Section, the Management Committee may prepare a written notice of lien setting forth the amount of the assessment, the due date, the amount remaining unpaid, the name of the Owner of the Unit, and a description of the Unit. Such notice shall be signed by the Management Committee and may be recorded in the Office of the County Recorder of Utah County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by foreclosure by the Management Committee in the same manner in which mortgage or trust deed on real property may be foreclosed in Utah. In any such foreclosure, the Owner shall be required to pay the cost and expenses of such proceedings, the cost and expenses of filing the notice of lien, and all reasonable attorney's fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The lien shall also secure, and the Owner shall also be required to pay to the Management Committee any assessments against the Unit which shall become due during the period of foreclosure. The Management Committee shall have the right and the power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

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

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

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

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

h.) Information Concerning Unpaid Assessments. Upon payment of a reasonable fee not to exceed ten dollars (\$10.00) and upon written request of any Owner or mortgagee, prospective mortgagee or prospective purchaser of a Unit, the Management Committee shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit the amount of the current yearly assessment and the portion thereof which has theretofore been paid; credit for advance payments of prepaid items including but not limited to, an Owner's share of prepaid insurance premiums, and such statement shall be conclusive upon such Management Committee in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within ten (10) days, all unpaid assessments which become due prior to the lien of the mortgagee which become due prior to the date of making such request shall be subordinate to the lien of the mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the ten (10) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days and the purchaser subsequently acquires the Unit.

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

j.) Collection by the Committee. It is recognized that the Committee under this Declaration will maintain the Common Areas of the Project except as otherwise contained therein. It is further recognized that the Management Committee of the Project is authorized to levy assessments for the purposes of performing functions it is authorized to perform with the Project. With respect to the Units in the Project, the Management Committee shall

be authorized to collect from the Unit Owners and enforce liability for the payment of assessments levied pursuant to this Declaration.

21. Use of Condominium.

a. Housing Use. Each of the units in the project is intended to be used for residential housing for either singles or marrieds. Each unit is restricted to one couple or two singles. Each unit may be rented or leased by the unit owner for use and occupancy as herein stated.

b. Restriction Concerning Common Areas. There shall be no obstructions of the Common Areas by the Owners, their tenants,

quests or invitees without the prior written consent of the Management Committee. The Management Committee may by rules and regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Management Committee, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Areas except upon consent of the Management Committee.

c. Miscellaneous Restrictions. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would result in the cancellation of the insurance of the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof over what the Management Committee, but for such activity, would pay, without the prior written consent of the Management Committee. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Management Committee and the other Owners harmless against all loss resulting from any such damage or waste caused by his or his invitees, provided, however, that any invitee of the Declarants shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project. No recreational vehicle or boat parking on the Project of such personal property either by the Owners or their guests, invitees, lessees or assigns is expressly prohibited.

d. Animals. No livestock or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Areas, except that household pets may be kept in Units, subject to strict observances of rules and regulations adopted by the Management Committee.

e. No Violation of Rules and Regulations. No Owner shall violate the rules and regulations for the use of the Units and the Common Areas as adopted from time to time by the Management Committee.

f. Restrictions on Alterations. No structural alterations to any Unit shall be made by any Owner without the prior written notice of the Management Committee.

g. Declarant's Right to Sell Units. Notwithstanding anything

contained herein to the contrary, until the Declarants have completed and sold all of the Units, neither the Unit Owners who have purchased Units from the Declarants nor the Management Bodies shall interfere with the completion and sale, including but not limited to, the maintenance of a sales office, the showing of the Units, the recreational facilities and the display of signs.

22. Insurance Bond. The Management Committee shall secure or cause to be secured and maintained at all times the following insurance bond coverage:

a. A policy or policies of fire and casualty insurance with extended coverage endorsement, for the full insurable replacement value of the entire Project. Such policy or policies shall be made payable to the Committee and all persons holding an interest in the Project or any of the Units, as their interests may appear.

b. An appropriate fidelity bond coverage for any person or entity handling funds of the Management Committee, including but not limited to, employees of the professional managers, the amount of such coverage to be equal to the estimated maximum of funds, including reserve funds, in the custody of the Owners' Association or the management agent at any given time during the term of the fidelity bond, but not less than a sum equal to three months' aggregate assessment on all Units plus reserve funds, said bond to name the Association as an obligee.

c. A policy or policies insuring the Committee, the Manager, and the Unit Owners against any liability incident to the Ownership, use or operation of the Project or of any Unit which may arise among themselves, to the public and to any invitees or tenants of the Project or of the Unit Owners. Limits of liability under such insurance shall not be less than \$30,000.00 for any person injured, \$1,000,000.00 for all person injured in any one accident, and \$1,000,000.00 for property damage resulting from one occurrence. Such policies shall be issued on a comprehensive liability basis and shall provide a cross liability endorsement pursuant to which the rights of the named insured as between themselves are not prejudiced.

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

1. In addition to the insurance described above, the Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with condominium projects similar to the Project in construction, nature and use.

2. The Committee shall have the authority to adjust losses.

3. Insurance secured and maintained by the Committee shall, if possible, provide: a waiver of the insurer's subrogation rights with respect to the Committee, the Manager, the Unit Owners, and their respective servants, agents and guests; that it cannot be canceled, suspended, or invalidated due to the conduct of any member, officer, or employee of the Committee or of the Manager without prior written demand that the defect be cured that any "No other insurance" clause therein shall not apply with respect to insurance held individually by the Unit Owners.

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

5. Notwithstanding anything herein contained to the contrary, insurance coverage must be in such amounts and meet other requirements of the Federal National Mortgage Association and the Department of Veterans Affairs.

23. Damage to Project. In the event the damage to or destruction of part or all of the improvements in the Condominium Project, the following procedures shall apply:

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

b. If less than 75 percent of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are not sufficient to accomplish repair or reconstruction, restoration shall be carried out upon approval of at least 50 percent of the affected Unit Owners, all affected Owners shall be assessed for any deficiency on the basis of their respective percentages of Undivided Interest in the Common Areas and Facilities.

d. If 75 percent or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within 100 days after the destruction or damage and by a vote of at least 75 percent, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly notify the Department of Veterans Affairs and obtain approval thereof, and the Management Committee shall promptly record with the Utah County Recorder a notice setting forth such facts. Upon the recording of such notice, the provisions of subsection 1 through 4 of Section 57-8-

31, Utah Code Annotated (1953) shall apply and govern the rights of all parties having an interest in the Project or any of the Units.

Any reconstruction or repair which is required to be carried out by this Paragraph 23 shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this Paragraph 23 regarding the extent of the damage to or destruction of Project improvement, shall be made by three (3) MAI appraisers selected by the Management Committee. The decision of any two (2) such appraisers shall be conclusive.

24. Amendments. Except as provided below, the vote of at least 2/3 of the Undivided Ownership Interest in the Common Areas and Facilities shall be required to amend this Declaration or the Record of Survey Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument the Committee shall certify that the vote required by this paragraph for amendment has occurred. While the declarant is in control of the owners' association, amendments to the declaration, bylaws or other enabling documentation must be approved by the Department of Veterans Affairs.

a. Until Units representing 75 percent of the Undivided Ownership Interest in the Project have been sold or the expiration of five (5) years after the first conveyance of title to any Unit purchased, whichever occurs first, Declarant shall have and is hereby vested with the right to amend this Declaration or the Record of Survey Map. Such right shall obtain without regard to the subject matter of amendment, so long as the amendment involved is consistent with law.

25. Consent Equivalent to Vote. In those cases in which the Act or this Declaration required the vote of a stated percentage of the Project's Undivided Ownership Interest for the authorization of approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the necessary percentage of Undivided Ownership Interest.

26. Service of Process. Service of Process shall be received by John A. Riding, 750 North 200 West, Suite 205, Provo, Utah, 84601. He shall serve as agent for service of process in cases authorized by the Act. The Management Committee shall, however, have right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the Office of the County Recorder of Utah County, State of Utah.

27. Mortgage Protection. Notwithstanding anything to the contrary in the Declaration.

a. An adequate reserve fund for replacement of the Common Areas must be established and shall be funded by regular monthly payments rather than be special assessments.

b. There shall be established a working capital fund for the initial months of operation of the Project equal to a minimum amount of two months estimated Common Area charge for each Unit.

c. Any mortgage holder which comes into possession of the Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed or assignment in lieu of foreclosure, shall be exempt from any provisions relating to sale or lease of the Units in the Project.

d. Any management agreement for the Project shall be terminable by the Management Committee for cause upon thirty (30) days written notice thereof, and the term of any such agreement shall not exceed one year, renewable by agreement of the parties for successive one year periods.

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

f. If any Unit or portion thereof of the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the institutional holder of any first mortgage or a Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition and no Unit Owner or other party shall have priority over such institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

g. There shall be no prohibition or restriction on a Condominium Unit Owner's right to lease his or her Unit, except a requirement that leases have a minimum initial term of up to six (6) months. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and By-laws and that any failure by the lessee to comply with the terms of such documents shall be default under the lease. All leases shall be in writing.

h. Each holder of first mortgage lien on a Unit who comes into possession of a Unit by virtue of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any unpaid claims or assessments and charges against the Unit which accrue

prior to the time such holder comes into possession of the Unit, except for claims for a prorate share of such assessments or charges resulting from a prorate reallocation of such assessments or charges to all Units in the Project, including the mortgaged Unit.

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

j. Any lien which the Management Committee may have on any Unit in the Project for the payment of Common Expenses assessments attributable to such unit will be subordinate to the lien or equivalent security interest of any first mortgage on the Unit recorded prior to the date any such Common Expenses assessments become due.

k. Unless at least 75% of the first mortgagees (based on one vote for each mortgage owned) of Units have given their prior written approval, neither the Management Committee nor the Association of Unit Owners shall:

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

2. Change the pro-rata interest on obligations of any Unit for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (ii) determining the prorate share of ownership of each Unit in the appurtenant Common Areas.

3. Partition or subdivide Unit.

4. Make any material amendment to the Declaration or to the By-laws of the Management Committee, including but not limited to, any amendment which would change the percentage interest of the Unit Owners in the Common Areas except as provided in Paragraph 24.

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

6. Use hazard insurance proceeds for losses to any condominium property (whether to Units or to the Common Areas) for other than the repair, replacement or reconstruction of such

improvements, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Project.

7. Terminate professional management and assume self management of the project.

1. Mortgage protection, notwithstanding all other provisions hereto: (a) the liens created hereunder upon any Unit shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage or trust deed with first priority over other such mortgages) upon such interest made in good faith and for value, provided that after the foreclosure or trust deed termination of any such document, there may be a lien created pursuant to paragraph (h) hereof of the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as an Owner after the date of such foreclosure sale, which said lien, if any claimed shall have the same effect and be enforced in the same manner as provided herein; (b) no amendment to this paragraph shall affect the rights of the holder of any such mortgage recorded prior to the recordation of such amendment that is not joined in the execution thereof; (c) by subordination agreement executed by a majority of the Management Committee, the benefits of (a) and (b) may be extended to mortgages not otherwise entitled thereto.

28. Duty of Owner to Pay Taxes on Unit Owner. It is understood that under the Act each Unit (and its percentage of interest in the Common Areas) in the Project is subject to separate assessment and taxation of each taxing authority and the special district (s) for all types of taxes and assessments authorized by law, and that as a result thereof no taxes will be assessed or levied against the Project as such. Accordingly, each Unit Owner will pay and discharge any and all taxes and assessments which may be assessed against him on his Unit.

29. Enforcement. Each Unit Owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with the decision adopted pursuant to this Declaration and the administrative rules and regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by Management Committee or Manage on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner.

30. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners (NOTE: excepting any government entity such as FHA, VA etc. shall be exempt from this indemnification) against all cost, expenses, and liabilities whatsoever (excluding fraudulent

and/or criminal actions) including, without limitation, attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Committee.

a. Notwithstanding any provision of this Declaration to the contrary, any proceeding, suit or action as any be deemed necessary to recover a money judgement respecting any assessments levied or fixed by Management Committee shall be maintained on behalf of the Association at the instance and suit of the Management Committee.

b. Covenants to run with Land: Compliance. This Declaration and all the provisions hereof shall constitute covenants to run with them; and/or equitable servitude, as the case may be, and shall be binding upon and inure to the benefit of Declarant, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of the Act, the terms of this Declaration, the By-laws and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Committee on behalf of Unit Owners, or, in a proper case, by an aggrieved Unit Owner. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to, be bound by each and every provision of this Declaration.

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

31. Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural; the plural, in the singular; and the use of any gender shall include all genders.

32. Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase, or word or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

33. Topical Headings. The headings appearing at the beginning of the paragraphs of this Declaration are only for convenience of

reference and are not intended to describe, interpret, define or otherwise affect the content, meaning or intent of this Declaration or any paragraph or provision hereof.

34. All Amenities. (i.e., parking, recreation and service areas) are a part of the Project and are covered by the mortgage at least to the same extent as are the Common Elements.

35. Expandable. Additional land described as follows may be annexed by the Declarant without the consent of the members within five years of the date of this instrument. If not expanded within five years this expandable option shall expire. All expansions and improvements shall be consistent in quality of construction and principle materials. All structures erected on any portion of additional land added to the project will be compatible with structures on the land originally within the project in terms of architectural style. All structures erected on any portion of additional land added to the project will be substantially identical to units on the land originally built in Phase I. Any annexed land is restricted exclusively to residential use.

Phase I will have a maximum of 21 units which will give each unit owner a minimum and maximum percentage of 4.76% interest in all common area.

When annexed Phase II will have a maximum and minimum of 24 units which will make a maximum and minimum total number of units in both Phase I and Phase II of 45 units which will then give each unit owner a minimum and maximum percentage of 2.22% interest in all common area.

The above minimum number of units to be built should be adequate to reasonably support the common elements in each phase. The maximum number of units to be built should not overload the capacity of the common facilities in either phase.

Description of land to be annexed in phase II: Commencing at a point located N00° 46'20"W along the section line 937.61 feet east 1343.08 feet from south west corner of section 23, township 6 south, range 2 east, Salt Lake base Meridian; Thence N 00° 53'50"W 133.65 ; Thence S 89° 11'50"E 99.23 ; Thence S 00° 10'27"E 5.17; Thence N 89° 49'33"E 70.00 ; Thence N 00° 10'27"W 93.30 ; Thence S 89° 11'50" 116.18 ; Thence S 18° 19'20"E 172.34 ; Thence S 71° 20'38"W 303.49 ; Thence N 00° 53'50"W 42.50 ; Thence S 89° 06'10"W 49.00 To the point of beginning.

AREA = 1.21 ACRES

Additional Areas - Phase II	= 1.21 Acre
Maximum Units in Phase II	= 24
Minimum Units in Phase II	= 24
Total Units in Phase II	= 21
Total Maximum Units in Phase II	= 21
Total Units Phase I & II	= 45

All described land will be annexed at one time, therefore NO ORDER is specified.

36. Withdrawal. No land shall be subject to withdrawal therefore no legal is attached.

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

EXECUTED by Declarant on the 2nd day of March 1993.

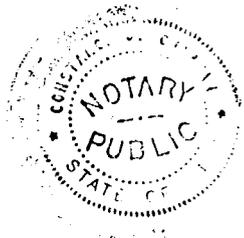
"DECLARANT"

IN WITNESS WHEREOF, the undersigned, Hallmark Brokerage, Inc. (John A. Riding - President and Cleo B. Mason - Secretary), being the Declarant, has caused this instrument to be executed and its seal to be affixed hereto on this 2nd day of MARCH, 1993.

HALLMARK BROKERAGE, INC. - Declarant

John A. Riding - Pres
John A. Riding, President

NOTARY Cynthia B. Meyer
Residing Provo, UT 84601
Commission Expires 10-20-95



TIME SQUARE CONDOMINIUMS

EXHIBIT "A"

ENT14266 BK3101 PG 644

<u>UNIT NUMBER</u>	<u>PAR VALUE</u>	<u>PERCENTAGE OF UNDIVIDED INTEREST IN COMMON AREAS</u>
1.	1.0	4.76
2.	1.0	4.76
3.	1.0	4.76
4.	1.0	4.76
5.	1.0	4.76
6.	1.0	4.76
7.	1.0	4.76
8.	1.0	4.76
9.	1.0	4.76
10.	1.0	4.76
11.	1.0	4.76
12.	1.0	4.76
13.	1.0	4.76
14.	1.0	4.76
15.	1.0	4.76
16.	1.0	4.76
17.	1.0	4.76
18.	1.0	4.76
19.	1.0	4.76
20.	1.0	4.76
21.	1.0	4.76

ENT 14266 BK 3101 PG 644-1

TINE SQUARE CONDOMINIUMS

EXHIBIT "B"

Commencing at a point located N 00° 46' 20" West along the Section Line 937.89 feet and East 1343.08 feet from the S.W. Corner of Section 23, Township 6 South, Range 2 East, Salt Lake Base and Meridian; thence N 89° 06' 10" East 49.00 feet; thence S 00° 53' 50" East 42.50 feet; thence N 71° 20' 38" East 303.49 feet; thence S 18° 19' 20" East 232.00 feet along Orem Boulevard; thence N 89° 23' 29" West 407.64 feet; thence N 00° 53' 50" West 160.57 feet to the point of beginning.

Area = 1.48 Acres

CORRECTED BYLAWS INCLUDING SIGNATURES

**BYLAWS
AND
PROCEDURAL RULES
(as may further be supplemented)
OF
TIME SQUARE CONDOMINIUMS
(A Utah Nonprofit Corporation)**

ARTICLE ONE

Name and Location

The name of the corporation is **TIME SQUARE CONDOMINIUMS** (the "Association"). The principal office of the Association shall be located at 1060 S. Orem Blvd., #46, Orem, UT 84058, but the meetings of Members and Management Committee ("Committee") may be held at such places in Utah County, State of Utah, as may be designated by the Committee. If the term "Director" or "Board of Directors" is used hereafter, it shall mean the Management Committee.

ARTICLE TWO

Application of Bylaws

All present and future owners, mortgagees, lessees and occupants of any Residential Unit or Building and any other persons who may use the facilities or the Project in any manner are subject to these Bylaws, and the Declaration of Condominium of Time Square Condominiums ("Declaration") and all rules made pursuant hereto and any amendments hereof. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Residential Unit shall constitute an agreement that the provisions of the Declaration and these Bylaws and any rules and regulations made pursuant hereto, as they may be amended from time to time, are accepted, ratified and will be complied with. Certain capitalized terms in these Bylaws shall be defined in accordance with the definition for such terms set forth in the Declaration.

ARTICLE THREE

Meetings of Members

Section 1. Annual Meetings. The Association membership shall meet annual each year on the day and at a time and place within Utah County, Utah stated in the notice of such meeting as determined by the Committee.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Committee, or upon written request of the Members who are entitled to vote twenty-five percent (25%) of all of the votes of the membership. Such written request shall state the purpose or purposes for which the meeting is to be held, and are signed and dated by the Owners requesting the special meeting. When a special meeting is demanded by the members, the Committee shall set the time and date for the meeting so that the meeting occurs within 65 days of receipt of the demand and if notice of the meeting is not given by the Committee within 30 days after the date the written demand is delivered to an Association officer, a person signing the demand may set the time and place of the meeting and give notice pursuant to the requirements herein.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary of the Association or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, sixty (60%) or more of the total percentage of voting interests attributable to the Units shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. If, however, such a quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting and then immediately following the failed meeting of Members recall and reconvene the meeting and those present in person and/or by proxy and such shall constitute a quorum for the transaction of Association business.

Section 5. Voting. At all meetings of Member, each member may vote in person or by proxy.

Section 6. Membership. Every Owner upon acquiring title to a Residential Unit shall automatically become a member of the Association and shall remain a member thereof until such time as his/her ownership of such Residential Unit ceases for any reason, at which time his/her membership in the Association with respect to such Residential Unit shall automatically cease and the successor Owner shall become a Member. Membership in the Association shall be mandatory and shall be appurtenant to and may not be separated from the ownership of a Residential Unit.

Section 7. Voting Rights. **Every Owner shall be entitled to the vote attributable to their percentage of undivided interests in the common areas as stated in the Declaration (CC&Rs) for each Unit recorded in his name on the record of Owners.** Except as herein or in the Articles of Incorporation otherwise provided, all corporate action shall be determined by a majority of the allocated voting interests cast at a meeting of Owners by the Owners entitled to vote thereon.

Section 8. Multiple Ownership Interests. In the event there is more than one Owner of a particular Residential Unit, the vote relating to such Residential Unit shall be exercised as such Owners may determine among themselves. A vote cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the entire vote attributable to the Residential Unit concerned unless an objection is made at the meeting by another Owner of the same Residential Unit, in which event a majority in interest of the co-owners as shown on the record of ownership maintained by the Association shall be entitled to cast the vote.

Section 9. Record of Ownership. Every Owner shall promptly cause to be duly filed of record the conveyance document to him/her of his/her Residential Unit and shall file a copy of such conveyance document with the secretary of the Association, who shall maintain a record of ownership of the Residential Units. Any Owner who mortgages his Residential Unit or any interest therein by a Mortgage which has priority over the lien of any assessment provided herein shall notify the secretary of the Association of the name and address of the mortgagee and also of the release of such Mortgage; and the secretary of the Association shall maintain all such information in the record of ownership. Failure to do so, however, does not invalidate any action voted upon.

Section 10. Action Taken Without a Meeting. Any action that may be taken at any regular or special meeting of the Association may be taken without a meeting if the following requirements are met:

10.1 A written ballot is distributed to every Member entitled to vote setting forth the proposed action, providing an opportunity to signify approval or disapproval of the proposal and providing a reasonable time for the Member to return the ballot to the Association.

10.2 The number of votes cast by ballot within the specified time under Subparagraph 6.1 equals or exceeds the quorum required to be present at a meeting authorizing the action.

10.3 The number of approvals of the action equals or exceeds the number of votes required to approve the action at a meeting at which the total number of votes cast was the same number of votes cast by written ballot.

10.4 The written ballot distributed to Members affords an opportunity for the Member to specify a choice between approval and disapproval of each order of business proposed to be acted upon by the Association and further provides that the vote of the Members shall be cast in accordance with the choice specified.

Section 10. Action by Written Ballot in Lieu of a Meeting. Any action that may be taken at any annual, regular, or special meeting of members may be taken without a meeting if the Association causes to be delivered a written ballot to every member entitled to vote on the matter not less than fifteen (15) days prior to the date on which the ballots must be received by the Association in order to be counted. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the

quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; specify the time by which a ballot must be received by the Association in order to be counted; and be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter. In the event the action is for election of Board members, there shall be space on the ballot to write in nominations. Action taken under this section has the same effect as action taken at a meeting of members and may be described as such in any document. The Board may elect to conduct a vote pursuant to this section by a secrecy procedure whereby a written ballot is accompanied by: (1) a secrecy envelope; (2) a return identification envelope to be signed by the owner; and (3) instructions for marking and returning the ballot. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

Section 11. Proxies. At each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member himself or by his attorney thereunto duly authorized in writing. The instrument authorizing the proxy to act shall meet the requirements set forth in Subparagraph 6.4 above and shall indicate the name of the secretary of the Association, or such other officer or person or who may be acting as the secretary at the meeting to whom the proxy is to be given for the purpose of casting the vote to reflect the absent Member's vote as specified in the form of proxy. If a Residential Unit is jointly held, the instrument authorizing a proxy to act must have been executed by all Owners of such Residential Unit or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting. As necessary, a Committee Member may appoint another Committee Member (in the manner indicated above) as their proxy in the event they are unable to attend a meeting of the Committee.

Section 12. Notice by Electronic Means. In any circumstance where notice is required to be given to Owners, the Association may provide notice by electronic means, including text message, email, or an Association website, if the Committee deems the notice to be fair and reasonable. An Owner may require the Association, by written demand, to provide notice to the Owner by mail. The Committee is authorized to promulgate rules and procedures facilitating the implementation of this section as it deems fit from time to time, including requiring Owners to furnish the Association with a current email address.

Except as otherwise provided in the Declaration, these Bylaws or law, all notices to any Owner shall be sent to such address as may have been designated by him or her, from time to time, in writing to the Committee, or if no address has been designated, then to the Owner's Lot.

(c) If a Lot is jointly owned, notice shall be sent to a single address, of which the secretary has been notified in writing by such parties. If no address has been given to the secretary in writing, then mailing to the Lot shall be sufficient.

Section 13. Affairs, Electronic Means. Affairs, Electronic Means. Any transaction or action involving the business or affairs of the Association, including but not limited to voting and providing notice or records, may be conducted by electronic means. The Association may accept a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation as the act of the Owner if the Committee does so in good faith and has no reason to believe it is not the act of the Owner. A writing may be delivered in an electronic medium or by electronic transmission, and may be signed by photographic, electronic, or other means. An electronic record or electronic signature is attributable to a person if it was the act of the person. An electronic signature may consist of a mark, symbol, character, letter, or number or any combination thereof attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record and the same shall be considered the signature of such person. A writing includes any document, record, vote, ballot, proxy, or instrument required or permitted to be transmitted by an Owner or by the Association

ARTICLE FOUR

Committee, Selection, Term of Office

Section 1. Number. The affairs of this Association shall be managed by a Committee of three (3) Committee members who shall be Members of the Association. However, by vote of the Membership the total number of Committee members can be raised to five (5) pursuant to the voting procedures herein.

Section 2. Term of Office. Committee' members shall serve for a term of two (2) years. Elections shall be staggered so all Committee members are never elected in the same year.

Section 3. Removal. Any Committee member may be removed from the Committee with cause, by a majority of the Members of the Association at any annual or special meeting, or a majority of the Committee, at a Committee meeting. A successor shall be elected at that meeting to fill the vacancy thus created. The notice of the meeting must state that the removal is to be considered and any Committee member whose removal has been proposed by the owners may be given an opportunity to be heard at the meeting. If the Committee removes a Committee member for the reasons stated below, or if a Committee member resigns, their replacement shall be appointed by the Committee to server until the next annual meeting.

A Committee member who is delinquent in the payment of an Assessment for longer than three months, is absent from three (3) consecutive regular meetings of the Committee, or is absent from more than 25% of the regular Committee meetings held in any 12-month period, shall be deemed to have tendered his or her resignation, but only upon acceptance by the Committee his or her position shall be then deemed vacant. The vacancy shall be filled as provided above.

Section 4. Compensation. No Committee member shall receive compensation for any service he or she may render to the Association, unless as otherwise set forth in the Declaration.

However, any Committee member may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Committee shall have the right to take any action in the absence of a meeting which they could take a meeting by obtaining the written approval of all Committee members. Any action so approved shall have the same effect as though taken at a meeting of the Committee.

ARTICLE FIVE

Nomination and Election of Committee

Section 1. Nomination. Nomination for election to the Committee of Committee shall may be made by a nominating committee appointed by the Committee. In the event that no nominating committee is named, the Committee shall act as the nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a Chairman, who shall be a member of the Committee, and two (2) or more Members of the Association. The nominating committee shall make as many nominations for election to the Committee as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Committee shall be by secret written ballot. At such election, the Members of their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE SIX

Meetings of Committee

Section 1. Regular Meetings. The Committee shall hold a regular meeting at least quarterly, without notice, at such place and hour as may be fixed from time to time by resolution of the Committee. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Committee shall be held when called by the President of the Association, or by any two (2) Committee, after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the number of Committee members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Committee present at a duly held meeting at which a quorum is present shall be regarded as the act of the Committee.

Section 4. Open Meetings; Executive Sessions.

4.1 Open Meetings. Except as provided in subsection below, all meetings of the Committee shall be open to Unit Owners. However, no Owner shall have a right to participate in the Committee meeting unless the Owner is also a member of the Committee. The president or Committee shall have the authority to exclude an Owner who disrupts the proceedings at a Committee meeting.

4.2 Executive Sessions. In the discretion of the Committee, the following matters may be considered in executive session:

- (a) Consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation or criminal matters;
- (b) Personnel matters, including salary negotiations and employee discipline;
- (c) The negotiation of contracts with third parties;
- (d) Collection of unpaid assessments; and
- (e) Other matters of a sensitive, private, or privileged nature at the discretion of the Board.

4.3 Executive Session Procedure. Except in the case of an emergency, the Committee shall vote in an open meeting whether to meet in executive session. If the Committee votes to meet in executive session, the president or other presiding officer shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

4.3 Meetings by Telephonic or Electronic Communication. In the event of an emergency, or by decision of the Committee, meetings of the Committee may be conducted by telephonic communication or by the use of a means of communication that allows all members of the Committee participating to hear each other simultaneously or otherwise to be able to communicate during the meeting.

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

ARTICLE SEVEN
Powers and Duties of the Committee

Section 1. Powers. The Committee shall have power to:

1.1 Adopt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the Members and their guests thereon, and to establish penalties of the infraction thereof;

1.2 Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and an opportunity for hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

1.3 Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles, or the Declaration;

1.4 Declare the office of a member of the Committee to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Committee; and

1.5 Employ a Manager, an independent contractor, and such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Committee to:

2.1 Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

2.2 Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

2.3 As more fully provided in the Declaration, to:

2.3.1 Fix the amount of the annual assessment against each Residential Unit at least thirty (30) days in advance of each annual assessment period;

2.3.2 Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

2.3.3 Foreclose at its discretion the lien against any Residential Unit for which assessments are not timely paid and/or to bring an action at law against the Owner personally obligated to pay the same.

2.4 Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Committee for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

2.5 Procure and maintain adequate liability and hazard insurance on property owned by the association, and adequate officers and Committee indemnity insurance, and all other insurance required by the Declaration;

2.6 Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

2.7 Cause the Common Areas and the Building Exteriors to be maintained;

2.8 Permit First Mortgagees of Residential Units in the Project to pay taxes or other charges which are in default and which may or have become a charge against the Common Areas of the Association, and such First Mortgagees may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such property, and such First Mortgagees, upon making such payments, shall be owed immediate reimbursement therefore from the Association;

2.9 Assess and collect all assessments referred to or authorized in the Declaration.

ARTICLE EIGHT
Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be Members of the Committee, a Secretary, and a Treasurer, and such other officers as the Committee may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Committee following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annual by the Committee and each shall hold office for one (1) year or until his or her successor is elected and has qualified, unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Committee may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Committee may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Committee. Any officer may resign at any time by giving written notice to the Committee, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Committee. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President:

The President shall preside at all meetings of the Committee; shall see that orders and resolutions of the Committee are carried out; shall sign all leases, mortgages, promissory notes, checks, deeds and other written instruments, unless otherwise assigned to its agent.

Vice President:

The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Committee.

Secretary:

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Committee of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Committee and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Committee.

Treasurer:

The Treasurer, or its agent, shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Committee of Committee; shall, together with the President, sign all checks and promissory notes of the Association; keep proper books of account; upon request of 67% voting interest of the Association, cause an audit or review of the Association books to be made by a public accountant at the completion of the fiscal year; and shall prepare an annual budget and statement of income and expenditures, and deliver a copy of each to the Members.

ARTICLE NINE

Indemnification of Officers and Committee

The Association shall provide any indemnification required or permitted to the maximum extent permitted by the laws of Utah and shall indemnify the Committee, its officers, agents and employees as follows:

Section 1. Third Party Litigation. To the maximum extent permitted by law, Association shall indemnify any Committee member or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceedings, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was such a Committee member or officer or an employee or agent of the Association, or is or was serving at the request of the Association as a Committee member, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith, and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. Association Litigation. To the maximum extent permitted by law, the Association shall indemnify any Committee member or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was such a Director or officer of an employee or agent of the Association, or is or was serving at the request of the Association as Director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been finally adjudged to be liable for breach of the limited fiduciary duty imposed by virtue of *Davencourt at Pilgrims Landing Homeowners Association v. Davencourt at Pilgrims Landing, LC*, 2009 UT 65 (Utah 2009) with respect to Common Areas and Assessments.

Section 3. Expenses. To the extent that a Committee member or officer of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or 2 of this Article Nine, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred

by him in connection therewith, without the necessity for the determination as to the standard of conduct as provided in Section 4 of this Article Nine.

Section 4. Advance of Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized in the particular case, upon receipt of an undertaking by or on behalf of the Director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article Nine.

Section 5. Other Indemnification Rights. Agents and employees of the Association who are not Committee or officers of the Association may be indemnified under the same standards and procedures set forth above, in the discretion of the Committee of Committee of the Association.

Section 6. Benefitted Parties. Any indemnification pursuant to this Article Nine shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be a Committee member or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

ARTICLE TEN
Committees

The Association may appoint a nominating committee, as provided in these Bylaws. In addition, the Committee of Committee may appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE ELEVEN
Books and Records

Section 1. Accounting.

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

1.2 Upon request of 67% voting interest of the Association, the books and records of the Association shall be reviewed by an independent public accountant approved by the Association, and financial statements shall be audited by said accountant and distributed to all Owners.

Section 2. Inspection of Records. The membership register, books of account and minutes of meetings of the Association, of the Committee and of committees of the Committee and all other records of the Project maintained by the association or Manager shall be made available for inspection and copying by a member of the Association or his duly appointed representative at any reasonable time and for a non-commercial purpose reasonably related to his interest as a Member, at the office where the records are maintained. Upon receipt of an authenticated written request from a Member along with the fee prescribed by the Committee to defray the costs of reproduction,

the Manager or other custodian of records of the Association shall prepare and transmit to the Member a copy of any and all records requested. The Committee shall establish reasonable rules with respect to:

- 2.1 Notice to be given to the custodian of the records by the Member desiring to make the inspection;
- 2.2 Hours and days of the week when such inspection may be made; and
- 2.3 Payment of the cost of reproducing copies of documents requested by a Member.

Every member of the Committee, subject to the conditions set forth above, shall have the absolute right at any reasonable time to inspect and make copies of all books, records and documents of the Association and to inspect all real and personal properties owned or controlled by the Association.

ARTICLE TWELVE

Assessments

All Assessments shall be made in accordance with the Declaration. The Treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Project, specifying and itemizing the maintenance, repair and replacement expenses of the Project and any other expenses incurred. Such records shall be available for examination by the Owners during regular business hours. In accordance with the actions of the Committee in assessing Common Expenses against the Residential Units and Owners, the Treasurer shall keep an accurate record of such assessments and of the payments thereof by each Owner.

ARTICLE THIRTEEN

Corporate Seal

The Association may, but shall not be obligated to, have a seal in circular form having within its circumference the words: "Time Square Condominiums", or in lieu thereof the word "SEAL" may be placed adjacent to the signature of an authorized officer of the Association.

ARTICLE FOURTEEN

Amendments

Section 1. Amendment Procedure. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of percentage of allocated voting interests by the authorized Members.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

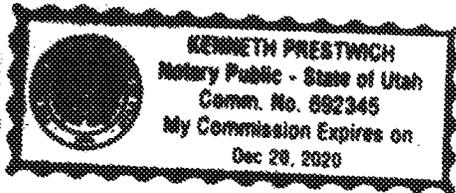
IN WITNESS WHEREOF, the Association has caused these Bylaws to be executed by its duly authorized officers on this 28 day of April, 2017.

TIME SQUARE CONDOMINIUMS

(Sign): [Signature]
(Print Name): Janet M. Hatch, President

STATE OF UTAH)
)ss:
County of Utah)

The foregoing instrument was acknowledged before me on this 28 day of April, 2017 by Janet M. Hatch.



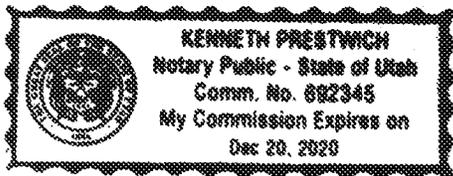
[Signature]
Notary Public for Utah

TIME SQUARE CONDOMINIUMS

(Sign): [Signature]
(Print Name): Cozey Furr, Secretary

STATE OF UTAH)
)ss:
County of Utah)

The foregoing instrument was acknowledged before me on this 28 day of April, 2017 by Cozey Furr.



[Signature]
Notary Public for Utah

EXHIBIT A

Legal Description

All Units of TIMES SQUARE CONDO PHASE I, TIMES SQUARE CONDO PHASE II, according to the official plats thereof recorded with the office of the Utah County Recorder, State of Utah.

15

FIRST AMENDMENT OF
DECLARATION OF CONDOMINIUM OF
TIME SQUARE CONDOMINIUMS

ENT 39909 BK 3175 PG 29
NINA B REID UTAH CO RECORDER BY MB
1993 JUN 18 11:23 AM FEE 32.00
RECORDED FOR HALLMARK BROKERAGE

This amendment of declaration of condominiums of Time Square Condominiums is drafted to comply with the requirements of the Utah Condominium Ownership Act, Title 57 Chapter 8, Utah Code Annotated 1953.

This amendment is made this 1st day of June 1993 to amend the Declaration of Covenants of Time Square Condominiums which were recorded at the Utah County Recorder Office in Provo, Utah on the 11th day of March 1993 in Book 3101, Pages 617 through 644 and 644-1, Entry No. 14266.

Paragraph #35 Expandable. (page 26) under Article III is hereby amended to read:

When annexed Phase II will have a maximum and minimum of 24 units which will make a maximum and minimum total number of units in both Phase I and Phase II of 45 units which will then give each unit owner a minimum and maximum percentage of 2.22% interest in all common area. Phase II expandable area shall be restricted to two buildings; each building having twelve condo units making a total of 24 units. Each building will conform to exact exterior architecture of Phase I. Interior floor plan shall be exact floor plan as in each unit in Phase I. Phase I and Phase II both have one floor plan with three sizes. The floor plan sizes are 736 sq. ft. in the small unit, 779 sq. ft. in the medium unit and 811 sq. ft. in the largest unit. The two buildings in Phase II shall be located immediately north of each of the two buildings in Phase I. The buildings in Phase I and II shall face each other with grass and landscaping between. The distance between the buildings shall be from 50 feet to 150 feet in the front courtyard area. All units in Phase I and Phase II are restricted to residential use. Parking in Phase I and Phase II shall be immediately behind each building with one covered park stall and one uncovered park stall assigned to each unit.

The aggregate building area in Phase I is 16,314 square feet or 777 square feet per unit. The aggregate building in Phase II is 18,644 square feet or 777 square feet per unit.

Phase I aggregate land area is 1.48 acres or 64,468 square feet. Percentage of land area per unit is .07 acres or 3,070 square feet. Phase II aggregate land area is 1.21 acres or .05 acre per unit or aggregate land area of 52,707 square feet, making each unit having an area of 2,196 square feet. Phase I & II have 2.69 acres aggregate with each unit having .059 acres or each unit having 2,603 square feet aggregate.

Declarant reserves the right to create limited common areas and facilities within any portion of the additional land to be added to the condominium project as the same shall be described with particularity in the plat map relating to any such portion of additional land, to include two assigned parking stalls for each unit, and declarant makes no other assurances with regards to the types, sizes and maximum number of limited common areas within additional land to be added.

Article III, Section 17, Paragraph 1 is hereby amended to read:

17. Legal Description of a Unit. Each conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the letter and number shown on the Map with the appropriate reference to the Map and to this Declaration, as each shall appear on the records of the County Recorder of Utah County, Utah and in substantially the following form: ENT39909 BK 3175 PG 30

Article III, Section 18a (9) Line 3 is hereby amended to read:

Homeowners Association, which may be reasonably necessary for the

Article III, Section 18b Line 18 is hereby amended to read:

conveyance of title to any Unit Purchaser, whichever shall first

Article III, Section 27a, Line 3 is hereby amended to read:

payments rather than by special assessments.

Article III, Section 27h, Lines 7 & 8, Page 23 is hereby amended to read:

except for claims for a pro rata share of such assessments or charges resulting from a pro rata re-allocation of such assessments

Article III, Section 27 -2 (Page 23) Line 4 is hereby amended to read:

and for (ii) determining the pro rata share of ownership of each

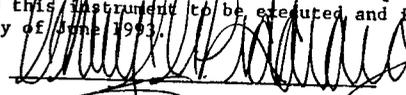
Article III, Section 29, Line 8 is hereby amended to read:

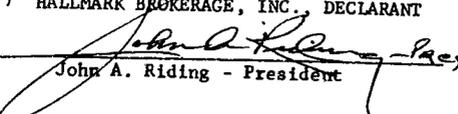
maintainable by Management Committee or Manager on behalf of the

Article III, Section 37, Line 1 is hereby amended to read:

37. Effective Date. This Declaration, any amendment or

IN WITNESS WHEREOF, the undersigned, Hallmark Brokerage, Inc., (John A. Riding - President and Cleo B. Mason - Secretary), being the Declarant, has caused this instrument to be executed and its seal to be affixed hereto on this 1st day of June 1993.

NOTARY  HALLMARK BROKERAGE, INC., DECLARANT

Residing Pringleville  John A. Riding - President

Commission Expires 12-11-93



**AMENDMENT TO THE
DECLARATION OF CONDOMINIUM
OF
TIME SQUARE CONDOMINIUMS**

This AMENDMENT TO THE DECLARATION OF CONDOMINIUM OF TIME SQUARE CONDOMINIUMS (the "Amendment") has been approved and adopted by Time Square Condominiums, a Utah nonprofit corporation (the "Association") and becomes effective when recorded with the Utah County Recorder's Office.

RECITALS

A. Time Square Condominiums is located in Orem, Utah, Utah County and was originally made subject to certain covenants, conditions, and restrictions as provided in the "Declaration of Condominium of Time Square Condominiums" as recorded on March 11, 1993 as Entry Number 14266 with the Utah County Recorder (the "Declaration").

B. The Declaration was amended by the "First Amendment to the Declaration of Condominium of Time Square Condominiums" as recorded on June 18, 1993 as Entry Number 39909 with the Utah County Recorder.

C. This document affects the real property located in Utah County, Utah described with particularity on Exhibit "A," attached hereto and incorporated herein by this reference (the "Property").

D. The Association and Owners desire to further amend the Declaration as provided below.

E. Article III, Section 24 of the Declaration provides that it may be amended with the affirmative vote of at least 67% of the Undivided Ownership Interest in the Common Areas and Facilities.

F. At least 2/3 of the Undivided Ownership Interest in the Common Areas and Facilities have approved this Amendment, which shall be binding upon the Properties, including all Lots.

G. Unless specifically modified herein, all remaining provisions of the Declaration shall remain in full force and effect.

H. In case of any conflict between the terms of this Amendment and the terms of the Declaration, the provisions of this Amendment shall control.

I. Unless otherwise provided in this Amendment, capitalized terms used herein shall have the same meaning and effect as used in the Declaration.

AMENDMENTS

AMENDMENT ONE:

Section 18 shall include a new Subsection (j) as follows:

18(j) Management Committee Compensation. Committee members may each receive a credit of up to half the amount of each Monthly Installment of the Annual assessment to be applied to the assessment balance of any one Unit he or she owns (Service Credit). To be eligible for a Service Credit a Committee member must be in good standing, must be current on payment of any assessments, must attend all Committee Meetings unless excused by the Committee in writing, and must have served on the Committee for at least thirty days prior to application of the Service Credit towards the applicable Monthly Installment.

AMENDMENT TWO:

Section 20(d) shall be amended to read as follows:

20(d) Method, Payment of Assessments, Etc. Annual assessments shall be made on a calendar year basis. The Committee shall give written notice to each Owner as to the amount of the annual assessment with respect to this Unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year, provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the day fixed by the Committee as the date of commencement of the assessment. Each annual assessment shall be due and payable in monthly installments on the first day of each month (Monthly Installments). Each assessment not received on or before the tenth day of each month shall be late and incur a \$25.00 late fee. The amount of increase by the Committee in the Annual Assessment fee over the initial assessment or the previous year is limited to a maximum annual increase of 15%.

AMENDMENT THREE:

Section 20 shall include a new Subsection (k) as follows:

20(k) Reinvestment Fee. Upon the transfer of any Unit, the transferee is required to pay a reinvestment fee in an amount of .5% of the value of the burdened property or in such amount as established by the Association's Board of Trustees, unless the transfer falls within an exclusion listed in Utah Code § 57-1- 46(8). The purpose of the Reinvestment Fee is to assist the Association in covering the costs of: (a) common planning, facilities and infrastructure; (b) obligations arising from an environmental covenant; (c) community programming; (d) resort facilities; (e) open space; (f) recreation amenities; (g) common expenses of the Association; or (h) funding Association reserves. In no event shall the reinvestment fee exceed the statutory maximum. This covenant shall have a perpetual duration.

CERTIFICATION

The Management Committee of Time Square Condominiums hereby certifies that this Amendment was voted on by the members of the Association and received at least 2/3 of the Undivided Ownership Interest in the Common Areas and Facilities.

TIME SQUARE CONDOMINIUMS

[Signature]

By: Darren Baum

Its: HOA President

State of Utah
County of Utah
On this 19 day of May, 2020,
Darren Baum personally appeared before me,
____ who is personally known to me,
____ whose identity I verified on the basis of _____
____ whose identity I verified on the oath/affirmation of _____
____ a credible witness,
to be the signer of the foregoing document, and he/she
acknowledged that he/she signed it. [Signature]
____ Notary Public
My Commission Expires 6/28/2027

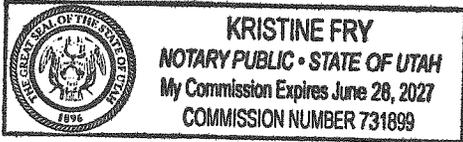


EXHIBIT "A"
LEGAL DESCRIPTION

All of TIMES SQUARE CONDO PHASE I, as shown on the official plat thereof recorded in the office of the Utah County Recorder, State of Utah.

(21 Lots)

Serial No. 53:125:0001 through 53:125:0021

All of TIMES SQUARE CONDO PHASE II, as shown on the official plat thereof recorded in the office of the Utah County Recorder, State of Utah.

(24 Lots)

Serial No. 53:130:0022 through 53:130:0045