

Provisions including a preference limitation or discrimination based on race, color, sex, religion, marital status, or ancestry shall be null and void.

MANAGEMENT DECLARATION OF LAKE MEADOW LODGE

THIS DECLARATION is made and executed by Philip M. Hoyt and Deanna J. Hoyt, husband and wife, (hereinafter "Declarant"), as of the date appearing on the signature page of this Declaration.

I. RECITALS

1.1 Declarant and any other persons joining in this Declaration are the owners of the real property and improvements (hereinafter the "Property" or "Project") located in Garden City, Rich County, Utah, as hereinafter more particularly described.

1.2 Declarant has filed simultaneously with this document a Record of Survey Map which is appended hereto and which is hereinafter referred to as the "Map" or as Exhibit "A".

1.3 The aforescribed Property consists of the land as described herein with certain residential buildings situated on Lots 1 - 40 and non-residential buildings on lots 41 - 60 of Exhibit "A".

1.4 The covenants, conditions, and restrictions contained in this Declaration and in the exhibits attached hereto shall be enforceable equitable servitudes and shall run with the land.

1.5 The administration of the Property, except as otherwise provided by this Declaration, shall be governed by the By-Laws which are embodied in a separate instrument, a true copy of which is appended to and recorded with this Declaration as Exhibit "C".

1.6 The Property, as legally described below, shall be known as "Lake Meadow Lodge." The mailing address of the Property is P.O. Box 33, Garden City, Utah 84028.

1.7 Declarant desires and intends to sell the equitable or fee title to the individual lots and limited common areas contained in the Project, together with an undivided ownership interest and rights of egress, ingress and described use in the Common Areas and Facilities appurtenant thereto, to various purchasers; but subject to the covenants, conditions, and restrictions herein reserved to be kept and observed; and reserves the right to retain all or some of the units for leaseholds.

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

II. DEFINITIONS and DESCRIPTIONS

The terms used herein shall have meaning stated as follows unless the context clearly indicates a different meaning therefor:

II.1. Address shall mean the street number and street as shown on Sheet 2 of Exhibit "A".

Recorded JUN 03 1998 Filing No 52165

At 3:56 PM In Book 77 Page 351

Fee 72.00 Debra L. Ames, Rich County Recorder

Requested By Philip M Hoyt

Exhibit B
to the Management Declaration of Lake Meadow Lodge

OWNERSHIP TABLE FOR INDIVIDUAL UNITS
PART 1 - VISTA LANE UNITS
(UPPER TIER UNITS)

LOT NUMBER	VALUATION RATIO (PERCENT)	COMMON AREA OWNERSHIP (PERCENT)
1	139.39	2.73
2	139.39	2.73
3	139.39	2.73
4	139.39	2.73
5	139.39	2.73
6	139.39	2.73
7	139.39	2.73
8	139.39	2.73
9	139.39	2.73
10	139.39	2.73
11	139.39	2.73
12	139.39	2.73
13	139.39	2.73
14	139.39	2.73
15	139.39	2.73
16	139.39	2.73
17	139.39	2.73
18	139.39	2.73
19	248.48	4.77
20	254.54	4.89

**OWNERSHIP TABLE FOR INDIVIDUAL UNITS
PART 2 - LAKESIDE DRIVE UNITS
(LOWER TIER UNITS)**

LOT NUMBER	VALUATION RATIO (PERCENT)	COMMON AREA OWNERSHIP (PERCENT)
21	100.00	1.96
22	100.00	1.96
23	100.00	1.96
24	100.00	1.96
25	100.00	1.96
26	100.00	1.96
27	100.00	1.96
28	100.00	1.96
29	100.00	1.96
30	100.00	1.96
31	100.00	1.96
32	100.00	1.96
33	100.00	1.96
34	100.00	1.96
35	100.00	1.96
36	100.00	1.96
37	100.00	1.96
38	100.00	1.96
39	100.00	1.96
40	100.00	1.96

**OWNERSHIP TABLE FOR INDIVIDUAL UNITS
PART 3 - STORAGE UNITS**

LOT NUMBER	VALUATION RATIO (PERCENT)	COMMON AREA OWNERSHIP (PERCENT)
41	5.00	0.10
42	5.00	0.10
43	5.00	0.10
44	5.00	0.10
45	5.00	0.10
46	5.00	0.10
47	5.00	0.10
48	5.00	0.10
49	5.00	0.10
50	5.00	0.10
51	5.00	0.10
52	5.00	0.10
53	5.00	0.10
54	5.00	0.10
55	5.00	0.10
56	5.00	0.10
57	5.00	0.10
58	5.00	0.10
59	5.00	0.10
60	5.00	0.10

II.2. Association shall mean and refer to the Declarant, until such time as it is duly succeeded by all of the Residential Unit owners acting as a group in accordance with paragraph IV.11, IV.16 and other provisions of this Declaration and the By-Laws.

II.3. Common Areas and Facilities and Common Areas shall mean, refer to, and include:

II.3.1 All Common Areas and Facilities designated as such in the Record of Survey Map or by this Declaration.

II.3.2 Office, streets, swimming pools, walkways, pedestrian sidewalks, fences, landscape, lawn and planting areas; parking and walkway lights; and other common facilities whether now or hereafter existing.

II.3.3 Elements of the structural, heating, plumbing, and electrical systems which service or are appurtenant to more than one unit:

II.3.4 All apparatus, installations, and facilities included within the Project and existing for common use.

II.3.5 All portions of the Project not specifically included within the individual lots or designated limited common areas.

II.3.6 All areas provided for the benefit of multiple units or the owners thereof, whether or not enumerated herein.

II.4. Common Expenses shall mean and refer to all sums which are expended on behalf of all the unit owners and all sums which are required by the Management Committee to perform or exercise its functions, duties, or rights under this Declaration and By-Laws, and any management agreement for operation of the Project, and pursuant to such Rules and Regulations as the Management Committee may, from time to time, make and adopt. Common Expenses shall include, but are not limited to:

II.4.1 Expenses of administration, maintenance, operation, repair, and replacement of those elements of the Common Areas or Limited Common Areas as allowed by this Declaration that must be replaced on a periodic basis, and other capital or operating reserves as may be established from time to time pursuant to the Declaration.

II.4.2 Expenses agreed upon as Common Expenses by the Association and lawfully assessed against the unit owners in accordance with this Declaration, such as insurance and utilities.

II.4.3 Expenses declared Common Expenses by this Declaration, or by the By-Laws.

II.4.4 Any valid charge for capital improvements assessed against the Project as a whole.

II.5. Common Profits shall mean and refer to the balance of income, rents, profits, and revenues from the Common Areas remaining after deduction of common expenses.

II.6. Contract of Sale shall mean any real estate contract for the sale of the Property or any lot contained therein whereby the ultimate performance under the contract shall be the conveyance of fee title in the Property or lot.

II.7. Declarant shall mean Phillip M. Hoyt and Deanna J. Hoyt, husband and wife, and their successors and assigns.

II.8. Declaration shall mean and refer to this instrument.

II.9. Limited Common Areas shall be shown on the Record of Survey Map and documents of conveyance with the use, maintenance, and assessment for such areas to remain those of the lot owner to whom reserved; provided that the management shall always have access to such areas without the prior consent of lot owners to, among other things, maintain rights of way across or in such areas, and to provide maintenance of or repair to such areas upon the default of lot owners. At present Limited Common Areas would include:

II.9.1 Parking stalls reserved for the exclusive use of designated unit owners, if any;

II.9.2 Patios, decks and balconies externally appurtenant to a unit, together with railings and other improvements to such areas;

II.9.3 Other areas limited to the use of a single lot, whether now or hereafter existing as defined by the act.

II.10 Lot shall mean a lot as shown on Sheet 1 of Exhibit "A".

II.11. Management Committee and Committee shall mean and refer to the Management Committee of Lake Meadow Lodge as it exists at any given time.

II.12. Mortgage shall mean, unless otherwise defined, any mortgage, deed of trust, unpaid contract balance, or other security instrument by which a lot or any part thereof is encumbered. First Mortgage shall refer to a mortgage which has a lien position prior to any other mortgage.

II.13. Mortgagee shall mean any person named as a mortgagee, beneficiary under or holder of a deed of trust, or contract vendor.

II.14. Percentage Interest means and refers to the percentage of undivided interest of each unit in the Common Areas as set forth in Exhibit "B" attached hereto.

II.15. Project or Property shall mean and refer to the land, 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.

II.16. Record of Survey Map and Map shall mean and refer to the Record of Survey Map filed simultaneously herewith as Exhibit "A" consisting of three sheets and prepared and certified to by Phillip M. Hoyt, a Utah Registered Professional Engineer having Certificate No. 308451.

II.17. Rules and Regulations means those rules and regulations adopted from time to time by the Management Committee that are deemed necessary for the operation of the Project; provided they are not in conflict with the Declaration.

II.18 Units are Residential Units or Storage Units. Residential Unit shall mean a residential building or portion thereof located on one or two of Lots 1 - 40 as shown on Exhibit "A". Storage Unit shall mean a non-residential building located on one of Lots 41 - 60 of Exhibit "A". A unit is an adjunct to its underlying lot and for purposes of ownership, title or easement, Unit shall mean the building or portion of a building and its underlying lot.

II.19. Unit Number shall mean and refer to the number which designates a lot, appurtenant Limited Common Areas, or any Exclusive Use Areas in the Survey Map attached as Exhibit "A".

11.20. Unit Owner or Owners shall mean and refer to the fee owner, contract buyer, or other equitable owner of a lot and the percentage of their undivided interest in the Common Areas and Facilities which is appurtenant thereto. The Declarant shall be deemed the owner of all unsold lots. In the event a lot is the subject of an executory contract of sale, the contract purchaser shall be considered the lot owner for all Association purposes including assessments, voting and Committee membership, unless the seller and the purchaser have otherwise agreed and have informed the Committee in writing of such agreement.

III. DESCRIPTION OF THE LAND

The land on which the lots, buildings and improvements are to be located is particularly described as follows:

A part of the northwest quarter of Section 21, Township 14 North, Range 5 East of the Salt Lake Base and Meridian. Also a part of Block 7 Plat "B" of the Garden City Survey, described as follows:

Beginning at a point located south 00°00'00" East 148.52 Feet (2.25 Chains by record) and South 89°45'46" East 300.00 feet from the rebar found at the northwest corner of Block 7, Plat "B" of the Garden City Survey, and running thence South 00°00'00" West 74.22 Feet; thence North 89°46'21" West 91.29 feet; thence South 00°00'00" West 406.21 feet (measured) 406.25 feet by record; thence South 89°47'32" East 88.29 feet; thence South 00°00'00" West 66.00 Feet; thence South 89°47'32" East 554.00 feet more or less to the meander line of Bear Lake; thence North 07°58'03" west along said meander line 401.84 feet to the northeast corner of Lot 11, Block 7 of the Garden City Survey; thence North 08°00'27" west along the meander line of Bear Lake 149.93 feet more or less; thence North 89°45'46" West 279.91 feet; thence North 00°14'14" East 5.00 feet; thence North 89°45'46" West 152.00 feet; thence South 00°14'14" West 5.00 feet; thence North 89°45'46" West 42.50 feet (50.00 feet by record) to the point of beginning.

(Being the Plat of Lake Meadow Lodge)

Together with all rights of way or easements of record, or easements or servitudes presently existing on the land.

IV. COVENANTS, CONDITIONS AND RESTRICTIONS

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

IV.1. Description of Legal Status of Units. The Exhibit "A" Map shows lot and building designations as well as Common Areas and Facilities. All lots shall be capable of being independently owned, encumbered, and conveyed. Storage Units are for use only by residents or guests of Residential Units and may be sold only to Residential Unit owners. Common Areas and Facilities are owned by lot owners in the respective ownership percentages shown in Exhibit "B" hereto.

IV.2. Contents of Exhibit "A". Exhibit "A" to this Declaration furnishes the following information with respect to each unit:

IV.2.1 Building locations and the lot number and address of each building.

IV.2.2 Areas designated as Limited Common Areas and Common Areas, together with Individual Lots or Units.

IV.3. Common and Limited Common Areas. The Common Areas contained in the Project are described and identified by this Declaration. Neither the percentage interest nor the right of exclusive use of a Limited Common Area shall be separated from the Residential Unit to which it appertains. All Limited Common Areas shall pertain to the designated Residential Unit. Even though not specifically mentioned in any instrument of transfer, such percentage interest of common areas and such right of exclusive use to limited common areas shall automatically accompany the transfer of the Residential Unit to which they relate. Each unit owner shall, at his own cost, keep Limited Common Areas designated in connection with his unit in a clean, sanitary, and attractive condition at all times.

IV.4. Computation of Undivided Interests. The percentage of undivided interest in Common Areas and Facilities for each lot was computed by taking as a basis the relative appraised value of the unit as of June 27, 1997. The value of a unit located on Lakeside Drive was taken as the base and a valuation ratio was obtained for each Residential Unit by dividing its appraised value by the appraised value of a Lakeside Drive unit. Valuation Ratios for Storage Units were uniformly taken as five (5) percent. The Common Area ownership percentage for each lot was then calculated by dividing the valuation ratio of each unit by the sum of all such ratios. Exhibit "B" sets out the percentage of Common Area ownership pertaining to each lot, as well as the valuation ratio.

IV.5. By-Laws. The By-Laws of the Association shall be the original By-Laws of the Association which are attached hereto as Exhibit "C" and made a part of this Declaration by reference. The By-Laws may be amended by procedures included in them.

IV.6. Voting. Unless otherwise specified in the Act or this Declaration, each Residential Unit owner, regardless of size or designation of common ownership, shall be entitled to one (1) vote for all matters upon which Residential Unit owners may vote.

IV.7. Owners' Elements of Enjoyment.

IV.7.1 Exclusive Use: Each unit owner shall have the exclusive use of his unit, and the exclusive use of Limited Common Areas, except as such areas shall remain available to the Management Committee or Association for inspection, maintenance access and repair at costs to be assessed to the unit owner in accordance with this Declaration and Utah Law.

IV.7.2 Appurtenances: The ownership of each unit shall include (and there shall pass with each unit as appurtenances thereto), whether or not separately described, all of the rights, title and interest including, but not limited to:

IV.7.2.1 Common Areas and Facilities: An undivided share of the Common Areas and Facilities, such undivided share to be that portion set forth in Exhibit "B" hereof. All ingress, egress, and use of Common Areas and Facilities provided by this Declaration or rules consistent herewith.

IV.7.2.2 Delegation: Any unit owner may only delegate, in accordance with the By-Laws, his right of enjoyment of the common areas to the members of his family who reside with him and to his tenants, guests or contract purchasers who reside in his unit.

IV.7.2.3 Parking: Parking stalls are for use by unit owners, tenants, resident guests and Owners' Association employees only. Vehicles with trailers or over size vehicles may park only in spaces with double length on Vista Lane. Parked vehicles, trailers and boats on trailers may not be occupied overnight.

IV.7.2.4 Easements: For the benefit of the unit.

IV.7.2.5 Association Membership: The interest in funds and assets held by the Association.

IV.7.3 Cross Elements: The appurtenances shall include the following easements from each unit owner to each other unit owner.

IV.7.3.1 Access: Easements through common areas, on all sidewalks and exterior stairways, and over other private or common land for ingress, egress and access.

IV.7.3.2 Maintenance, Repair and Replacement: Easements through the units and Common Areas and Facilities for maintenance, repair, and replacement of the units and common elements. Such access to the units shall be only during reasonable hours, except that access may be had at anytime in case of emergency.

IV.7.3.3 Support: Every portion of a unit contributing to the support of the building in which it is located shall be burdened with an easement of support for the benefit of all other units and Common Areas and Facilities in the building.

IV.7.3.4 Utilities: Easements through the units and other Common Areas for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services to other units and the Common Areas and Facilities; provided, however, that such easements through a unit shall be only according to the plans and specifications of the building in which it is located, unless approved in writing by the unit owner.

IV.8. Maintenance Responsibility. The owner of a unit shall have the responsibility to maintain, repair, and replace all items relating to all parts of his unit and appurtenant to Limited Common Areas as such terms are defined herein, to include (by way of illustration and not limitation) the interior and exterior of windows and doors appurtenant to the units. The unit owner shall keep said premises in such manner as not to cause any damage or nuisance to other unit owners in the project and shall specifically refrain from making any changes in appearance or function to the exterior of the buildings. The Association shall be responsible for the maintenance, repair, and improvement of building exteriors and of the Common Areas and Facilities in the manner and method as is herein set forth, or as provided by the Bylaws of the Association. Limited Common Areas may be repaired and improved by the Management Committee. Costs of maintaining or improving such areas shall be an Association expense unless the work is necessitated by negligence of the unit owner, in which case cost of the work shall be chargeable to the unit owner. Should a conflict arise between a unit owner and the Management Committee as to such repair or improvement, it shall be settled as to both parties by a majority vote of the Association.

IV.9. Status and General Authority of Committee. The Project shall be managed, operated, and maintained by the Management Committee as agent for the Association, and as it is established and governed in the By-Laws. The Management Committee shall have, and is hereby granted, the following authority and powers in addition to those otherwise granted or created by this Declaration or the By-Laws:

IV.9.1 The authority, without the vote or consent of the unit owners or of any other person(s), to grant or create, on such terms as it deems advisable, utility and similar easements over, under, across, and through the Common Areas and Facilities. The power to exercise ingress and egress over Limited Common Areas consistent with the common good and the terms of this Declaration.

IV.9.2 The authority to execute and record, on behalf of all the unit owners, any amendment to the Declaration or Map which has been approved by the vote or consent necessary to authorize such amendment.

IV.9.3 The power to sue and be sued.

IV.9.4 The authority to enter into contracts which in any way concern the Project, so long as any vote or consent of the unit owners necessitated by the subject matter of the agreement has been obtained.

IV.9.5 The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.

IV.9.6 The power and authority to add any interest in real property obtained pursuant to subparagraph IV.9.5 above to the Project, so long as such action has been authorized by the necessary vote or consent.

IV.9.7 The power to repair and restore the property except as specifically limited by this Declaration.

IV.9.8 The power and authority to borrow money so long as such action has been authorized by any vote or consent which is necessary under the circumstances.

IV.9.9 The authority to promulgate such reasonable rules, regulations, and procedures consistent with this Declaration and the By-laws, as may be necessary or desirable to aid the Management Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with the interests of the unit owners.

IV.9.10 The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent for the Association.

IV.9.11 The authority to carry out any of its discretionary functions which are capable of delegation through a Project Manager. Any Manager retained for such purposes must be an individual or entity experienced and qualified in the field of property management. The Manager so engaged shall be responsible for managing the Project for the benefit of the Committee and the unit owners 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 non-discretionary functions or acts required or permitted to be performed by the Management Committee itself as defined by the next paragraph, IV.9.12.

IV.9.12 The authority to delegate to any Manager or other agent or employee any or all of its routine and/or non-discretionary duties and responsibilities referred to above, but specifically excepting: the final determination of common expenses, budgets, and assessments based thereon; the promulgation of house rules and administrative rules and regulations; the power to enter into any contract involving more than \$1,000.00 in any one fiscal year; the opening of bank accounts; the power to purchase, hold, sell, convey, mortgage, or lease any units or other real property in the name of the association or to bring, prosecute, and settle litigation; and the power to initiate any significant structural changes, remodeling, or changes in the appearance of the project.

IV.9.13 To keep adequate books and records.

IV.9.14 To do all other acts necessary for the operation and maintenance of the Property, including the maintenance and repair of any unit if the same is a necessary project to preserve the Property.

IV.10. Liability and Indemnification of Management Committee.

IV.10.1 Members of the Management Committee, the officers and any assistant officers, agents, and employees of the Association, including the Declarant acting in such capacity or capacities: (i) shall not be liable to the unit owners as a result of their activities as such for any mistake of judgment, negligence, or otherwise, except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to a unit owner or any other person or entity under any agreement, instrument, or transaction entered into by them on behalf of the Association in their capacity as members of the committee; (iii) shall have no personal liability in tort to any unit owner or any person or entity, direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or bad faith, or for acts performed for them in their capacity as members of the committee; and (iv) shall have no personal liability arising out of the use, misuse, or condition of the Property, which might in any way be assessed against or be imputed to them as a result of, or by virtue of, their capacity as members of the committee.

IV.10.2 The unit owners shall indemnify and hold harmless any person, his heirs and personal representatives, from and against all personal liability and all expenses including legal fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative instituted by any one or more unit owners, or any other persons or entities, to which the association shall be or shall be threatened to be made a party by reason of the fact that such person is or was a member of the Management Committee or an officer or assistant officer, agent, employee of the Association, other than to the extent, if any, that such person's misconduct results from misuse, appropriation or conversion of common funds, fraud, dishonest acts, intentionally wrongful acts or misfeasance or bad faith; provided, in the case of any settlement, that the Management Committee shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of owners or of the Management Committee, or otherwise. The indemnification by the unit owners as contained herein shall be paid by the Management Committee on behalf of the unit owners and shall constitute a common expense and shall be assessed and collectible as such.

IV.11. Control of Management Committee. Notwithstanding anything to the contrary in the By-laws, the Declarant shall conduct the administration and management and shall have all of the powers, authority, and exemptions granted herein to the Association and to the Management Committee, and shall have the right to elect all of the Management Committee, limited as follows:

IV.11.1 When Residential Unit owners, other than Declarant, own 15% or more of lots 1 - 40, the Residential Unit owners other than the Declarant shall be entitled to elect one of the members of the Management Committee.

IV.11.2 When Residential Unit owners, other than the Declarant, own 50% or more of lots 1 - 40, the Residential Unit owners other than the Declarant shall be entitled to elect three of the members of the Management Committee. A transfer of one or more lots by the Declarant to a non-occupying owner for resale shall not constitute a sale by the Declarant under this paragraph.

IV.11.3 Declarant shall have the permanent right, but not the duty, to elect not less than two members of the Management Committee of the Association as long as the

Declarant holds for sale or lease in the ordinary course of business any lot or lots or holds any unit for his own personal use and enjoyment.

IV.11.4 Within 30 days after unit owners, other than the Declarant, elect a majority of the Management Committee of the Association, Declarant or assign shall relinquish control of the Association to the Management Committee.

IV.12. Insurance. The Management Committee shall secure and at all times maintain insurance coverages as a common expense. Insurance shall be of the type and kind described herein and shall include insurance for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other properties similar to the Property in construction, design, and use. The Management Committee shall make every reasonable effort to obtain insurance with the following provisions or endorsements:

IV.12.1 Exclusive authority to adjust losses shall be vested in the Management Committee as insurance trustee or any successor trustee as designated by the Management Committee;

IV.12.2 The insurance coverage shall not be brought into contribution with insurance purchased by individual unit owners or their respective mortgagees;

IV.12.3 Each unit owner may obtain additional insurance covering his real property interest at his own expense;

IV.12.4 The insurer waives its right of subrogation as to any and all claims against the association, each unit owner, and/or their respective agents, employees or tenants, and of all defenses based upon co-insurance or upon invalidity arising from the acts of the insured;

IV.12.5 The insurance coverage cannot be canceled, invalidated, or suspended because of (i) the conduct of any one or more individual unit owners or their respective lessees, employees, agents, contractors, and guests, or (ii) the conduct of any officer or employee of the Association or Management Committee or their employees, agents, or contractors, without prior demand in writing that the Management Committee cure the defect; and, then, only if the defect is not cured within fifteen (15) days;

IV.12.6 Policies shall provide that coverage shall not be prejudiced by (i) any act or neglect of unit owners when such act or neglect is not within the control of the Association or (ii) by failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control;

IV.12.7 The insurance coverage shall provide that coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to any and all insureds named thereon, including all mortgagees of the units.

IV.12.8 The Management Committee, for the benefit of the Property and the unit owners, shall maintain, as a common expense, a "master" or "blanket" policy of property insurance in an amount equal to the full replacement value (i.e., 100% of the current replacement costs exclusive of land, foundation, excavations, and other items normally excluded from coverage) of the entire project (including all units, all Common and Limited Areas and Facilities as well as all building service equipment and the like and any fixtures or equipment within the units) with an "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent, and, if necessary, an "Increased Cost of Construction Endorsement", or "Contingent Liability from Operation of Building Laws

Endorsement", or their equivalents payable to the insurance trustee under this Declaration. Such insurance will afford protection against, at least, the loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage. The limits and coverage of said insurance shall be reviewed at least annually by the management committee and shall include a valuation of the Property. Said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, if any, of each unit.

IV.12.9 The Management Committee shall obtain a policy or policies of insurance insuring the Management Committee, the unit owners and their respective lessees, servants, agents, or guests against any liability to the public or to the owners of units, members of the households of unit owners, and their respective invitees or tenants, incident to the ownership and/or use of the Property, and including the personal liability exposure to the unit owners, incident to the ownership and/or use of the Property. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) for any one person injured in any one occurrence, and shall not be less than One Hundred Thousand Dollars (\$100,000) for property damage in each occurrence. The limits in coverage of said liability policy or policies shall be reviewed at least annually by the Management Committee and increased at its discretion. Said policy or policies shall be issued on a comprehensive liability basis and, if possible, shall provide cross-liability endorsements for possible claims of any one or more or group of insureds against any one or more or group of insureds, without prejudice to the right of a named insured under the policies to maintain an action against another named insured. Such coverage will include protection against water damage liability, liability for unowned and hired automobiles, liability for property of others, and such other risks as shall customarily be covered with respect to Projects similar in construction, location, and use.

IV.12.10 All policies of property insurance shall provide so far as possible that, notwithstanding any provisions of which give the insurer the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Management Committee (or any insurance trustee), or when in conflict with the provisions of any insurance trust agreement to which the association may be a party or any requirement of law.

IV.12.11 Each unit owner shall be required to notify the Management Committee of, and shall be liable for any increased insurance premium for insurance maintained by the Management Committee occasioned by, improvements made by the unit owner to his unit, the value of which is in excess of One Thousand Dollars (\$1,000). Each unit owner shall bear the risk of loss for all improvements made to his unit that were not the subject of notice to the Management Committee.

IV.12.12 Any unit owner who obtains individual insurance covering any portion of the Property, other than personal property belonging to such unit owner, shall be required to file a copy of such individual policy or policies with the Management Committee within thirty (30) days after obtaining such insurance coverage. This requirement exists for the beneficial management of the property and shall not constitute cause for any insurer to negate, cancel or limit coverage of such insurance.

IV.12.13 No unit owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount that the Management Committee, on behalf of all of the units owners, may realize under any insurance policy that the Management Committee may have in force covering the Property or any part thereof at any time.

IV.12.14 The Management Committee shall maintain adequate fidelity coverage to protect against dishonest acts on the part of members of the Management Committee, officers and employees of the association, and all others who handle or are responsible for handling funds of the association, including professional managers and their employees. This requirement may be met by including in the insurance policy coverage for employee dishonesty meeting the following requirements:

IV.12.14.1 All such coverage shall name the Association as an obligee;

IV.12.14.2 All such coverage shall be written in an amount equal to at least ten thousand dollars (\$10,000) or such greater sum as shall cover the maximum operating expenses of the Association, including reserves, that may be held in negotiable form at any given time;

IV.12.14.3 Such coverage shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definitions of "employee" or similar expression; and;

IV.12.14.4 Such coverage shall provide that it may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice.

IV.13. Destruction or Damage. In case of fire or any other disaster which causes damage or destruction to all or part of the Property, the Management Committee, with the help of an independent appraisal, shall determine the percentage of the building that was destroyed or substantially damaged. If less than seventy-five percent (75%) of the building was destroyed or substantially damaged, the Management Committee shall arrange for the prompt repair and restoration of the building and the unit owners shall be liable for assessment for any deficiency in insurance coverage, if any should occur, in proportion to their respective percentages of undivided interest in the Common Areas and Facilities. Reconstruction of the building shall mean the restoring of the building to substantially the same condition in which it existed prior to the damage or destruction, with each unit and the Common Areas and Facilities having the same vertical and horizontal boundaries as before, unless the destruction or damage is by reason of eminent domain, in which event the provisions of paragraph 14 hereof shall apply.

IV.13.1 For purposes of this paragraph, the term "disaster", "destruction", or "substantial damage" shall also include a temporary or permanent taking, injury, or destruction of all or part of the Common Areas and facilities or one or more units or portions thereof by the exercise of a power in the nature of eminent domain, or by an action or deed in lieu of condemnation.

IV.13.2 The Management Committee shall timely notify in writing each mortgagee of a unit whenever damage to a unit exceeds \$5,000.00 or damage to the Common Areas and Facilities exceeds \$50,000.00.

IV.14. Eminent Domain. Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury, or destruction of all or part of the Common Areas and Facilities of one or more units or portions thereof by the exercise of the power of, or power in the nature of, eminent domain or by an action or deed in lieu of condemnation (all of which shall be defined as "eminent domain"), the Management Committee, each unit owner, and every holder of all mortgages or liens affecting the units shall be entitled to timely written notice thereof and the Management Committee shall, and the unit owners at their respective expense may, participate in the proceedings incident thereto. The procedures governing the allocation of awards by reason of eminent domain shall be determined in accordance with applicable Utah law; provided that the priority of any mortgage lien shall remain undisturbed.

IV.15. ~~Mortgage Protection~~, Notwithstanding anything to the contrary contained in the Declaration:

IV.15.1 An adequate fund for operation, repair, maintenance and replacement of elements in common use and requiring funding on a periodic basis shall be established and shall be funded by regular monthly payments. Nothing contained herein, however, shall prevent the Management Committee from assessing and collecting special assessments for repairs, improvements, and maintenance when approved by a majority of the unit owners.

IV.15.2 Any mortgage or contract holder which comes into possession of the unit pursuant to the remedies provided in the mortgage, contract, or deed (or assignment in lieu of foreclosure) shall be exempt from any "right of first refusal", or other provisions which may exist relating to sale or lease of the units in the Project, and no right of first refusal shall impair the rights of any mortgage or contract holder to:

IV.15.2.1 Foreclose or take title to a unit pursuant to the remedies provided in the instrument, or

IV.15.2.2 Accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or

IV.15.2.3 Interfere with a subsequent sale or lease of the unit so acquired pursuant to the instrument.

IV.15.3 Any agreement for professional management of the Project, or any other contract providing for services by the Declarant, must provide for termination by either party without cause or payment of a termination fee on 60 days or less written notice and have a maximum contract term of three years.

IV.15.4 In the event of damage to or destruction of any unit, which loss exceeds \$5,000.00, or any part of the Common Areas, which loss exceeds \$50,000.00, the institutional holder of any first mortgage on a unit shall be entitled to a timely written notice to any such damage or destruction. No unit owner or other party shall be entitled to priority over such mortgagee with respect to the distribution of any insurance proceeds regardless of the amount of loss. Upon request of any first mortgagee the Association must provide a letter to said first mortgagee, wherein the Association agrees to notify the first mortgagee or any organization it designates at the address indicated by the mortgages, whenever such a loss occurs.

IV.15.5 If any unit or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by a condemning authority, the institutional holder of any first mortgage of a unit shall be entitled to timely written notice of any such proceeding or proposed acquisition. No unit owner or other party shall have priority over such mortgagee until the mortgagee is paid in full, regardless of the amount of condemnation award with respect to the distribution to such unit owner of the proceeds of any award or settlement.

IV.15.6 Each holder of a first mortgage lien on a unit who obtains title to a unit by virtue of remedies provided in the mortgage, including but not limited to foreclosure of the mortgage, or by deed of assignment in lieu of foreclosure, shall take the unit free of unpaid charges and shall not be liable for any unpaid claims or assessments and charges against the unit which accrued prior to the acquisition of title of such unit by mortgagee.

IV.15.7 Any holder of a 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 sixty (60) days.

IV.15.8 Any lien which the Management Committee may have on any unit in the Project for the payment of Common Expense assessments attributable to such unit will be subordinate to the lien or equivalent security interest of any first mortgage on the unit.

IV.15.9 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, Declarant, nor the Association shall:

IV.15.9.1 By act or omission seek to abandon or terminate the Project;

IV.15.9.2 Change the pro rata interest or obligations of any unit for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro-rata share of ownership of each unit in the appurtenant Common Areas;

IV.15.9.3 Partition or subdivide any unit; provided further, no partition or subdivision of the complex, or of any unit therein, shall be made without the prior written approval of the Garden City Planning and Zoning Commission and other City departments as required;

IV.15.9.4 Make any material amendment to the Declaration or to the By-Laws of the Association, including, but not limited to, any amendment which would change the percentage interests of the unit owners in the Common Areas;

IV.15.9.5 By act or omission, seek to amend, partition, subdivide, encumber, sell, abandon or transfer, the Common Areas. Further, all Common Areas must remain as indicated on the originally recorded survey map, unless prior approval in writing to any change has been obtained from Garden City Planning and Zoning, the change is ratified by the Association in accordance with this Declaration, and the change is duly recorded. (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);

IV.15.9.6 Use hazard insurance proceeds for losses to any 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.

IV.15.10 Holders of first mortgages (including trust deeds or other forms of encumbrance as defined herein) shall have the right to examine the books and records of the Project at reasonable times and places upon prior written notification to the Management Committee.

IV.15.11 Whenever there is a change of ownership of a unit, the Committee shall require that the new unit owner furnish the Committee with the name of the holder of any first mortgage (or trust deed) affecting such unit. The Management Committee or Manager

shall maintain a current roster of unit owners and of the holders of first-mortgages (or like encumbrances) affecting units in the Project.

IV.16. Owners' Association. There is hereby established the Lake Meadow Lodge Owners' Association which is, or may be, incorporated as a non-profit corporation or a cooperative association, pursuant to the Laws of the State of Utah. The members shall be comprised of all owners of Residential Units in Lake Meadow Lodge, and membership in the Association shall be established by recordation in the office of the Rich County Recorder, Utah, of a deed or other estate or ownership in the respective units. Upon such recordation, the membership of prior owners as to such unit shall be terminated. In the event the administration, management, and control of the units and Common Areas and Facilities shall be vested in it as provided by law and such authority and powers as are granted to a non-profit corporation or cooperative association under the laws of the State of Utah, the Association shall be governed by the By-Laws as are attached hereto and marked Exhibit "C", or as the same may be subsequently amended or adopted to fit the form of entity.

IV.17. Use Restrictions and Limitations Upon Sale and Ownership of Lots and Units. Use of the Property herein submitted shall be in accordance with the following use restrictions and reservations and no rule shall be passed by the Management Committee in derogation of the following limitations and restrictions:

IV.17.1 All Residential Units shall be used for residential purposes only. The number of people occupying a Residential Unit shall be limited within reasonable consideration of the unit size. Declarant shall be permitted to use units owned by it as a sales office or "model" unit and designate reasonable non-assigned areas for parking for prospective customers until the last unit is sold, but at the termination of the foregoing period all units shall thereafter revert and be used exclusively as provided herein and not for sales or any other commercial purposes. Common Areas and Facilities shall be used for the purpose of furnishing services and facilities as herein provided for the welfare and enjoyment of the residences. Common areas shall not be used for camping or other overnight occupancy.

IV.17.2 The units shall not be used for any immoral, improper or unlawful purpose, and no use shall be allowed which will create a public or private nuisance. All property shall be kept in a neat and orderly manner.

IV.17.3 Use of the Common Areas and facilities will be in such manner as to respect the rights of other unit owners.

IV.17.4 No radio or television antenna or any wiring for the purpose may be installed on the exterior of any building, without prior written permission of the Association.

IV.17.5 No commercial sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any unit owner on any part of the outside or inside of the premises or building without the prior written consent of the Management Committee. Declarant shall be permitted to affix or exhibit any necessary sign, advertisement, notice, or other lettering necessary in facilitating the Declarant's sales efforts. Provided further, all signs or other advertising media employed by Declarant in its sales effort shall comply with all applicable zoning ordinances.

IV.17.6 The sidewalks, entrances, passages, and stairways must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises.

IV.17.7 All stairways, balconies and porches shall be used only for the purposes intended, and shall not be used for hanging garments or other objects, or for cleaning rugs

or other household items. No washlines of any kind will be maintained outside the owner's unit. No unit owner shall discard or permit to fall any items from the windows of the premises, nor shall they place or permit to be placed any foreign objects in the walkways, stairways and other Common Areas.

IV.17.8 All Common Areas will be used for their intended purposes, no articles belonging to unit owners shall be kept therein or thereon, and such areas shall at all times be kept free of obstruction. All storage items must be kept in the owner's unit. No personal items will be allowed to be stored outside of the unit.

IV.17.9 Disposition of garbage and trash shall be only by the use of garbage disposal units or by use of receptacles approved by the Association or Garden City or other modes of disposition as may be designated by the Association or Garden City.

IV.17.10 Except for animals required for assistance to people with disabilities (such as seeing eye dogs), pets are not allowed at Lake Meadow Lodge. The Management Committee shall have the right to have pet or stray animals removed from the premises. Costs of removal and any subsequent care of the animal as well as costs of repair of any damage caused by the animal may be charged to the pet owner or to the owner of a unit improperly housing an animal.

IV.17.11 No owner may make or permit any disturbing noises whether made by himself, his family, friends, or servants, nor permit anything to be done by such persons that will interfere with the rights or the reasonable comforts and conveniences of other tenants. No owner may play or allow to be played any sound producing device such as a musical instrument, phonograph, cassette player, compact disk player, radio or television set in his unit between the hours of 10:00 p.m. and 8:00 a.m. in such a manner that shall be audible to other occupants of the Project. No unit owner shall activate any electronic device which may intrude upon, involuntarily transmit by other than customary communications devices, or interfere with electronic devices used in other units or invade the privacy of any unit owner.

IV.17.12 No garbage cans, supplies, or other articles shall be placed by unit owners in common areas or limited common areas, nor shall anything be hung from the windows, porches, balconies or decks. Such areas shall not be used for storage.

IV.17.13 Unit owners must maintain the unit in good condition and repair, maintain and repair the fixtures therein (inclusive of the air conditioning unit, if any), and promptly pay for any utilities which are metered separately to the unit.

IV.17.14 No structural addition or alteration to the unit, and no alteration whatsoever to the exterior of the unit or to the Common Areas or limited common areas shall be made without the written approval of the Management Committee. For the purposes of this rule exterior shall mean any portion of the unit not included within the interior of the unit.

IV.17.15 The Association may retain a pass key to the premises. No unit owner shall alter any lock or install a new lock on any door on the premises without the written consent of the Association. In case such consent is given, the unit owner shall provide the Association with an additional key for the use of the Association pursuant to its right of access to the premises.

IV.17.16 All window coverings shall be covered by white lining facing the exterior of the window, except where coverings themselves are white or off-white in color.

IV.17.17 No unit owner shall make repairs, remodel or alter his unit in any manner which will affect the appearance of the exterior of the building without the approval of the Association.

IV.17.18 No person shall construct any fireplace, barbecue grill, cooking grill or other device emitting smoke, fire or noxious orders within his unit or on any deck or balcony. However, each Residential Unit may keep and utilize one commercial barbecue grill not to exceed 40,000 BTU heating capacity as long as such grill does not introduce smoke or odor into another Residential Unit.

IV.17.19 Vehicles shall be parked only in designated parking areas.

IV.17.20 No use other than vehicle parking shall be made of the parking spaces. No parking space shall be used for storage or for any purpose other than vehicle parking. Parking of automobiles, boats, recreational vehicles and extra automobiles shall be subject to the rules and regulations promulgated by the Management Committee. The Management Committee shall have the power to designate areas for the location of boats, recreational vehicles and extra automobiles as available, or to preclude them from the property.

IV.17.21 No Owner in Lake Meadow Lodge shall institute or prosecute any action for partition of a unit or of Lake Meadow Lodge without meeting the requirements of paragraph IV.15.9 supra. Each owner expressly waives any such right.

IV.17.22 No planting or gardening shall be done except as designated by the Association. No fences, trees, hedges, or walls shall be erected or maintained within Lake Meadow Lodge except such as may be installed in accordance with the initial construction of the buildings located thereon or as may be expressly approved by the Association.

IV.17.23 Unused automobiles or vehicles of any kind shall not be stored or parked within Lake Meadow Lodge. "Unused vehicle" shall be defined as any vehicle which has not been driven under its own propulsion for a period of one week or longer. A written notice describing the "unused vehicle" and requesting removal thereof may be personally served upon the owner thereof or attached to the vehicle itself, and if such vehicle has not been removed within forty-eight (48) hours thereafter, the Association shall have the right to remove the same without liability to itself, and the expense thereof shall be charged against the owner. If such owner shall be a member of the Association, the cost thereof shall be added to his next assessment due.

IV.17.24 All other individual or group uses of the Common Area shall be pursuant to Rules and Regulations of the Management Committee.

IV.18. Method of Amendment to Declaration. Except for provisions for amendment of this Declaration as exclusively granted or reserved to the Declarant or mortgagee herein, this Declaration may be amended by special meeting called for such purpose after giving written notice to each Residential Unit owner, mailed by United States Mail at least fifteen (15) days prior to the date of such meeting. The change may be requested at a meeting called for such change upon recommendation of the Management Committee, or upon request of not less than 33% of the Residential Unit owners. At a meeting so called, amendments may be made to the Declaration upon approval of two-thirds of the members of the Association. Any amendment so passed shall be evidenced by a certificate executed by the president and the secretary with the formalities of a deed. The certificate shall include recording data identifying the original Declaration and shall thereafter be recorded itself. All changes must comply with the zoning ordinances of Garden City and this Declaration. No amendment may be made which would discriminate against or disproportionately treat any individual lot owner.

IV.19. Amendment of and Addition to Declaration by Declarant. Until control of the Association passes to the unit owners under the provisions of paragraph IV.11 hereof, the Declarant reserves the right at any time to amend the Declaration as may be required by any lending institution or public body; or in such manner as the Declarant may determine to be necessary or useful to carry out the purposes of the Development; provided that such amendment shall not increase the proportion of common expenses borne by the lot owners. After control has passed to the Association, all amendments shall be as provided by paragraph IV.18, supra.

IV.20. Leasing and Renting of Units. All lessees of units shall be reported and listed with the Management Committee. All lessees shall be subject in all respects to the provisions of the Declaration and By-laws and any failure of the lessee to comply with the terms of said documents shall be a default under the lease or tenancy. The Management Committee may maintain an action of law, separate and apart from the owner, for eviction and/or damages against the lessee in violation of this Declaration, the By-laws, or rules of the Association.

IV.20.1 At the lessor's option, each lessee may have the right to vote at the meetings of the owner in place of the owner, except with respect to votes for capital expenditures.

IV.20.2 At the owner's option, each Residential Unit may participate in a pool for short term rental of individual units to be managed for the individual owner's benefit under the direction of the Management Committee. The Management Committee shall establish and maintain policies and procedures for operation of the rental pool and shall supervise its operation.

IV.21. Encroachments. None of the rights and obligations of any unit owner created by this Declaration, By-Laws, or by any deed conveying a lot shall be affected in any way by an encroachment: (i) by any portion of the Common Areas and facilities upon any unit; (ii) by any unit upon any portion of the Common Areas and Facilities; or (iii) by any unit upon another unit due to settling or shifting of the building or other structure. Such rights and obligations include, without being limited to, rebuilding of the building and other structure after fire or other casualty or an eminent domain taking or delivery of a deed in lieu of condemnation. Notwithstanding this provision, an encroachment that results from the willful or negligent act or omission of the unit owner of an encroaching unit, or of the owners of the units to which the use of an encroaching Limited Common Area or Facility is appurtenant, or of the Management Committee in the event of an encroachment by any portion of the Common Areas and Facilities other than the Limited Common Areas and Facilities, shall be handled according to applicable law. There are hereby created valid easements for the maintenance of any encroachments permitted by this paragraph so long as such encroachments exist.

IV.22. Conveyances, Easements. Every deed, lease, mortgage, or other instrument may describe a unit by its lot number(s) set forth on the Exhibit "A" Map and in Exhibit "B". Every such description shall be deemed good and sufficient for all purposes and shall be deemed to convey, transfer, encumber, or otherwise affect the unit owner's corresponding percentage of undivided ownership in the Common Areas and Facilities, as a tenant-in-common, as set forth in Exhibit "B", even if these attributes are not mentioned or described. Every deed, lease, mortgage, or other similar instrument shall be deemed to:

IV.22.1 Except and reserve, with respect to a unit: (i) any appurtenant portion of the Common Area; (ii) easements through the unit, appurtenant to the Common Areas and Facilities and all other units, for support of the Common Areas and Facilities and all other units; and (iii) easements, appurtenant to the Common Areas and facilities, for encroachment upon the unit in so far as those portions of the Common Areas and Facilities are located within the unit;

IV.22.2 include with respect to a unit non-exclusive easements for ingress and egress and support of said unit through the Common Areas and Facilities, for the repair of

the unit through all other units and through the Common Areas and facilities, and for the use of the parking spaces as indicated on Exhibit "A".

IV.22.3 Except and reserve, with respect to the undivided percentage interest in the Common Areas and Facilities, nonexclusive easements for access to the parking spaces as set forth in Exhibit "A".

IV.22.4 Except and reserve nonexclusive easements appurtenant to all units for ingress, egress, support, repair and use of each unit

IV.22.5 Include, with respect to the undivided percentage interest in the Common Areas and Facilities, nonexclusive easements through each unit for support and repair of shared structural, mechanical or electrical elements of the buildings or the Common Areas and Facilities and nonexclusive easements for encroachments upon all of the units by and for the portions of the Common Areas and Facilities lying within individual lots.

IV.23. Sale or Lease: Any purchaser or lessee shall automatically be subject to all of the terms, conditions, limitations, rights, and obligations placed upon an owner or lessee by this Declaration, with or without actual notice of this Declaration. The subleasing or subrenting of said interest shall be subject to the same limitations as are applicable to the leasing or renting thereof. The liability of the unit owner under these covenants shall continue, notwithstanding the fact that he may have leased or rented said interest as provided herein.

IV.24. Combination of Units. Following their construction, units may not be combined. Notwithstanding such restriction, a single family Residential Unit may be built on two lots provided the building location is that shown on Exhibit "A" and building dimensions (including height) are equal to those of the two contiguous units shown on Exhibit "A" as being located on those lots. No such construction shall alter the exterior appearance of a building other than location of windows and doors. Any Residential Unit built on two such lots shall be properly described by the legal description of both lots on which it is located.

IV.25. Duty of Unit Owners; Remedy: Each unit owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with the decisions adopted pursuant to this Declaration and the administrative rules and regulations. Failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee or manager on behalf of the unit owners, or in a proper case, by an aggrieved unit owner.

IV.26. Assessments. The making and collection of assessments from unit owners for their share of common expenses shall be pursuant to the By-Laws and subject to the following provisions:

IV.26.1 Each owner shall be liable for a proportionate share of any common expenses and shall share in any common profits, such shares being the same as the percentage of undivided interest in the Common Areas and Facilities appurtenant to the unit owned by the unit owner as set forth in Exhibit "B".

IV.26.2 Assessments and any installments thereof not paid on or before ten (10) days after the date when due shall bear interest at the prevailing interest rate on judgments as determined by the Utah Courts each year, or at such other rate of interest as may be set by the Management Committee, but in any event not less than eight percent (8%) nor more than eighteen percent (18%), from the date when due until paid. All payments on account shall be first applied to interest and then to the assessment payment first due. All assessments and installments not paid on time shall allow the Management Committee to file a lien, for the amount of the outstanding balance, against the unit and against the unit owner and in favor of the Management Committee for the benefit of the Project.

IV.26.3 A lien or action for collection for unpaid assessments shall also require the defaulting unit owner or lessee to pay reasonable attorneys' fees and all costs and expenses including taxes, if any, incurred by the Management Committee incident to the collection of such assessment or enforcement of such a lien.

IV.26.4 In any foreclosure of a lien for assessments, the unit owner subject to the lien shall be required to pay a reasonable rental for the unit, and the Management Committee shall be entitled to the appointment of a receiver to collect the same.

IV.26.5 The Management Committee may include in the monthly assessments amounts representing contributions to the capital of the association to be used for the replacement of or additions to capital items or improvements in the Property. Said amount shall be set up as capital accounts for each Residential Unit. In the event of transfer of a unit, the capital account shall be deemed transferred to the unit transferee.

IV.26.6 In assessing the unit owners for capital improvements to the Common Areas and Facilities, for which there are not sufficient amounts in the respective capital accounts, there shall be no single improvement exceeding the sum of Five Thousand Dollars (\$5,000.00) made by the Management Committee without the same having been first voted upon and approved by a two-thirds (2/3) majority of those present in person or by proxy of the Association at a meeting duly called for that purpose and provided not less than 50% of all Residential Unit owners are represented. The foregoing shall not apply in connection with damage or destruction referred to in paragraph IV.13 hereof, or to such structural alterations, capital additions to, or capital improvements of the Common Areas and Facilities as are necessary in the Management Committee's reasonable judgment to preserve or maintain the structural integrity of the Common Areas and Facilities of the Property.

IV.26.7 If the unit owner shall, at any time, let or sublet his unit and shall default for a period of one month in the payment of any assessments, the Management Committee may, at its option with authorization hereby granted by the unit owner pursuant to this paragraph, demand and receive from any tenant or subtenant of the unit owner the rent due or becoming due in payment of such assessment, with the balance to be held in trust by the Management Committee for the unit owner. The failure of a tenant to make such payment to the Management Committee shall be grounds for eviction of the tenant. Each unit owner agrees to hold harmless the tenant for good faith payments made pursuant to this paragraph.

IV.27. Taxes. It is understood that each lot or unit, together with its Limited Common Areas and its percentage of undivided interest in the Common Areas and Facilities in the Project, may be deemed a parcel and subject to separate assessment and taxation by each assessing agency and special district for all type of taxes authorized by law. Each unit owner will, accordingly, pay and discharge any and all taxes which may be assessed against his unit, together with his pro-rata share of Common Areas. If, for any reason, any tax or other assessment is made as to the property as a whole the percentage share of each unit owner shall be assessed and collected by the Management Committee in accordance with Exhibit "B".

IV.28. Voting: At any meeting of the Association of unit owners, each Residential Unit owner, including Declarant, either in person or by proxy, shall be entitled to one vote. If there is more than one owner with respect to a particular unit, any or all of such unit owners may attend any meeting of the association, but it shall be necessary for all such unit owners present to act unanimously in order to cast the vote pertaining to their unit.

IV.29. Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered seventy-two (72) hours after a copy of the same has been deposited in the U.S. Postal Service, postage prepaid.

Notice to unit owners shall be addressed to each unit owner at the address given by such unit's owner to the Management Committee for the purpose of service of such notice or to the owner in care of Lake Meadow Lodge P.O. Box 33, Garden City, UT, 84028, if no such address has been given to the Management Committee. Such address may be changed from time to time by notice in writing to the Management Committee. Notice to the Management Committee shall be addressed to: P.O. Box 33, Garden City, UT 84028.

IV.30. No Waiver. The failure of the Management Committee or its agents to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration or the Bylaws, or to exercise or refrain to exercise any right or option herein contained, or to serve or to refrain from the service of any notice or to institute or to refrain from instituting any action shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition, or restriction. Such term, covenant, condition, or restriction shall remain in full force and effect. The receipt and acceptance by the Management Committee or its agent of the payment of any assessment from a unit owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Management Committee.

IV.31. Declarant's Use. Declarant and persons it may select from time to time shall have the right of ingress and egress over, upon, and across the Common Areas and facilities and Limited Common Areas and facilities and the right to temporarily place materials therein and to make such other use thereof as may be reasonably necessary incident to the construction, refurbishing, development, and sale of all the units.

IV.32. Severability. The provisions of this declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

IV.33. Captions and Gender. The captions in this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof. The masculine gender as used herein shall mean and include the female or neuter gender when the context requires.

IV.34. Law Controlling. This Declaration, the Map, and the By-Laws shall be construed and controlled by and under the laws of the State of Utah.

IV.35. Reasonable Interpretation. This Declaration shall be given reasonable interpretation and application such that should any provision be void or voidable the balance shall be applied so far as possible. Errors in spelling, usage, gender, grammar, or syntax shall be applied or construed to be consistent with the context and reasonable interpretation.

IV.36. Effective Date. This Declaration shall take effect when recorded.

IV.37. Successors & Assignment. The provisions of this Declaration shall be binding upon or inure to the benefit of any heir, assign or successor in interest, except where specifically limited or voided by the terms of this Declaration. In the event the undersigned Declarant assigns or sells its interest any successor to the Declarant shall accede to all rights, responsibilities and obligations of the named Declarant herein and the undersigned Declarant shall be released and held harmless from any claims thereafter arising out of or related to this Declaration or the actions of the Declarant.

IV.38. Agent for Service of Process:

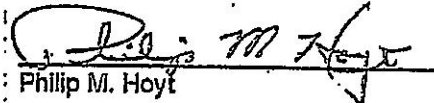
IV.38.1 The name and address of the person in Salt Lake County, State of Utah, appointed as the initial agent to receive service of process in matters pertaining to the Property is Philip M. Hoyt, 5876 Ayrshire Drive, Murray, Utah, 84107. The agent may be

changed by the Management Committee at any time by recorded notice referencing this Declaration.

IV.38.2 The authority and responsibility of such agent is limited strictly to that of an agent for the service of process. He is not an officer of the Management Committee or otherwise responsible for the acts of the Association, Management Committee, or Declarant, which parties agree to hold harmless and indemnify said agent for his good faith performance as agent.

IV.39. Covenant of Purchasers. The Declarant will require each purchaser of a unit or units to state in writing that the Buyer has read, reviewed, and understands all terms of this Declaration, the Articles of Incorporation of the Lake Meadow Lodge Homeowners' Association and the By-laws and agrees to be bound by such terms and to require any subsequent purchaser or lessee to agree in writing as to the disclosure and binding effect of such documents. The Declarant may further note the binding effect of the foregoing documents in any Deed to a purchaser or in a lease to a lessee, and may subsequently refuse to recognize as an owner or lessee any person purporting to be an owner or lessee who or which has not entered such acknowledgments.

IN WITNESS WHEREOF the undersigned have executed this instrument this 18 day of May 1998.


Philip M. Hoyt


Deanna J. Hoyt

State of Utah)
) ss.
County of Salt Lake)

THE FOREGOING INSTRUMENT was acknowledged before me by Philip M. Hoyt and Deanna J. Hoyt this 18 day of May, 1998.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.


NOTARY PUBLIC

My Commission Expires 8-7-99

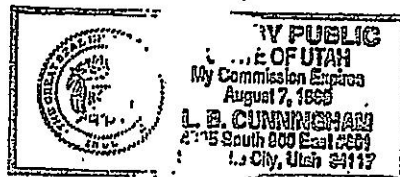


Exhibit C
to the Management Declaration of Lake Meadow Lodge

BY-LAWS

LAKE MEADOW LODGE OWNERS' ASSOCIATION

An Association of Unit Owners

The administration of the Lake Meadow Lodge Planned Unit Development (hereinafter the "Property") and the Lake Meadow Lodge Owners' Association (hereinafter the "Association") shall be governed by these By-Laws, by the Utah Nonprofit Corporation and Cooperative Association Act, Utah Code Annotated §16-6-18 et. seq. (hereinafter the "Corporate Act" or the "Act") and by the Management Declaration of Lake Meadow Lodge to which these By-Laws are an exhibit (hereinafter the "Declaration").

1. Application of By-Laws

All present and future unit owners, mortgagees, lessees, and occupants of units and their employees, and any other persons who may use the facilities of the property in any manner are subject to the Declaration, these By-Laws, all rules made pursuant hereto, and any amendment thereof. The ownership, lease, or the act of occupancy of a unit shall constitute an agreement that the provisions of the Declaration and these By-Laws (as well as any rules and regulations made pursuant thereto), as they may be amended from time to time, are accepted, ratified, and will be complied with by owners, lessors and occupants of the units. The definition of "terms" employed in the Management Declaration of Lake Meadow Lodge shall define the same terms used in these By-Laws. Should a conflict arise as to any statute or document referenced in these By-Laws then the following shall control and resolve any such conflict:

- (i) The statute shall control over any document.
- (ii) The Declaration shall control as to the By-Laws or any other conflicting document.
- (iii) The By-Laws shall control as to any rule or subsequent contract or document.

2. Management Committee

2.1 The administration of the property on behalf of the Association shall initially be conducted by a Management Committee of three (3) natural individuals who shall serve as the Trustees for the Association. The Management Committee may be expanded by a 2/3 majority vote of lot owners amending these By-Laws to any greater odd number of committee members. (Unless otherwise provided by law or the Declaration, each Residential Unit owner shall have one vote per lot owned.)

2.2 When Residential Unit owners, other than Declarant, own 15% or more of lots 1 - 40, Residential Unit owners other than the Declarant shall be entitled to elect one of the members of the Management Committee. When the Residential Unit owners, other than the Declarant, own 15% to 50% of lots 1 - 40, the Management Committee will be comprised of three (3) members.

2.3 When Residential Unit owners, other than the Declarant, own 50% or more of lots 1 - 40, the Residential Unit owners, other than the Declarant, shall be entitled to elect three of the members of the

Management Committee. A transfer of one or more units by the Declarant to a non-occupying owner for resale shall not constitute a sale by the Declarant under this paragraph. When the Residential Unit owners, other than the Declarant, own 50% or more of lots 1 - 40, the Management Committee will be comprised of five (5) members.

2.4 Declarant shall have the permanent right, but not the duty, to appoint not less than two members of the Management Committee of the Association as long as the Declarant holds any unit or units for sale or lease in the ordinary course of business or holds any unit for his own personal use and enjoyment.

2.5 Beginning with the first annual meeting after Declarant has relinquished majority control in accordance with the preceding provisions, and at every annual meeting thereafter, the Association shall elect the members of the Management Committee for the forthcoming year. At least thirty (30) days prior to any annual meeting of the Association, the Management Committee shall elect from the Residential Unit owners a nominating committee of not less than three (3) members (none of whom shall be members of the then Management Committee) who shall recommend to the annual meeting one nominee for each position on the Management Committee to be filled at that particular annual meeting. Nominations for positions on the Management Committee may also be made by petition filed with the secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by eight (8) or more Residential Unit owners and signed by the nominee named therein indicating his willingness to serve as a member of the Management Committee, if elected. Members of the Management Committee need not be unit owners.

2.6 Members of the Management Committee shall serve for a term of two (2) years; provided, however, that two members of the Management Committee elected at the first annual election shall serve an initial term of one (1) year and the other member(s) shall serve for initial terms of two (2) years. Thereafter, all Management Committee members elected shall serve for a two-year term. The terms of no more than two-thirds (2/3) of the members will end each year. The members of the Management Committee shall serve until their respective successors are elected, or until their death, resignation, or removal. Any member of the Management Committee who fails to attend three consecutive Management Committee meetings or fails to attend at least 25% of the Management Committee meetings held during any calendar year shall forfeit his or her membership on the Management Committee.

2.7 Any member of the Management Committee may resign at any time by giving written notice to the president of the Association, or the remaining Management Committee members. Any member of the Management Committee may be removed from membership on the Management Committee by a two-thirds (2/3) majority vote of the Association. Whenever there shall occur a vacancy on the Management Committee due to death, resignation, removal, or any other cause, the remaining members shall elect a successor member to serve until the next annual meeting of the Association, at which time said vacancy shall be filled by the Association for the unexpired term, if any. Provided, however, the management committee shall have a quorum and may conduct all business so long as there are two (2) members on such committee.

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

2.9 The Management Committee, for the benefit of the property and the Association, shall manage the business, property, and affairs of the property and the Association and enforce the provisions of the Declaration, these By-Laws, the house rules, and the administrative rules and regulations governing the property. The Management Committee shall have the powers, duties, and responsibilities with respect to the property as contained in and limited by the Corporate Act, the Declaration, and these By-Laws. Should there exist any conflict between these By-Laws and the Declaration, the Declaration shall control.

2.10 The meetings of the Management Committee shall be held at such places within the State of Utah as the Management Committee shall determine. A majority of the Management Committee shall

constitute a quorum, and the decision of a majority of those present shall be the act of the Management Committee. The Management Committee shall annually elect all of the officers of the Association. The meeting for the election of officers shall be held at the first meeting of the Management Committee following the annual meeting of the Association.

2.11 Special meetings of the Management Committee may be called by the president or by any two Management Committee members.

2.12 Regular meetings of the Management Committee shall be scheduled for one year following the election of officers and may be held without formal call or notice, provided actual notice of such meeting is communicated to each member. Special meetings of the Management Committee may be held on call of two or more of its members. The person or persons issuing the call shall, at least ten (10) days before the meeting, give notice to all members of the Committee thereof by any usual means of communication. Such notice shall specify the purpose for which the meeting is called. If an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

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

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

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

3. Meetings of the Association

3.1 The presence in person or by proxy at any meeting of the Association of fifty percent (50%) of the Residential Unit owners in response to notice of all Residential Unit owners of record properly given shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the unit owners at which a quorum is present upon a majority vote of the Residential Unit owners who are present in person or by proxy and who are voting. In the event that fifty percent (50%) of the Residential Unit owners are not present in person or by proxy, the meeting may progress with any number of owners present for the purpose of formulating business. Any matter of business then brought before the Association may be submitted to all members of the Association by mail and will become the action of the Association upon positive mail vote by the appropriate majority of members voting as long as each qualified mail vote is signed by the owner voting or his authorized proxy and the total qualified vote represents at least fifty percent (50%) of the owners.

3.2 There shall be an annual meeting of the Association to be held on the first Friday of July at 7:00 p.m. The meeting shall be held at the property or at such other reasonable place or time within the State of Utah as may be designated by written notice by the Management Committee mailed to the Residential Unit owners not less than twenty (20) days prior to the date fixed for said meeting. Management Committee vacancies shall be filled at the annual meeting in accordance with paragraphs 2.2, 2.3, 2.4 and 2.5 herein. At or prior to an annual meeting, the outgoing Management Committee shall furnish to the unit owners: (1)

a budget for the coming fiscal year that shall itemize the estimated common expenses of the coming fiscal year with the estimated allocation thereof to each unit owner; and (ii) a statement of common expenses itemizing receipts and disbursements for the previous and current fiscal year, together with the allocation thereof to each unit owner. Within twenty (20) days after the annual meeting, these financial statements shall be mailed to the unit owners who were not present at the annual meeting.

3.3 Special meetings of the Association may be held at any time at the property or at such other reasonable place in Utah to consider matters which, by the terms of the Declaration, require the approval of all or some of the unit owners, or for any other reasonable purpose. Special meetings shall be called by written notice, signed by a majority of the Management Committee, or by unit owners representing at least one-third (1/3) in interest of the undivided ownership of the common areas and facilities and mailed to all unit owners not less than twenty (20) days prior to the date fixed for said meeting. The notices shall specify the date, time, and place of the meeting, and the matters to be considered.

3.4 Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration or these By-Laws.

4. Officers

4.1 All officers and employees of the Association shall serve at the will of the Management Committee. The officers shall be a president, secretary, and treasurer. Initially one person may exercise all of the foregoing offices if designated by the Management Committee. The Management Committee may appoint other assistant officers as it deems necessary. No officer shall receive compensation for serving as such. Officers shall be elected annually by the Management Committee from the membership of the Committee and may be removed and replaced by the Committee.

4.2 The president shall be the chief executive of the Management Committee and shall preside at all meetings of the unit owners and of the Management Committee and may exercise the powers ordinarily allocable to the presiding officer of an Association, including the appointment of committees. The president shall exercise general supervision over the property and its affairs. He shall sign on behalf of the Association all contracts of material importance to its business. He shall do and perform all acts which the Management Committee may require.

4.3 The secretary shall keep minutes of all proceedings of the Management Committee and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the unit owners and the Management Committee. In the absence or inability of the president, the secretary shall perform the functions of the president.

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

5. Common Expenses: Assessments

5.1 All assessments shall be made in accordance with the general provisions of paragraph IV.27 of the Declaration.

5.2 Within thirty (30) days prior to any annual meeting of the Association, the Management Committee shall estimate the common expenses and capital contributions for the following year. The estimated capital contributions may include such amounts as the Management Committee may deem proper for general working capital, for the general operating reserve, for a reserve fund for replacements and major maintenance, and shall take into account any expected income, surplus or deficit in the common expenses for any prior year. These estimated capital contributions and common expenses shall be presented at the annual meeting for ratification by majority vote, and thereafter shall be assessed on a monthly basis to the unit owners in proportion to their percentage of undivided interest in the common areas and facilities as set

forth in the declaration and any pertinent exhibit attached thereto. If the estimated common expenses prove inadequate for any reason, including nonpayment of any unit owner's assessments, the Management Committee may, by resolution duly adopted, make additional assessments, which shall be assessed to the unit owners in the same manner as the estimated common expenses upon ratification by a majority vote. Each unit owner shall be obligated to pay to the Management Committee assessments made pursuant to this paragraph on or before the first day of each month, or in such other reasonable manner as the Management Committee shall designate. The funds received by the Management Committee from assessments shall be kept in either capital accounts or in the common expense fund and shall be expended by the Management Committee only in accordance with the provisions of the Corporate Act, the Declaration, and these By-Laws.

5.3 Every determination by the Management Committee with respect to common expenses and common expenditures necessary to maintain the property, that is made within the bounds of the Corporate Act, the Declaration, and these By-Laws, shall be final and conclusive as to the unit owners, and shall be deemed necessary and properly made for such purposes.

5.4 The rights, duties, and functions of the Management Committee set forth in this paragraph shall be exercised by Declarant until Declarant shall have relinquished control in accordance with paragraphs 2.2 and 2.3.

5.5 A negative vote on any proposed budget or failure by the Management Committee to estimate the common expenses before the expiration of any year as required herein shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or these By-Laws, or a release of any unit owner from the obligation to pay any past or future assessments, and the estimated common expenses fixed for the previous and current year shall continue until a new budget is fixed.

5.6 Amendments to this paragraph 5 shall be effective only upon unanimous written consent of three-fourths of the Residential Unit owners. The rights of Declarant to appoint the Management Committee under terms of paragraph 2 herein shall not be affected by any such amendment.

5.7 No unit owner may exempt himself from liability for common expenses by waiver of the use or enjoyment of any of the common areas and facilities or by abandonment of his unit.

5.8 The treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the common areas and facilities, specifying and itemizing the maintenance, repair, and replacement expenses of the common areas and facilities and any other expenses incurred. Such record shall be available for examination by the unit owners during regular business hours. In accordance with the actions of the Management Committee assessing common expenses against the units and unit owner, the treasurer shall keep an accurate record of such assessments and of the payments thereof by each unit owner.

5.9 All common expense assessments shall be a separate, distinct, and personal liability of the owner of the unit at the time each assessment is made. The Management Committee shall have the rights and remedies contained in the Act and in the Declaration to enforce the collection of assessments for common expenses.

5.10 Any person who shall have entered into a written agreement to purchase a unit shall be entitled to obtain a written statement from the treasurer setting forth the amount of unpaid assessments charged against the unit and its owners. If such statement does not reveal the full amount of the unpaid assessments as of the date it is rendered, neither the purchaser nor the unit shall be liable for the payment of an amount in excess of the unpaid assessments shown thereon, although nothing in this policy shall release the former owner from such liability. Any assessment or installment not paid on time shall constitute cause for the Management Committee to file a lien for the amount of the outstanding balance, against the unit and against the unit owner, and in favor of the Management Committee for the benefit of the Project.

5.11 In the event that title to a unit is transferred at a sheriff's sale pursuant to execution upon any lien against the unit, the Management Committee shall give notice in writing to the sheriff of any unpaid assessments for common expenses which are a lien against the unit, and for any expenses of or advances by the Management Committee which have not theretofore been reduced to a lien, which shall be paid out of the proceeds of the sale prior to the distribution of any balance to the former unit owner against whom the execution was issued. The purchaser at such sheriff's sale and the unit involved shall not be liable for unpaid assessments for common expenses and for any expenses of or advances by the Management Committee which become due prior to the sheriff's sale of the unit. Any such unpaid assessments which cannot be promptly collected from the former unit owner shall be reassessed by the Management Committee as a common expense to be collected from all of the unit owners, including the purchaser who acquired title at the sheriff's sale, his successors, and assigns. To protect its rights to collect unpaid assessments for common expenses which are a lien against a unit, and for any expenses of and advances by Management Committee, the Management Committee may, on behalf of all the unit owners, purchase the unit at a sheriff's sale, provided such action is authorized by the affirmative vote of a majority of the members of the Management Committee.

5.12 In addition to the statements issuable to purchasers of units, the Management Committee shall provide, upon request, a current statement of unpaid assessments for common expenses and for any expenses of and advances by the Management Committee in respect of the unit, to the unit owner, to any person who shall have entered into a binding agreement to purchase the unit, or to any mortgagee on request at reasonable intervals.

5.13 In cases where all or part of any assessment for common expenses, including any expense of or advance by the Management Committee, cannot be promptly collected from the persons or entities liable therefor under the Act, Declaration or these By-Laws, the Management Committee shall reassess the same as a common expense, without prejudice to its rights of collection against such persons or entities.

5.14 In the event the unit owner cannot be contacted at his address of record filed with the Management Committee, then any party renting or in actual occupancy shall be jointly and severally liable with the unit owner for such expenses. The unit owner agrees in accordance with the Declaration to assign so much of the rent of such occupant to the Management Committee as may be necessary to pay current and delinquent assessments and appoints the Management Committee to collect such rents.

5.15 It is herewith adopted as policy that, upon the initial and all subsequent unit sales, the Management Committee shall collect the prorated prevailing monthly association fees or dues for the balance of the first month of ownership and for the entire month following. Unpaid or delinquent payments for assessments shall be brought current by the new owner according to paragraph 5.10 above. Unless this combined amount is submitted to the Management Committee as part of the closing, it shall constitute an assessment to the new unit owner.

6. Litigation

6.1 If any action is brought by one or more, but less than all, unit owners on behalf of the Association and recovery is had, the plaintiff's expenses up to the amount of the recovery, including reasonable counsel's fees, shall be a common expense; provided, however, that if such action is brought against the unit owners or against the Management Committee, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the unit owners, the plaintiff's expenses, including counsel fees, shall not be charged to or borne by unit owners who are not parties to the action, as a common expense or otherwise.

6.2 Complaints brought against the Association, the Management Committee or the officers, employees or agents thereof, in their respective capacities as such, or the property as a whole shall be directed to the Management Committee, which shall promptly give written notice thereof to the unit owners and any mortgagees and shall be defended by the Management Committee, and the unit owners and mortgagees shall have no right to participate other than through the Management Committee in such defense. Complaints against one or more, but less than all, unit owners shall be directed to such unit

owners, who shall promptly give written notice thereof to the Management Committee and to the mortgagees affecting such units, and shall be defended by such unit owners, unless the Management Committee votes to defend such action on behalf of the entire Association.

6.3 In any action brought against a unit owner for any claim or cause of action arising out of, or related to, these By-Laws or the Declaration, the unit owner shall be deemed given notice or service if notice or service is left at the unit or if notice or service is made upon any lessee or any party occupying the unit unless another address is supplied to the Management Committee for such owner. In any action brought against the unit owner by the Management Committee, the unit owner agrees to pay reasonable attorney fees and interest on any delinquency, before and after judgment, at the rate provided in section IV.27.2 of the Declaration.

7. Abatement and Enjoinment of Violations by Unit Owners

The violation of any rules or administrative regulations adopted by the Management Committee or the breach of any provision contained herein or the breach of any provision of the Declaration shall give the Management Committee the right, in addition to any other rights set forth in these By-Laws:

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

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

8. Accounting

8.1 The books and accounts of the Association and Management Committee shall be kept in accordance with generally accepted accounting principles (GAAP) under the direction of the treasurer.

8.2 At the close of each fiscal year, the books and records of the Management Committee shall be reviewed by a Certified Public Accountant approved by the Association.

8.3 The books and accounts of the Association and Management Committee shall be available for inspection at the office of the Association by any unit owner or his authorized representative during regular business hours and upon reasonable prior written notice.

9. Special Committees

The Management Committee by resolution may designate one or more special committees, each committee to consist of two (2) or more Residential Unit owners, which to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Management Committee. Such special committees shall keep regular minutes of their proceedings and report the same to the Management Committee when required. The members of such special committee or committees designated shall be appointed by the Management Committee or the president. The Management Committee or the president may appoint Residential Unit owners to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

10. Amendment of By-Laws

These By-Laws may be amended by a two-thirds (2/3) affirmative vote of the Association at a meeting duly called for such purpose. Upon such an affirmative vote, the Management Committee shall acknowledge the amended By-Laws, setting forth the fact of the required affirmative vote of the Residential Unit owners and the amendment shall be effective upon recording. Provided however, the Association shall not have the power to amend the provisions of these By-Laws relating to control of the Management Committee by the Declarant.

11. Notification

Any unit owner shall promptly notify the Management Committee of the name and address of any lessee or other occupant of his unit who assumes control of or responsibility for the unit. The Management Committee may require such occupant to formally accept the Declaration and these By-Laws in writing as a condition of occupancy. Any occupant not so listed or refusing to sign an agreement in writing to be governed by the Declaration or By-Laws may be summarily removed by the Management Committee, without prior consent or notice to the unit owner.

12. Severability

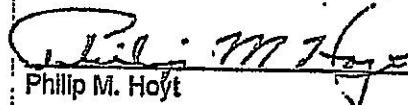
The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

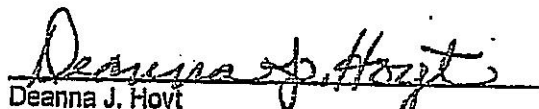
13. Captions

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

These By-Laws shall take effect upon recording of the Declaration of which they are a part.

Witness the hand of all of the undersigned members of the Initial Management Committee this _____ day of May, 1998.


Phillip M. Hoyt


Deanna J. Hoyt

AFTER RECORDING MAIL TO:
Tracy Maxfield
1162 Castlecreek Drive
Salt Lake City, UT
81117

AMENDMENT TO THE
MANAGEMENT DECLARATION
OF
LAKE MEADOW LODGE

GI

Rudi Diederich, as President of the Lake Meadow Lodge Home Owners' Association, which has an address of Box 33, Garden City, Utah hereby amends the Management Declaration of Lake Meadow Lodge, originally filed with the Rich County Recorder on or about the 8th day of June, 1998 and recorded in Book Y7, at Page 351. This Amendment has been approved by a vote of the homeowners where more than two-thirds of the votes as is required by Article IV.18. Notice of the proposed amendment was sent to the individual homeowners by the Management Committee and twenty three owners voted in favor of the amendment, nine voted against the amendment and two owners abstained from the vote. Notice of the results of the vote, along with the language of the amendment that had been adopted, was sent to the home owners by mail by the President of the Management Committee.

THEREFORE, Article IV.20.2 of the MANAGEMENT DECLARATION OF LAKE MEADOW LODGE is amended to read, in its entirety as follows:

"Short term rental of any Lake Meadow Lodge unit with a change of occupants within a period of less than 90 day is prohibited."

Witness the hand of the President of the Management Committee, Rudi Diederich, and the Secretary of the Management Committee, Tracy Maxfield, this 30th day of July, 2001.

Rudi Diederich
Rudi Diederich

Tracy Maxfield
Tracy Maxfield
Secretary

Recorded Jul 06 2001 Filing No. 52853

At 10:55 AM in Book YB Page DB7

Fee 12.00 Debra L. Ames Rich County Recorder

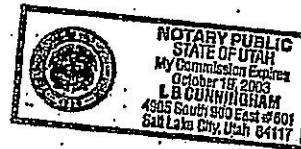
Requested by Tracy Maxfield

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

On the 5th day of July, 2001, personally appeared before me Rudi Diederich, one of the above signers of the within AMENDMENT TO THE MANAGEMENT DECLARATION OF LAKE MEADOW LODGE, who duly acknowledged to me that he executed the same.

L. B. Cunningham
Notary Public

Residing in:

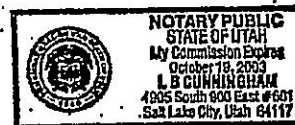


STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

On the 5th day of July, 2001, personally appeared before me Tracy Maxfield, one of the above signers of the within AMENDMENT TO THE MANAGEMENT DECLARATION OF LAKE MEADOW LODGE, who duly acknowledged to me that she executed the same.

L. B. Cunningham
Notary Public

Residing in: Salt Lake City



FIRST AMENDMENT TO MANAGEMENT DECLARATION OF
LAKE MEADOW LODGE

This FIRST AMENDMENT TO DECLARATION is made and executed this 27 day of March, 2002, as follows:

RECITALS

A. WHEREAS, the Management Committee of the Lake Meadow Lodge Homeowners' Association, on or about February 15, 2002, mailed a Notice of Special Meeting of the Lake Meadow Lodge Homeowners' Association by United States Mail at least twenty (20) days prior to the date of such meeting to each Residential Unit owner (hereafter Members) of Lake Meadow Lodge.

B. Pursuant to Sections 3.1 and 3.3 of the Bylaws of the Lake Meadow Lodge Homeowners' Association, at the Special Meeting at the date, time and place duly scheduled for the Special Meeting of the Association, there were fewer than fifty percent (50%) of the Members present in person or by proxy. Pursuant to the Bylaws of the Association, the business that was to be brought before the Special Meeting of the Association was submitted to all Members of the Association by mail, to become the action of the Association upon positive mail vote by the appropriate majority of Members voting.

C. Pursuant to the Rules of the Association and its Bylaws, a mail vote and ballot was submitted to all Members; and of 34 ballots that were mailed out, there were signed and returned in a timely manner to the Association 25 votes in favor of the Amendment hereinafter described and 9 votes opposed to the Amendment.

D. Pursuant to duly called and formal action of the Association, the Amendment to the Declaration passes by greater than a two-thirds (2/3rds) majority vote of the Members and, consequently, has been adopted by the Association and must be duly signed by the President and Secretary of the Association.

E. The legal description of the Lake Meadow Lodge development which is subject to the Management Declaration and this First Amendment to Management Declaration is described as follows:

A part of the Northwest Quarter of Section 21, Township 14 North, Range 5 East of the Salt Lake Base and Meridian. Also a part of Block 7, Plat "B" of the Garden City Survey, described as follows:

Beginning at a point located South 00°00'00" East 148.52 feet (2.25 chains by record) and South 89°45'46" East 300.00 feet from the rebar found at the Northwest corner of Block 7, Plat "B" of the Garden City Survey, and running thence South 00°00'00" West 74.22 feet; thence North 89°46'21" West 91.29 feet; thence South 00°00'00" West 406.21 feet (measured) 406.25 feet by record; thence South 89°47'32" East 88.29 feet; thence South 00°00'00" West 66.00 feet; thence South 89°47'32" East 554.00 feet more or less to the meander line of Bear Lake; thence North 07°58'03" West along said meander line 401.84 feet to the Northeast Corner of Lot 11, Block 7 of the Garden City Survey; thence North 08°00'27" West along the meander line of Bear Lake 149.93 feet more or less; thence North 89°45'46" West 279.91 feet; thence North 00°14'14" East

Lake Meadow Lodge * *

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Requested by Debra L. Ames

5.00 feet; thence North 89°45'46" West 152.00 feet; thence South 00°14'14" West 5.00 feet; thence North 89°45'46" West 42.50 feet (50.00 feet by record) to the point of beginning.

(Being the Plat of Lake Meadow Lodge)

Together with all rights-of-way or easements of record, or easements or servitudes presently existing on the land.

NOW, THEREFORE, pursuant to the authority and direction of the Members and Management Committee of the Association, the Management Declaration of Lake Meadow Lodge dated May 18, 1998, and recorded June 2, 1998 as Filing No. 52165 in Book Y7 at Page 351 of the Records of the Recorder of Rich County, Utah, is hereby amended as follows:

Section IV.20.2 is stricken and amended to read in its entirety as follows:

IV.20.2 Rental of any Residential Unit or granting an occupancy right to any Residential Unit for any consideration for a term less than ninety (90) days is prohibited.

ADOPTED by due action of its Members this Amendment to the Management Declaration of Lake Meadow Lodge is hereby acknowledged by its officers this 27 day of March, 2002.

ATTEST:

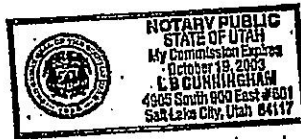
LAKE MEADOW LODGE HOMEOWNERS' ASSOCIATION

Tracy Maxfield
Tracy Maxfield, Secretary

By Rudi Diederich
Rudi Diederich, President

STATE OF UTAH)
County of Salt Lake) ss.

On the 27th day of March, 2002, personally appeared before me RUDI DIEDERICH and TRACY MAXFIELD, who, being by me duly sworn, did say that they are the President and Secretary respectively of the LAKE MEADOW LODGE HOMEOWNERS' ASSOCIATION and that the said instrument was signed in behalf of said Association by authority of a vote of its Members as authorized in its Declaration and its By-Laws, and the aforesaid officers acknowledged to me that said Association executed the same.



L. B. Cunningham
NOTARY PUBLIC



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