

AMENDED AND RESTATED
CONDOMINIUM DECLARATION
FOR
FAWNGROVE CONDOMINIUMS

This Amended and Restated Condominium Declaration for Fawngrove Condominiums is made and executed by the Fawngrove Homeowners Association, Inc., a Utah non-profit corporation, hereinafter referred to as the "Association," pursuant to the provisions of the Utah Condominium Ownership Act, Utah Code Annotated §§57-8-1 through 57-8-36 (1963) (the "Act"), for itself, its successors, grantees and assigns.

ARTICLE I
RECITALS

Management and control of the Project has since been transferred by the Declarant to the Association.

The Association is the managing agent of that certain real property located in Park City, Summit County, Utah, which is described in Exhibit "A" attached hereto and made a part hereof by this reference (the "Property").

There have been constructed on the Property buildings and other improvements in accordance with the plans and drawings set forth in the original Record of Survey Map and Supplemental Maps.

The Association desires by filing this Amended and Restated Declaration to re-submit the above described real property and the said buildings and other improvements constructed thereon to the provisions of the to be known as the Fawngrove Condominiums.

The Condominium Declaration of Fawngrove Condominiums was recorded in the office of the County Recorder of Summit County, State of Utah on or about December 17, 1980 as Entry No. 174105 in Book 174 at Page 773 of the official records (the "Original Declaration").

The First Supplement to the Original Declaration was recorded in the office of the County Recorder of Summit County, State of Utah on or about March 12, 1982 as Entry No. 189404 in Book M214 at Page 531 of the official records (the "First Supplement").

The Second Supplement to the Original Declaration was recorded in the office of the County Recorder of Summit County, State of Utah on or about November 15, 1985 as Entry No. 241836 in Book 361 at Page 623 of the official records (the "Second Supplement").

The Third Supplement to the Original Declaration was recorded in the office of the County Recorder of Summit County, State of Utah on or about June 16, 1986 as Entry No. 252811 in Book 388 at Page 608 of the official records (the "Third Supplement").

The Fourth Supplement to the Original Declaration was recorded in the office of the County Recorder of Summit County, State of Utah on or about April 19, 1990 as Entry No. 323326 in Book 561 at Page 495 of the official records (the "Fourth Supplement").

The Property is an area of unique natural beauty, featuring distinctive terrain;

By subjecting the Property to this Amended and Restated Declaration, it is the desire, intent and purpose of the Association to remove dated provisions, update the document, and reestablish the condominium project in which beauty will be substantially preserved, which will enhance the desirability of living on that real estate subject to these restrictive covenants, and which will increase and preserve the attractiveness, quality, utility, and value of the lands and improvements therein.

The undersigned officers certify that all of the voting requirements of the Original Declaration as amended have been satisfied.

AGREEMENT

NOW, THEREFORE, for such purposes, the Association hereby makes the following Amended and Restated Condominium Declaration containing covenants, conditions and restrictions relating to this Condominium Project which, pursuant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitudes, where reasonable, and shall run with the land.

ARTICLE II DEFINITIONS

The terms used herein shall have the meaning stated in the Utah Condominium Ownership Act and as given in this Article II.

(1) The word "Act" shall mean and refer to the Utah Condominium Ownership Act, Utah Code Annotated 1953, §§ 57-8-1 through 57-8-36 as the same now exists and as it may be amended from time to time.

(2) The words "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Fawngrove Homeowners Association, Inc. on file or to be filed with the State of Utah.

(3) The word "Assessment" shall mean and refer to any amount imposed upon, assessed or charged a Unit Owner.

(4) The words "Association of Unit Owners" or "Association" shall mean and refer to all of the Unit Owners at the Fawngrove Condominiums taken as, or acting as, a group in accordance with the Declaration and the Bylaws.

(5) The word "Building" shall mean and refer to any of the structures built on the Property.

(6) The words "Business Use and Trade" shall mean and refer to any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: a) such activity is engaged in full or part-time; b) such activity is intended to or does generate a profit; or c) a license is required therefor.

(7) The word "By Laws" shall mean and refer to the By Laws of the Association, a copy of which is attached to and incorporated in this Declaration by reference as Exhibit "B".

(8) The words "Capital Improvements" shall mean and refer to all new improvements intended to add to, enhance or upgrade the nature, scope, utility, value, or beauty of the Project, as opposed to ordinary repair and maintenance.

(9) The words "Common Areas and Facilities" shall mean and refer to:

(a) The land described on Exhibit "A" attached;

(b) That portion of the Property not specifically included in the respective Units as herein defined;

(c) All foundations, columns, girders, beams, supports, mainwalls, roofs, halls, corridors, stairs, stairways, yards, landscaping, streams, ponds, pump stations, sprinkler systems, fire sprinkler systems, cable television systems, fences, service and parking areas and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the foregoing or normally in common use;

(d) Those areas specifically set forth and designated in the Map as "Common Area" or "Limited Common Area"; and

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

(10) The words "Common Expenses" shall mean and refer to: All expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities including an adequate reserve fund for maintenance, repair and replacement of those Common Areas and Facilities that must be replaced on a periodic basis; all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the Bylaws, and such rules and regulations pertaining to the Condominium Project as Deer Valley Resort Association, the Association of Unit Owners or the Management Committee may from time to time adopt; and such other expenses incurred pursuant to agreements lawfully made and/or entered into by the Management Committee.

(11) The word "Condominium" shall mean and refer to a single unit in this Condominium Project together with an undivided interest in common with other unit owners in the Common Areas and Facilities of the Property, and together with all other appurtenances belonging thereto, as described in this Declaration.

(12) The words "Condominium Project" or sometimes the "Project" shall mean and refer to the entire Property, as defined above, together with all rights, obligations and organizations established by this Declaration.

(13) The word "Declarant" shall mean FAWNGROVE ASSOCIATES, a Utah Limited Partnership, sole owner as described on the Record of Survey Map, which has made and executed this Declaration and/or any successor to or assignee of Declarant which, either by operation of law or through a voluntary conveyance, transfer or assignment, comes to stand in the same relation to the Project as did its predecessor.

(14) The word "Declaration" shall mean this Amended and Restated Condominium Declaration for Fawngrown Condominiums.

(15) The words "Limited Common Area" shall mean and refer to those portions of the Common Areas and Facilities reserved for the exclusive use of certain Unit Owners, as specified herein. The Limited Common Areas shall be the designated parking spaces as indicated on the Map and on Exhibit "C" (each Unit shall be assigned one parking space with the remaining spaces designated as common areas) attached hereto and by reference incorporated herein, the designated storage areas, as well as the balconies and patios that are adjacent to, contiguous with and open into the Units, as more particularly identified in the Map. The use and occupancy of the Limited Common Areas shall be reserved to its associated Unit, and each Unit Owner is hereby granted an irrevocable license to use and occupy the same so long as such Owner owns the Unit associated with such Limited Common Area.

(16) The words "Management Committee" or "Committee" shall mean and refer to the committee as provided in the Declaration and the Bylaws hereto attached as Exhibit "B". Said Committee is charged with and shall have the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Project.

(17) The word "Manager" shall mean and refer to the person, persons or corporation, if any, selected by the Management Committee to manage the affairs of the Condominium Project.

(18) The word "Map" shall mean and refer to the Record of Survey Map of FAWNGROVE CONDOMINIUMS recorded herewith by Declarant.

(19) The word "Mortgage" shall mean and include both a mortgage on any Condominium Unit and a deed of trust on any Condominium Unit. The words "First Mortgage" shall mean a Mortgage, the lien of which is prior and superior to the lien of any other Mortgage on the same Unit.

(20) The word "Mortgagee" shall mean and include both the mortgagee under a mortgage on any Condominium Unit and the beneficiary under a deed of trust on any Condominium Unit.

(21) The words "First Mortgagee" shall mean the Mortgagee under a First Mortgage on any Unit.

(22) The "Name" by which the Condominium Project shall be known is Fawngrove Condominiums.

(23) The word "Property" shall mean and include the land, described in Article I, the buildings, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

(24) The words "Record of Survey Map" shall mean and refer to the "Record of Survey Map or Maps of the Fawngrove Condominium Project on file in the office of the County Recorder of Summit County, as amended or supplemented from time to time.

(25) The words "Recreational, Oversized or Commercial Vehicle" shall mean and refer to any recreational, commercial or oversized vehicle, motor home, commercial vehicle, tractor, golf cart, mobile home or trailer (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, or any other recreational or commercial transportation device of any kind.

(26) The word "Repair" shall mean and refer to merely correcting the damage done sometimes by accident or fire or other cause, but more often due to the ravages of time and the deterioration resulting from ordinary wear and tear, by substituting for the damage, decayed or worn-out parts, new material, usually similar to that replaced, and so restoring the structure to its original sound condition.

(27) The word "Unit" shall mean and refer to one of the Units, which is designated as a Unit on the Map, and more particularly described in Article V 3. hereof.

(28) The words "Unit Owner" or "Owner" shall mean the entity, person or persons owning a Unit in the Condominium Project in fee simple and an undivided interest in the fee simple estate of the Common Areas and Facilities as shown in the records of the County Recorder of Summit County, Utah. The term Unit Owner or Owner shall not mean or include a mortgagee or beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

(29) The words "Unit Number" shall mean and refer to the letter, number or combination thereof designating the Unit in the Declaration and in the Map.

(30) The words "Utility Services" shall include, but not be limited to, water, trash collection and sewage disposal.

Those definitions contained in the Act, to the extent they are applicable hereto and not inconsistent herewith, shall be and are hereby incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof.

ARTICLE III
SUBMISSION TO CONDOMINIUM OWNERSHIP

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

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

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

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

ARTICLE IV
COVENANTS TO RUN WITH THE LAND

This Declaration contains covenants, conditions and restrictions relating to the Project which are and shall be enforceable equitable servitudes which shall run with the land and be binding upon the Association, its successors and assigns, and upon all Unit Owners and their grantees, mortgagees, successors, heirs, personal representatives, devisees, and assigns.

ARTICLE V
DESCRIPTION OF PROPERTY

1. Description of Land. The land is that tract or parcel in Summit County, Utah, more particularly described in Article I of this Declaration.

2. Description of Improvements. The Project has been constructed in accordance with the information contained in the Map. The buildings in the Project are of cedar and stone construction and contain a total of sixty-one (61) Units, some of which are townhouses and some flats. Electricity and gas are separately metered to each Unit. Each Unit has a separate furnace and water heater, standard kitchen appliances, microwave oven and trash compactor, and carpet. Most of the Units have a jacuzzi or a hot tub and each Unit has an assigned storage area and one assigned parking space. The Project will be subject to the easements which are reserved through the Project and as may be required for Utility Services.

3. Description and Legal Status of Units. The Map and Exhibit "C" hereto show the Unit Number of each Unit, its location, and the Common Areas and Facilities to which it has access. All Units shall be capable of being independently owned, encumbered and conveyed.

(a) Each Unit shall include that part of the building containing the Unit which lies within the boundaries of the Unit, which boundary shall be determined in the following manner:

(1) The upper boundary shall be the plane of the lower surface of the ceiling;

(2) The lower boundary shall be the plane of the upper surface of the floor and

(3) The vertical boundaries of the Unit shall be (i) the interior surface of the outside walls of the building bounding a Unit; and (ii) the interior surface of any interior walls bounding a Unit.

4. Description of Common Areas and Facilities. Except as otherwise in this Declaration provided, the Common Areas and Facilities shall consist of the areas and facilities described in the definitions and constitute in general all of the parts of the Property except the Units. Without limiting the generality of the foregoing, the Common Areas and Facilities shall include the following, whether located within the bounds of a Unit or not:

(a) All structural parts of the building including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;

(b) Driveways, parking areas, patios, balconies, lawns, sprinkler systems, shrubs, trees, ponds, streams, entrance ways and storage areas;

(c) Any utility pipe or Line or system servicing more than a single Unit, including but not limited to any cable television system, and all ducts, wires, conduits, and other accessories used therewith;

(d) All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common

Areas and Facilities in the Map;

(e) All repairs and replacements of any of the foregoing.

5. Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering a Unit shall describe the interest or estate involved substantially as follows:

All of Unit No. ____ in Building No. ____ contained within Phase ____, Fawngrove Condominiums, as the same is identified in the Record of Survey Map recorded in Summit County, Utah as Entry No. ____ in Book ____ at Page ____ of the official records of the County Recorder of Summit County, Utah (as said Record of Survey Map may have heretofore been amended or supplemented) and in the Condominium Declaration for Fawngrove Condominiums recorded in Summit County, Utah as Entry No. ____ in Book ____ at Page ____ of the official records of the County Recorder of Summit County, Utah (as said Declaration may have heretofore been supplemented), together with an undivided percentage of ownership interest in the common areas and facilities.

Regardless of whether or not the description employed in any such instrument is in the above-specified form, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Unit. Neither the membership in the Association, nor percentage of ownership interest in the Common Areas, nor the right of exclusive use of a Limited Common Area shall be separated from the Unit to which it appertains; and, even though not specifically mentioned in the instrument of transfer, such mandatory membership in the Association and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

ARTICLE VI ALTERATIONS

No structural alterations may be made to the Common Areas and Facilities without the prior written consent of the Management Committee. Except as otherwise provided in the Act, the undivided interest of each Unit Owner in the Common Areas and Facilities as expressed in the Declaration and Map shall be of a permanent character and shall not be altered without the affirmative written consent of at least two-thirds of the Unit Owners. Any change in Unit size shall be accompanied by a reallocation of fractional interests in Common Area on a square footage basis. No such change shall increase the number of Units nor materially alter the boundaries of the Common Areas and Facilities nor change the fraction of ownership of Common Areas and Facilities associated with the non-altered or non-combined Units without amendment of this Declaration and of the Map in the manner described above and in accordance with Article XXVII of this Declaration.

ARTICLE VII
STATEMENT OF PURPOSE AND RESTRICTION ON USE

1. Purpose. The purpose of the Condominium Project is to provide residential housing space for Unit Owners, their families, guests and lessees, and to provide parking space for use in connection therewith, all in accordance with-the provisions of the Act.

2. Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth:

(a) Each of the Units shall be occupied only as a residence and for no other purpose.

(b) No Trade or Business shall be operated in or from any Unit itself, subject to applicable zoning, cottage industry, and business regulation laws and ordinances, unless: (1) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence; (2) the business activity conforms to all zoning requirements for the Project; (3) the business activity does not involve persons coming onto the Project who do not reside in the Project or door-to-door solicitation of residents of the Project; and (4) the business activity is consistent with the residential character of the Project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Project, as may be determined in the sole discretion of the Committee. The leasing of a Unit shall not be considered a Trade or Business within the meaning of this subsection.

(c) Each parking stall shall be used for the parking or storage of one (1) operable motor vehicle of a size no larger than a standard automobile or 3/4 ton truck and for no other purpose. The parking or storage of a Recreational, Commercial or Oversized Vehicle is not allowed in the Project.

(d) The Common Areas and Facilities shall be used only for the purposes for which they are intended.

(e) Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the building or contents thereof beyond that customarily applicable for residential use, or will result in the cancellation of insurance on the building, or the contents thereof, without the prior written consent of the Management Committee. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which is in violation of any law or regulation of any governmental authority.

(f) No Unit Owner shall cause or permit anything (including, without limitation, an individual television antenna or receptor, satellite dish, an awning, canopy, shutter, storm door or screen door) to hang, be displayed, be visible or otherwise be placed on the exterior walls or roof of any building or any part thereof, or on the outside of windows or

doors, without the prior written consent of the Management Committee.

(g) Antennas and satellite dishes shall be prohibited within the Property, except (1) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (2) antennas or satellite dishes designed to receive video programming services via multipoint distribution services which are one meter or less in diameter or diagonal measurement; or (3) antennas or satellite dishes designed to receive television broadcast signals ("Permitted Devices") shall be permitted, provided that any such Permitted Device is: (a) located in the attic, crawl space, garage, or other interior spaces of the Unit or another approved structure on the Property, so as not to be visible from outside the Unit or other structure; or (b) attached to or mounted in the Limited Common Area immediately adjacent to the Unit, such as a balcony, deck or patio in the rear of the building, and extending no higher than the eaves of that portion of the roof of the Unit directly in front of such antenna. The Management Committee may adopt rules establishing a preferred hierarchy of alternative locations and requiring screening of all Permitted Devices, so long as such rules do not unreasonably increase the cost of installation, maintenance, or use of the Permitted Device in the authorized areas. No sign of any kind shall be displayed to the public view on or from any residential Unit or the Common Areas unless it is for the common benefit of all Unit Owners.

(h) No noxious or offensive activity shall be carried on in any Unit or in the Common Areas and Facilities, no, shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.

(i) Nothing shall be done in any Unit or in, on or to the Common Areas and Facilities which will impair the structural integrity of the building or any part thereof or which would structurally change the building or any part thereof except as is otherwise provided herein.

(j) No pets, animals, livestock, or poultry of any kind shall be bred in, on or about the Project. Up to two domestic pets per Unit are allowed; provided, however, the Management Committee may adopt Pet Rules and Regulations which shall be binding upon all pet owners, require a pet deposit, and require an annual pet registration fee. All pets must be properly licensed and registered with the government if required by law. Pets may not create a nuisance. The following acts of a pet shall be considered a nuisance: (1) it causes damage to the property of anyone other than its owner; (2) it causes unreasonable fouling of the air by odors; (3) it causes unsanitary conditions; (4) it defecates on any common area and the feces are not immediately cleaned up by the responsible party; (5) it barks, whines or howls, or makes other disturbing noises in an excessive, continuous or untimely fashion; (6) it molests or harasses passersby by lunging at them or chasing passing vehicles; (7) it attacks people or other domestic animals; (8) it otherwise acts so as to bother, annoy or disturb other reasonable residents or interferes with their right to the peaceful and quiet enjoyment of their property; (9) it is in the Common Area and is not in a cage or on a leash and under the control of a responsible person, (10) it defecates in the Common Area and the mess is not cleaned up immediately, or (11) by virtue of the number of pets maintained, they are offensive or dangerous to the health, welfare or safety of other residents.

(k) The Common Areas and Facilities shall be kept free and clear of all rubbish, debris and other unsightly materials.

(l) No admission fees, charges for use, leases or other income-generating arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas and Facilities without the prior written consent of the Management Committee.

(m) No damage to, or waste of, the Common Areas or Limited common Areas shall be committed by any Owner or their tenants, guests or invitees; any such damage or waste shall be repaired by the Owner immediately and he shall restore the property to its original condition; and each Owner by accepting a deed or other document of conveyance to a Unit agrees to indemnify and hold the Management Committee and the other Owners in the Project harmless against all loss resulting from any such damage or waste caused by the Owner or any person for whom he is responsible.

ARTICLE VIII PERSON TO RECEIVE SERVICE OF PROCESS

The person to receive service of process in the cases provided herein or in the Act is the President of the Association, currently, Gardner Gould, of 1482 Deer Valley Drive, Park City, Utah 84068. Changes in the name and address of the Registered Agent shall be noted on the Annual Report of the Association to the State of Utah.

ARTICLE IX OWNERSHIP AND USE

1. Ownership of a Unit. Except with respect to any of the Common Areas and Facilities located within the bounds of a Unit, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and to the ownership of the undivided interest in the Common Areas and Facilities forth on Exhibit "C" hereto. Exercise of Declarant's Option to Expand shall result in a change in the undivided interest appurtenant to each Unit.

2. Nature of and Restrictions on Ownership and Use. Each Unit Owner shall have and enjoy the rights and privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons/ corporations, partnerships or trusts and in the form of common or joint tenancy so long as no unit is owned by more than six persons or entities. The Unit Owners may lease or rent their Units with their appurtenant rights subject to terms and conditions chosen solely by the Unit Owner and his lessee, except that all Unit Owners, their tenants and other occupants or users of the Project, shall be subject to the Act, this Declaration, the Bylaws, and all rules and regulations of the Association of Unit Owners and Management Committee.

3. Prohibition against Subdivision of Unit. Except as provided in Article VI above

no Unit Owner, by deed, plat or otherwise, shall subdivide or in any manner cause his Unit to be separated into time intervals or into physical tracts or parcels smaller than the whole Unit as shown on the Map.

4. Ownership of Common Areas and Facilities. The Common Areas and Facilities contained in the Project are described and identified in Article V 4. of this Declaration. Said Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. No fractional ownership interest in the Common Areas and Facilities shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, such a fraction of undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates. A Unit Owner's fractional ownership interest in the Common Areas and Facilities shall be the same for all purposes, including voting and assessment of common expenses. The fractional ownership interests in the Common Area are set forth in Exhibit "C" hereto.

5. Use of Common Areas and Facilities. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units contained in the Project, subject to the Act, this Declaration and Bylaws. This right of use shall be appurtenant to and run with each Unit.

ARTICLE X LIMITED COMMON AREAS

[COMMENT: This change acknowledges the power of the Management Committee to regulate the patios and balconies and hot tubs for the safety and welfare of the residents, and aesthetics and property values of the buildings.]

Each Unit Owner shall be entitled to the exclusive use and occupancy of the Limited Common Areas assigned to his Unit as set forth in Exhibit "C", or as shown on the Map, subject, however, to the same restrictions on use which apply generally to the Common Areas and Facilities and to Rules and Regulations to be promulgated by the Management Committee as authorized in the Bylaws. Such right to use the Limited Common Areas shall be appurtenant to and contingent upon ownership of the Unit associated therewith, and even though not specifically mentioned in the instrument of transfer, shall automatically pass to the grantee or transferee of such Unit. Such right of use shall not be revocable, nor may it be voluntarily or involuntarily relinquished, waived, or abandoned. The Management Committee is hereby granted authority to adopt rules and regulations regarding the use of the Limited Common Area.

ARTICLE XI VOTING - MULTIPLE OWNERSHIP

The vote attributable to and exercisable in connection with a Unit shall be the fraction of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit. In the event there is more than one Owner of a particular Unit, the vote relating to

such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

ARTICLE XII MANAGEMENT

1. Management Committee. The business, property and affairs of the Project shall be managed, operated and maintained by the Management Committee as agent for the Unit Owners. The Management Committee shall, in connection with its exercise of any of the powers delineated in paragraphs (a) through (g) below, constitute a legal entity capable of dealing in its own name. The Management Committee shall have, and is hereby granted, the following authority and powers:

(a) 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;

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

(c) The power to sue and be sued;

(d) The authority to enter into contracts which in any way concern the administration and management of the Project. If the Declaration independently, specifically and expressly requires the consent of the Unit Owners, then the Management Committee shall first obtain such approval in writing

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

(f) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the 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; and

(g) The authority to reimburse the members of the Management Committee for their reasonable, actual and documented air and ground transportation expenses up to an amount to be determined by a majority of the Unit Owners present in person or by proxy at the annual meeting of the Association (the "Reimbursement Cap"). If no determination is made in any given year, then the Reimbursement Cap set for the prior year shall be controlling.

(h) 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 Unit Owners.

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

2. Composition of Management Committee. The Committee shall be composed of at least three (3) and no more than five (5) members, each elected for a two (2) year term. At each annual meeting of the Association, Management Committee members shall be elected for any vacant positions. Only Unit Owners and officers and agents of institutional Owners shall be eligible for Committee membership. At the annual meeting, the Owner(s) of each Unit shall be entitled to one (1) vote for each seat to be filled. Said votes may be voted in favor of as many candidates for Committee membership as the Owner(s) desire, or may be accumulated and voted for a lesser number of candidates;

Any Committee member who fails on three (3) successive occasions to attend Committee meetings (whether regular or special) or who has not attended at least seventy-five percent (75%) of all Committee meetings (whether regular or special) held during any twelve (12) month period shall automatically forfeit his seat. In the event a Committee seat becomes vacant, whether by reason of forfeiture or due to another cause, the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected. Unless he forfeits or otherwise loses his seat as herein provided, a member shall serve on the Committee until his successor is elected and qualifies. Committee members shall be reimbursed out of common expense assessments for all expenses reasonably incurred in connection with Committee business, but shall receive no additional compensation for their services as Committee members.

3. Responsibility. The Management Committee shall be responsible for the control, operation and management of the Project in accordance with the provisions of the Act, this Declaration, such administrative, management and operational rules and regulations as it may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by said Committee.

4. Approval Required to Purchase, Sell or Add Land to the Project. The Management Committee shall not, without the prior affirmative vote or the written consent of the Owners of a majority interest in the undivided ownership of the Common Area, have the authority to purchase or sell any real property or add any property to the Common Area.

5. Change of Use of Common Areas and Additional Facilities. The Management Committee shall, subject to any specific percentage approval as expressly set forth elsewhere

in this Declaration, have the authority to change the use of the Common Areas and Facilities and/or provide such additional amenities or as it may deem to be in the best interests of the Unit Owners, so long as the changes or additions do not materially alter the nature of the Project

6. Name. The Management Committee shall be known as the Fawngrove Condominium Management Committee.

7. Manager. The Management Committee may delegate some of its management responsibilities to either a professional management company, an experienced on-site manager, an independent contractor, through service contracts, or any combination thereof. The Manager may be an employee or an independent contractor Any such management or service agreement shall call for a term not exceeding three (3) years and shall provide that such management agreement may be terminated by the Management Committee or by the Association without cause and without payment of a termination fee upon not in excess of ninety (90) days written notice.

ARTICLE XIII EASEMENTS

1. Easement. Each Unit shall be subject to such easements as may be necessary for the installation, maintenance, repair or replacement of any Common Areas and Facilities located within the boundaries of such Unit or reasonably accessible only through such Unit.

2. Encroachment. In the event that, by reason of the construction, reconstruction, settlement or shifting of any part of a building, any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any part of any Unit or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Areas and Facilities or any other Unit, valid easements for such encroachment and the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Areas and Facilities, as the case may be, so long as all or any part of the building containing any such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners as owners of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of such Unit Owner or Owners occurring after the date on which this Declaration is recorded.

ARTICLE XIV CHANGE IN OWNERSHIP

The Management Committee shall maintain up-to-date records showing the name of each Owner, the address of such Owner, and the Unit which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Unit either the transferor or transferee shall furnish the Management Committee with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of the county where the Project is located. The Management Committee may

for all purposes act and rely on the information concerning Owners and Unit Ownership which is thus acquired by it or, at its option, the Management Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of the county where the Project is located. The address of an Owner shall be deemed to be the address of the Unit owned by such Owner unless the Management Committee is otherwise advised. An Owner who fails to so furnish the above information shall continue to be liable for monthly assessments of common expenses even after transferring ownership of the Unit.

ARTICLE XV ASSESSMENTS

1. Allocation of Common Expenses. Every Unit Owner shall pay his proportionate share of the Common Expenses including but not limited to each Unit's proportionate share of all assessments of the Project by Deer Valley Resort Association. Payment thereof shall be in such amounts and at such times as the Management Committee determines in accordance with the Act, the Declaration or the Bylaws. If any Unit Owner fails or refuses to make any payment of any Assessment or his portion of the Common Expenses when due, that amount shall constitute a lien on the interest of the Owner in the Property.

2. Capital Improvements. In assessing Unit Owners for Capital Improvements, no assessment capital expenditures outside of the budget exceeding the sum of four percent (4.0 %) of the annual Operating Expense budget shall be made without the same having been first voted on and approved by at least a majority of the Project's undivided ownership interest.

3. Subordination of Homestead Exemption. All Assessments and liens created to secure the obligation to pay Assessments are superior to any homestead exemptions to which an Owner may be entitled which insofar as it adversely affects the Association's lien for unpaid Assessments each Owner by accepting a deed or other document of conveyance to a Unit hereby waives.

4. Special Assessments. The Management Committee may levy special assessments in any year as the need arises; provided, however, any such assessment in excess of \$1,000.00 per Unit must be approved by a majority of the undivided ownership interest.

5. Benefit Assessments. If an Owner has the choice to accept or reject the benefit, then the Management Committee shall have the power and authority to assess an Owner in a particular area as follows: (a) If the expense benefits less than all of the Units, then those Units benefitted may be specifically assessed, and the specific assessment shall be equitably apportioned among those Units according to the benefit received; or if the expense benefits all Units, but does not provide an equal benefit to all Units, then all Units shall be specifically assessed, but the specific assessment shall be equitably apportioned among all Units according to the benefit received. Failure of the Committee to exercise its authority under this Section shall not be grounds for any action against the Association or the Committee and shall not

constitute a waiver of the Committee's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Committee has not previously exercised its authority under this Section.

5. Individual Assessment. Individual Assessments shall be levied by the Management Committee against a Unit and its Owner to reimburse the Association for: (a) administrative costs and expenses incurred by the Committee in enforcing the Project Documents; (b) costs associated with the maintenance, repair or replacement of Common Area for which the Unit Owner is responsible; (c) fines; (d) any other charge, fee, due, expense, or cost designated as an Individual Assessment in the Project Documents or by the Management Committee; and (e) attorneys' fees, interest, and other charges relating thereto as provided in this Declaration.

ARTICLE XVI DESTRUCTION OR DAMAGE

In the event of destruction of or damage to part or all of the improvements in the Condominium Project, the procedures of this section shall apply.

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

(b) If less than seventy-five percent (75%) of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all of the Unit Owners shall be assessed for any deficiency on the basis of their respective appurtenant percentages of undivided ownership interest in the Common Areas and Facilities, said assessment becoming a lien on the Units as provided in the Act.

(c) If seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within one hundred (100) days after the destruction or damage by a vote of at least seventy-five percent (75%) of the entire undivided ownership interest in the Common Areas and Facilities of the Project elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subsection (b) above.

(d) If seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within one hundred (100) days after the destruction or damage and by a vote of at least seventy-five percent (75%) of the entire undivided ownership interest in the Common Areas and Facilities of the Project, elect to repair or reconstruct the affected improvements, the Management Committee shall

promptly record with the County Recorder of the county where the Project is located a notice setting forth such facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated, shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

(e) Any reconstruction or repair which is required to be carried out by this section shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this section regarding the extent of damage to or destruction of Project improvements shall be made as follows: The Management Committee shall select three (3) appraisers; each appraiser shall independently estimate the percentage of project improvements which have been destroyed or substantially damaged; the percentage which governs the application of the provisions of this section shall be the median of the three (3) estimates.

ARTICLE XVII TAXES

It is understood that under the Act each Unit, together with its fraction of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law. Each Unit Owner will, accordingly pay and discharge any and all taxes which may be assessed against his Condominium. All taxes, assessments and charges which may become liens prior to any First Mortgage shall relate only to the individual Unit against which they are assessed and not to the Project as a whole.

ARTICLE XVIII INSURANCE

1. Hazard Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force hazard insurance meeting the following requirements:

(a) A multi-peril type policy covering the entire Condominium Project (both Units and Common Areas and Facilities) shall be maintained. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the special extended coverage endorsement including debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than one hundred percent (100%) of the full insurable value of the Project (based upon replacement cost). Such policy shall include an "Agreed Amount Endorsement" or its equivalent, and, if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent.

(b) If a steam boiler is or comes to be contained in the Project, there shall

be maintained boiler explosion insurance and a broad form policy of repair and replacement boiler and machinery insurance, evidenced by the standard form of boiler and machinery insurance policy. Said insurance shall, as a minimum, provide coverage in the amount of Fifty Thousand Dollars (\$50,000.00) per accident per location.

(c) If the Project is or comes to be situated in a locale identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the Condominium Project shall be obtained and maintained. The minimum amount of coverage afforded by such policy shall be the lesser of the maximum amount of insurance available under the said Act or the aggregate of the unpaid principal balances of the Mortgages affecting the individual Units. Such policy shall be in the form of the standard policy issued by members of the National Flood Insurers Association or in the form of a policy which meets the criteria established by the Flood Insurance Administration.

(d) The named insured under each policy required to be maintained by the foregoing items (a), (b) and (c) shall be in form and substance essentially as follows: "The Management Committee and the Association of Unit Owners of Fawngrove Condominiums, or their authorized representative, for the use and benefit of the individual Owners.

(e) Each such policy shall include the standard mortgagee clause (without contribution) which either shall be endorsed to provide that any proceeds shall be paid to the Management Committee or the Association of Unit Owners for the use and benefit of Mortgagees as their interests may appear or shall be otherwise endorsed to fully protect the interests of Mortgagees. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each Mortgagee at least sixty (60) days in advance of the effective date of any reduction in or cancellation of the policy.

(f) Each such policy shall provide that notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it is in conflict with any requirement of law or without the prior written approval of the Association.

2. Fidelity Insurance. The Management Committee or Association shall be authorized to maintain in force fidelity coverage against dishonest acts on the part of managers (and employees of managers), trustees, employees, officers, Committee members, or volunteers responsible for handling funds belonging to or administered by the Management Committee or Association of Unit Owners. The fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one and one-half times (150%) the Project's estimated annual operating expenses and reserves. An appropriate endorsement to the policy shall be secured to cover persons who serve without compensation if the policy would not otherwise cover volunteers.

3. Liability Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such insurance shall include a "Severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of other Owners, the Management Committee, or the Association of Unit Owners. The coverage afforded by such public liability insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, garage-keeper's liability (if applicable), and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. The public liability policy shall have at least a One Million (\$1,000,000) Dollar single person limit as respects bodily injury and property damage, a Two Million (\$2,000,000) Dollar limit per occurrence, if reasonably available, and a One Million (\$1,000,000) Dollar minimum property damage limit. If possible, the policy should be written on the comprehensive form and shall include non-owned and hired automobile liability protection.

4. Directors and Officers Insurance. The Management Committee shall obtain a director's and officer's liability or errors and omissions policy with at least One Million (\$1,000,000) Dollars in coverage.

5. General Requirements Concerning Insurance. Each insurance policy maintained pursuant to the foregoing Article XVIII, Sections 1. through 3. shall be written by an Insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Insurance Reports of B+ or better for General Policy Holders Rating and X for Financial Size Rating. No such policy shall be maintained where:

(a) under the terms of the carrier's charter, bylaws or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a Mortgagee, the Management Committee, the Association of Unit Owners, a Unit, the Common Areas, or the Project;

(b) by the terms of the carrier's charter bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members;

(c) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; or

(d) the policy provides that the insurance thereunder shall be brought into contribution with insurance purchased by the individual Unit Owners or their Mortgagees.

Each such policy shall provide that:

(a) coverage shall not be prejudiced by any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association of Unit Owners or the

Management Committee;

(b) coverage shall not be prejudiced by any failure by the Association or Committee to comply with any warranty or condition with regard to any portion of the Project over which the Association and Committee have no control;

{c) coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least sixty (60) days prior written notice to any and all insureds named therein, including any Mortgagee named as an insured and

(d) the insurer waives any right of subrogation it might have to any and all claims against the Association, the Management Committee, any Unit Owner, and/or their respective agents employees or tenants, and any defense it might have based upon co-insurance or upon invalidity arising from acts of the insured.

If, due to changed circumstances, excessive cost, or any other reason, any of the insurance coverage required to be obtained and maintained under Sections 1 through 3 of this Article XVIII cannot reasonably be secured, with respect to such coverage the Association or the Committee shall obtain and maintain such substitute, different or other coverage as may be reasonable and prudent under the circumstances as they then exist.

6. Duplicate Coverage of a Claim. Primary Coverage. If there is duplicate coverage of a particular claim, the insurance coverage of a Unit Owner or resident shall be considered primary and the insurance coverage of the Association shall be considered secondary for losses that are caused by the negligence and carelessness of the unit owner or emanate either from within the unit or from items that are the responsibility of the unit owner to maintain, repair and replace, or a combination.

a. Minimum Coverage of Unit Owner. All unit owners shall have a minimum "COVERAGE A - BUILDING" for \$10,000.00 added to their individual unit owner insurance policies. Insurance coverage for personal property, belongings and effects is the sole responsibility of the unit owner or resident.

b. Default. If a unit owner fails to maintain such insurance coverage, then the unit owner will be considered self-insured up to and shall be responsible for the first Ten Thousand and No/100ths Dollars (\$10,000.00) of any claim arising from such losses, including by way of illustration but not limitation all physical improvements to the unit, upgrades, enhancements, betterments, fixtures, appliances, contents, and other items of personal property.

c. Public Liability Insurance. Insurance coverage for public liability on the unit is the sole responsibility of the unit owner or resident.

d. Deductible. If a claim is filed on the Association insurance policy involving a unit, it is the responsibility of the unit owner to pay the deductible. Note: Coverage for the

Association's deductible may be covered by the unit owner's insurance policy.

ARTICLE XIX
PAYMENT OF EXPENSES

1. Duty to Pay Share of Common Expenses. Each Unit Owner shall pay the Management Committee his allocated portion of assessments made by Deer Valley Resort Association and his allocated Portion of the cash requirement to manage and operate the Condominium Project, upon the terms, at the time, and in the manner herein provided without any deduction on account of any set-off or claim which the Owner may have against the Management Committee or Association. If the Unit Owner shall fail to pay any installment within ten (10) days of the time when the same becomes due, the Owner shall pay interest thereon at the rate of eighteen percent (18%) per annum from the date when such installment shall become due to the date of the payment thereof.

2. Basis for Budget. The cash requirements above referred to for each year, or portion of the year, are hereby defined and shall be deemed to include an adequate reserve fund for maintenance, repairs and replacement of those Common Areas and Facilities that must be replaced on a periodic basis, plus such aggregate sum as the Management Committee from time to time shall determine, in its judgment, is to be paid by all the Owners of the Condominium Project then in existence to enable the Management Committee to pay all estimated expenses and outlays of the Management Committee to the close of such year, growing out of or in connection with the maintenance and operation of such land, building, and improvements; which sum may include, among other things, the cost of management, special assessments, fire, casualty, flood, fidelity, public liability and other insurance premiums, common lighting, landscaping and the care of the grounds, repairs, and renovations to Common Areas and Facilities, snow removal, wages, all utility services (except telephone, electricity, water and other services which are separately billed or metered to the individual Units by the utility or party furnishing such service), legal and accounting fees, management fees, expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the Condominium Project. The Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so fixed or determined, increase or diminished the amount previously fixed or determined for such year. It may include in the cash requirements for any year, any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in the cash requirements for a previous year, but were not included therein and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

3. Allocation. The portion payable with respect to each Unit in and for each year or for a portion of a year shall be a sum equal to the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid, multiplied by the

fraction of undivided interest in the Common Areas and Facilities appurtenant to such Unit, as shown in Exhibit "C". Such assessments, together with any additional sums accruing under this Declaration, shall be payable quarterly in advance, or in such payments and installments as shall be provided by the Management Committee. The Management Committee may one time each year make an equitable adjustment to the amount of the annual assessment, and increase or decrease the dues, provided any such increase does not exceed fifteen (15%) of said assessment. No such change shall be effective until thirty (30) days prior written notice shall have expired.

4. Decision of Management Committee Final and Conclusive. The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Condominium Project and to determine the cash requirements of the Project to be paid as aforesaid by the Owners under this Declaration. Every such reasonable determination by the Management Committee within the bounds of the Act and this Declaration shall be final and conclusive as to the Owners, and any expenditures made by the Management Committee, within the bounds of the Act and this Declaration shall as against the Owner be deemed necessary and properly made for such purpose.

5. Assignment of Rents. If an Owner shall at any time let or sublet his Unit and shall default for a period of one (1) month in the payment of any assessments, the Management Committee may, at its option, so long as such default shall continue demand and receive from any tenant or subtenant of the Owner occupying the Unit so much of the rent due or becoming due and payable as is necessary to cure said default and the payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant or subtenant and the Owner to the extent of the amount so paid.

6. Independent Duty to Pay. Each assessment and each special assessment shall be separate, distinct and personal obligations of the Owner(s) of the Unit against which the same is assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid Common Expenses may be maintained without foreclosure or waiving the lien securing the same. The Management Committee may charge a late fee of at least twenty-five dollars (\$25.00) or five percent (5%) of the delinquent amount, whichever is greater, on all payments received more than ten (10) days after they were due. No Owner may waive or otherwise exempt himself or herself from liability for the Assessments provided for herein, including but not limited to the non-use of Common Areas or the abandonment of his Unit. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association or Committee to take some action or perform some function required to be taken or performed by the Association or committee under this Declaration or the By Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner. If not paid when due, the amount of any assessment, whether regular or special, assessed to a Unit plus interest at eighteen percent (18%) per annum, costs of action and reasonable attorney's fees, shall become a lien upon such

Unit upon recordation of a notice thereof as provided by the Act. The said lien for non-payment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only: (a) tax and special assessment liens on the Unit in favor of any assessing unit, or special district; and (b) encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

7. Grant or Conveyance; Joint and Several Liability. In any conveyance, except to a mortgagee as hereinafter set forth, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee. However, any such grantee shall be entitled to a statement from the Manager or Management Committee setting forth the amounts of the unpaid assessments against the grantor, and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth.

8. Statement of Assessments Due. A certificate executed and acknowledged by the Manager or Management Committee stating the unpaid common expenses then outstanding with respect to a Unit shall be conclusive upon the Management Committee and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or encumbrancee or prospective Owner or encumbrances of a Unit upon request at a reasonable fee initially not to exceed Ten Dollars (\$10.00). Unless the request for a certificate of indebtedness shall be complied With within ten (10) days, all unpaid Common Expenses which become due prior to the date of making of such request shall be subordinate to the lien or interest held by or obtained by the person making the request. Any encumbrancee holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment that encumbrancee shall have a lien on that Unit of the same rank as the lien of his encumbrance for the amounts paid.

9. Release of Lien. Upon payment or other satisfaction of delinquent assessments concerning which a notice of assessment has been recorded, the Management Committee shall cause to be recorded in the same manner as the notice of assessment a further notice stating the satisfaction and release of the lien thereof. Such lien for non-payment of assessment may be enforced by sale by the Management Committee or by a bank or trust company or title insurance company authorized by the Management Committee, such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees.

10. Redemption Period. In the event of foreclosure, the Unit Owner, if he is an owner-occupier and desires to remain in the Unit during any redemption period, shall be

required to pay a reasonable rental for the Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the security. The Management Committee or Manager shall have the power to bid on the Unit at foreclosure or other sale and to hold, lease, mortgage and convey the Unit.

11. Suspension of Right to Use Amenities. At the discretion of the Management Committee, the right to use any amenities in the Project may be suspended for up to ninety (90) days if the Owner is in arrears on his obligation to pay Assessments and has failed to cure or make satisfactory arrangements to cure the default after reasonable notice of at least ten (10) days.

12. Suspension of Right to Vote. At the discretion of the Committee, the right of an Owner to vote on issues concerning the Association may be suspended for up to ninety (90) days if the Owner is delinquent in the payment of his Assessments, and has failed to cure or make satisfactory arrangements to cure the default after reasonable notice of at least ten (10) days.

ARTICLE XX MORTGAGEE PROTECTION

1. Notice of Delinquency After Written Request. From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that the Owner of the Unit encumbered by the mortgage held by such Mortgagee neglects for a period of sixty (60) or more days to cure any failure on his part to perform any of his obligations under this Declaration.

2. Priority of Interest. The lien or claim against a Unit for unpaid assessments or charges levied by the Management Committee or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to a First Mortgage affecting such Unit. A Mortgagee who obtains title to a Unit pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall not be liable for such Unit's unpaid assessments which accrue prior to the acquisition of title to such Unit by the Mortgagee and shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue prior to the acquisition of title to such Unit by Mortgagee (except for claims for a pro rata share of such prior assessments or charges resulting from a pro rata reallocation thereof to all Units including the Unit in which the Mortgagee is interested). No assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a Mortgage or as not a burden to a Mortgagee coming into possession pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall be collected or enforced by either the Management Committee or the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee interested in such Unit).

3. Mortgagee Protections. Unless all of the First Mortgagees have given their prior written approval, neither the Management Committee nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

(a) to seek to abandon or terminate the Condominium Project or to abandon or terminate the arrangement which is established by this Declaration and the Record of Survey Map (except as provided in Article XVI hereof in the event of certain destruction or damage);

(b) to partition or subdivide any Unit;

(c) to seek to abandon, partition, subdivide, encumber, sell or transfer all or any of the Common Areas and Facilities (except for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas and Facilities except as provided in Article XVI hereof in the event of certain destruction or damage);

(d) to use hazard insurance proceeds resulting from damage to any part of the Condominium Project (whether to Units or to the Common Areas) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in the event of substantial loss to the Units and/or Common Areas and Facilities;

(e) to change the pro rata interests or obligations of any Unit which apply for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for (2) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities

(f) to alter the provisions of Article XVIII hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein.

4. Right to Examine Books and Records. Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Management Committee, or the Association of Unit Owners, or of the Condominium Project. From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Condominium Project as may be prepared for distribution to or use by the Committee, the Association, or the Unit Owners.

5. Reserve Account. The Management Committee and the Association shall establish an adequate reserve fund to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

6. Notice of Loss or Damage After Written Request. From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or any taking or anticipated condemnation of: (a) the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00); or (b) any Unit involving an amount in excess of, or reasonably estimated to be in excess of, One Thousand Dollars (\$1,000.00). Said notice shall be given within ten (10) days after the Management Committee or said Association learns of such damage, loss, taking or anticipated condemnation.

7. Priority of Lien of First Mortgagee. Nothing contained in this Declaration shall give a Unit Owner, or any other party, priority over any rights of a First Mortgagee pursuant to its Mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of condominium Units and/or Common Areas and Facilities.

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

9. Consent of Mortgagee to Amend Declaration. Except with respect to combination or division of Units pursuant to Article VI, no amendment to this Article XX which has the effect of diminishing the rights, protection or security afforded to Mortgagees shall be accomplished or effective unless all of the Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Article XX shall be accomplished by an instrument executed by the Management Committee and filed for record in the office of the County Recorder of the county where the Project is located. In any such instrument an officer of the Management Committee shall certify that any prior written approval of Mortgagees required by this Article XX as a condition to amendment has been obtained.

ARTICLE XXI EMINENT DOMAIN

In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of §57-8-32.5, Utah Code Annotated (Supp. 1977) shall apply. The Management Committee shall give written notice of such proceedings to all Mortgagees of record. No first lien priority of any Mortgagee shall be diminished or otherwise disturbed by virtue of such proceedings.

ARTICLE XXII
MAINTENANCE

1. Area of Personal Responsibility. Each Owner of a Unit at his own expense shall keep the interior of such Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that the Management Committee on behalf of all Unit Owners is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit, building or buildings caused by the act, negligence or carelessness of the Unit Owner or that of any tenant or subtenant or any member of the Unit Owner's family or of the family of any tenant or subtenant or any agent, employee or guest of the Owner or his tenant or subtenant and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance, repair or replacement of any heating, air conditioning or refrigeration equipment; hot water equipment; water softener; utilities such as power, light, gas; appliances; fixtures; windows and window units; doors and door units; patios, balconies and decks, subject to the approval of the Management Committee as to construction materials, quality of construction, installation, and uniformity of appearance, subject to the right of the Management Committee to approve such items as to uniformity of appearance and quality of construction. Each Unit Owner shall be entitled to the exclusive use and possession of the Limited Common Areas appurtenant to his Unit; provided, however, that without the written permission of the Management Committee first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration in or to the Unit or in or to the exterior of the building, and shall not paint or decorate any portion of the exterior of the Unit or of the building in which the Unit is located.

2. Area of Common Responsibility. Except as hereinafter provided, the Management Committee shall provide for such maintenance, repair, and replacement of the Common Areas and Facilities as may be reasonably necessary to keep them clean, functional, attractive and generally in good condition and repair. The Management Committee shall have no obligation regarding maintenance or care of Units.

3. Default. If the Management Committee determines that an Owner has failed or refused to maintain, repair or replace improvements for which he is responsible, or that the need for maintenance, repair, or replacement of the Common Area or Facilities is caused through the willful or negligent act of an Owner or his family members, tenants, guests, or invitees, and the claim, damage, or loss is not covered by insurance, then the Association may, but is not obligated to, provide such maintenance, repair or replacement at the Owner's sole cost. The expense shall be the debt of the Owner at the time the expenditure is made and is collectible as such. If payment is not made within thirty (30) days of billing, the Association shall be entitled to secure the debt with a lien in accordance with U.C.A., Section 57-8-20 (1963).

ARTICLE XXIII
RIGHT OF ENTRY

The Management Committee and its duly authorized agents shall have the right to enter any and all of the Units in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the Unit Owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of said Units at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project or for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other Units in the Project; and provided further, that the Unit Owner affected by such entry shall first be notified thereof if available and if time permits.

ARTICLE XXIV
ADMINISTRATIVE RULES AND REGULATIONS

The Management Committee shall have the power to adopt and establish by resolution, such Project management and operational rules as it may deem necessary for the maintenance, operation, management and control of the Project. The Committee may, from time to time by resolution, alter, amend and repeal rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the Unit Owners, such amendment, alteration or provision shall be taken to be a part of such rules. Unit Owners shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Units Owners, tenants, subtenants or other occupants of the Units.

ARTICLE XXV
OBLIGATION TO COMPLY HEREWITH

Each Unit Owner, tenant, subtenant or other occupant of a Unit shall comply with the provisions of the Act, this Declaration, the Bylaws, and the rules and regulations of the Management Committee and Deer Valley Resort Association, all agreements and determinations lawfully made and/or entered into by the Management Committee or the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof shall be grounds for an action by the Management Committee or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom, including costs and reasonable attorney's fees.

ARTICLE XXVI
INDEMNIFICATION OF MANAGEMENT COMMITTEE

Each member of the Management Committee shall be indemnified and held harmless by the Association of Unit owners against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees reasonably incurred by him in connection with any proceeding in which he may become involved by reason of his being or having been a member of said Committee; provided, however, the foregoing indemnification shall not apply if the loss, expense or liability involved resulted from the willful misconduct or gross negligence of the member.

ARTICLE XXVII
AMENDMENT

In addition to the amendment provisions contained in Article VI hereof, and subject to the terms of Article XX, this Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of owners having ownership of not less than 66.66 percent of the undivided interest in the Common Areas and Facilities. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee. In said instrument the Committee shall certify that the vote or consent required by this Article XXVII has occurred. Notwithstanding any other provision contained herein, until occurrence of either of the events referred to in Article XXIX hereof.

ARTICLE XXVIII
CONSENT IN LIEU OF VOTE

In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this section:

- (a) all necessary consents must be obtained prior to the expiration of sixty (60) days or such period of time allowed by the Utah Non-Profit Corporation Act after the first consent is given by any Owner;
- (b) any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose;
- (c) in the event of joint ownership, unless the consents of all every co-Owner having an interest in the same Unit are obtained secured, the consent of none of such Owners

shall be effective; and

(d) no such approval shall be effective until at least ten (10) days after written notice has been sent to all Unit Owners.

ARTICLE XXIX FINES

1. Authorization. A breach of the Declaration or any rules and regulations adopted by the Management Committee is subject to enforcement which may include the imposition of a fine. Fines imposed are final unless appealed in writing to the Management Committee within thirty (30) days of written notification of the violation from management. If a request for a hearing is not submitted to the Management Committee within 30 days, the right to a hearing is waived, and the fine imposed will stand. A request for a hearing to appeal should be sent in writing to the Secretary of the Association.

2. Notice. Before assessing a fine under Subsection (1), the Management Committee shall give notice to the homeowner of the violation and inform the owner that the fine will be imposed if the violation is not cured within the time provided in the declaration, bylaws, or rules, which shall be at least 48 hours.

3. Procedures.

(a) A fine assessed under Subsection (1) shall:

(1) be made only for a violation of a rule or regulation which is specifically listed in the declaration, bylaws, or rules as an offense which is subject to a fine;

(2) be in the amount specifically provided for in the declaration, bylaws; or association rules for that specific type of violation, not to exceed \$500.00; and

(3) accrue interest and late fees as provided in the declaration, bylaws, or association rules.

(b) Cumulative fines for a continuing violation may not exceed \$500.00 per month.

4. Request an Informal Hearing. A unit owner who is assessed a fine under subsection (1) above may request an informal hearing to protest or dispute the fine within 30 days from the date the fine is assessed. The hearing shall be conducted in accordance with the standards provided in the declaration, bylaws, or association rules. No interest or late fees may accrue until after the hearing has been conducted and a final decision has been rendered.

5. Right to Appeal. A unit owner may appeal a fine issued under subsection (1) above by initiating a civil action within 180 days after:

(a) a hearing has been held and a final decision has been rendered by the management committee under Subsection (4); or

(b) the time to request an informal hearing under Subsection (4) has expired without the unit owner making such a request.

6. Lien. A fine assessed under Subsection (1) which remains unpaid after the time for appeal under subsection (5) has expired becomes a lien against the unit owner's interest in the property in accordance with the same standards as a lien for the nonpayment of common expenses under U.C.A. Section 57-8-20 (2000).

ARTICLE XXX
LIMITATION ON IMPROVEMENTS BY ASSOCIATION
(Repealed)

ARTICLE XXI
DECLARANT'S OPTION TO EXPAND
(Repealed)

ARTICLE XXXII
SEVERABILITY

The invalidity of any one or more phrases, sentences subparagraphs, paragraphs, sections or articles hereto shall not affect the remaining portions of this instrument nor any part thereof, and in the event that any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, section or sections, or article or articles had not been inserted.

ARTICLE XXXIII
ASSOCIATION'S RIGHTS ASSIGNABLE

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

ARTICLE XXXIV
COMBINATION OF UNITS

An owner of two or more adjoining units shall have the right upon approval of the

management committee and the mortgagees of said units, to combine one or more adjoining units or portions thereof and to alter or amend the declaration and map to reflect such combination.

a. Such amendments may be accomplished by the unit owner recording an amendment or amendments to this declaration, together with an amended map or maps containing the same information with respect to the altered units as required in the initial declaration and map with respect to the initial units. All costs and expenses required in such amendments shall be borne by the unit owner desiring such combination.

b. All such amendments to the declaration and map must be approved by attorneys employed by the management committee to insure the continuing legality of the declaration and the map. The cost of such review by the attorneys shall be borne by the person wishing to combine the units.

c. Any amendments of the declaration or map pursuant to this paragraph 20 shall reflect the changes occasioned by the alteration. Such changes shall include a change in the percentage of undivided interest in the common areas and facilities which are appurtenant to the units involved in the alterations. The remaining combined unit, if two or more units are totally combined, will acquire the total of the percentage of undivided interest in the common areas and facilities appurtenant to the units that are combined as set forth in Exhibit B. If a portion of one unit is combined with another, the resulting units shall acquire a proportionate percentage of the total undivided interest in the common areas and facilities of the units involved in the combination on the basis of area remaining in the respective, combined units. The percentage of undivided interest in the common areas and facilities appurtenant to all other units shall not be changed. All such amendments must, in all instances, be consented to by the management committee and also all other persons holding interest in the units affected. The consent of other unit owners need not be obtained to make such amendments or alterations valid, providing the percentages of undivided interest in the common areas and facilities of the other unit owners remain unchanged.

ARTICLE XXXV GENDER

The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

ARTICLE XXXVI WAIVERS

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

ARTICLE XXXVII
TOPICAL HEADINGS

The topical headings contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

ARTICLE XXXVII
ENFORCEMENT AND RIGHT TO RECOVER ATTORNEYS FEES

Should the Association, Management Committee or an aggrieved Unit Owner be required to take action to interpret or enforce the Declaration, By-Laws or any administrative rules and regulations adopted from time to time, or to pursue any remedy provided hereunder or by applicable law, whether such remedy is pursued by filing suit or otherwise, the prevailing party may recover all costs and expenses incurred, including a reasonable attorney's fee..

ARTICLE XXXIX
EFFECTIVE DATE

This Declaration shall take effect upon recording.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed the day and year first above written.

FAWNGROVE HOMEOWNERS ASSOCIATION, INC.

By: *Gardner Gould*
Name: Gardner Gould
Title: President

STATE OF)
 ss:
COUNTY OF)

On the ___ day of _____, 2003, personally appeared before me Gardner Gould, who by me being duly sworn, did say that he is the President of the Fawngrove Homeowners Association, Inc., and that the within and foregoing instrument was signed in behalf of said Association by authority of a Resolution of its Board of Trustees or Articles of Incorporation, and said Gardner Gould duly acknowledged to me that said Association executed the same.

NOTARY PUBLIC
Residing At:
Commission Expires:

EXHIBIT "A"
(Legal Description and Percentages of Ownership)

The land referred to in the foregoing document is located in Summit County, Utah and is described more particularly as follows:

Unit No.	Address	Percentage	Parcel No.
1	1400	1.598	FGR-I-1
2	1404	.985	FGR-I-2
3	1408	.985	FGR-I-3
4	1412	1.715	FGR-I-4
5	1416	1.626	FGR-I-5
6	1420	.985	FGR-I-6
7	1424	.985	FGR-I-7
8	1428	1.715	FGR-I-8
9	1432	2.292	FGR-I-9
10	1436	1.626	FGR-I-10
11	1450	1.598	FGR-I-11
12	1454	.985	FGR-I-12
13	1458	.985	FGR-I-13
14	1462	1.715	FGR-I-14
15	1466	1.626	FGR-I-15
16	1470	.985	FGR-I-16
17	1474	.985	FGR-I-17
18	1478	1.715	FGR-I-18
19	1482	2,292	FGR-I-19
20	1486	1.626	FGR-I-20
21	1500	1.598	FGR-I-21
22	1504	.985	FGR-I-22
23	1508	.985	FGR-I-23
24	1512	1.715	FGR-I-24
25	1516	1.626	FGR-I-25
26	1520	.985	FGR-I-26
27	1524	.985	FGR-I-27
28	1528	1.715	FGR-I-28
29	1532	2.292	FGR-I-29
30	1536	1.626	FGR-I-30
31	1550	1.881	FGR-I-31
32	1554	1.028	FGR-I-32
33	1558	1.025	FGR-I-33
34	1562	2.119	FGR-I-34
35	1586	3.311	FGR-I-35
36	1578	1.028	FGR-I-36

Unit No.	Address	Percentage	Parcel No.
37	1574	1.028	FGR-I-37
38	1582	1.875	FGR-I-38
39	1570	2.858	FGR-I-39
40	1566	3.311	FGR-I-50
41	1600	1.881	FGR-I-41
42	1604	1.028	FGR-I-42
43	1608	1.025	FGR-I-43
44	1612	2.119	FGR-I-44
45	1636	3.311	FGR-I-45
46	1628	1.028	FGR-I-46
47	1624	1.028	FGR-I-47
48	1632	1.875	FGR-I-48
49	1620	2.858	FGR-I-49
50	1616	3.311	FGR-II-50
51	1686	1.841	FGR-II-51
52	1682	2.052	FGR-II-52
53	1678	1.720	FGR-II-53
54	1674	1.698	FGR-II-54
55	1670	1.698	FGR-II-55
56	1666	1.823	FGR-II-56
57	1662	1.082	FGR-II-57
58	1658	1.082	FGR-II-58
59	1654	1.869	FGR-II-59
60	1650	1.902	FGR-II-60
61	1676	0.771	FGR-II-61

EXHIBIT " B"
BY-LAWS FOR
FAWNGROVE HOMEOWNERS ASSOCIATION

ARTICLE I
PLAN OF UNIT OWNERSHIP AND INCORPORATION

1. Submission. These are the By-Laws referred to in the foregoing Condominium Declaration of Condominium for Fawngrove Condominiums (the "Declaration"), which is located in Summit County, State of Utah. These By Laws shall govern the administration of the Project and the Association.

2. Corporation. The association of unit owners is incorporated under the laws of the State of Utah.

3. Office and Registered Agent. The initial Registered Agent shall be Gardner Gould of 1482 Deer Valley Drive, Park City, Utah 84068. The Registered Agent shall always be the President of the Association and the Registered Office shall be the home of the President or such other place as shall be designated by him.

ARTICLE II
ASSOCIATION

1. Composition. The association of unit owners is a mandatory association consisting of all Owners at the Fawngrove Condominium Project.

2. Place of Meeting. Meetings of the Association, including the annual meeting, shall be held at the time and place designated by the President of the Association and stated in the notice of meeting.

3. Notice of Meeting. It shall be the duty of the Secretary to hand deliver or mail to each owner at his last known address, by regular U.S. mail postage prepaid, a notice of (a) each annual meeting of the Association not less than ten (10) and not more than thirty (30) days in advance of such meeting. The notice shall state the purpose, day, date, time and place of the meetings. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

4. Qualified Voters. An Owner shall be deemed to be in "good standing" and "entitled to vote" at any meeting of the Association if he is in full compliance with all of the terms, covenants, and conditions of the Project Documents, and shall have fully paid his share of the Common Expenses and all Assessments and/or Additional Charges due.

5. Proxies. The votes appertaining to any Unit may be cast pursuant to a proxy or

proxies duly executed by or on behalf of the Unit Owner, or in cases where the Owner is more than one person, by or on behalf of all such persons. Any proxy shall be void if it is not dated, if it purports to be revocable without notice, or if it is not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Unless it expressly states otherwise, a proxy shall terminate automatically (a) if the Owner attends the meeting in person, (b) it is revoked in writing and written notice of the revocation is given to the Secretary of the Association prior to the meeting, and (c) upon the adjournment of the first meeting held on or after the date of that proxy. Each proxy must be filed with the Secretary of the Association prior to the meeting. Only individual Owners or the legal representative of an institutional Owner may be proxies.

6. Quorum. Those Owners present in person or by proxy at a properly scheduled meeting of the Association shall constitute a quorum for the adoption of decisions. When a quorum is present at any meeting, the vote of the Owners representing a majority of the members of the Association in person or by proxy, shall decide any question brought before the meeting. If the Declaration requires a fixed percentage of Owners to approve any action, however, that percentage shall be required notwithstanding anything to the contrary notwithstanding.

7. Order of Business. The order of business at all meetings of the Association shall be as follows:

- a. roll call;
- b. proof of notice of meeting;
- c. reading of minutes of preceding meeting;
- d. reports of officers;
- e. report of special committees, if any;
- f. election of inspectors of election, if applicable;
- g. election of Committee Members, if applicable;
- h. unfinished business; and
- i. new business.

8. Conduct of Meeting. The President shall, or in his absence the Vice-President, preside over all meetings of the Association; and the Secretary shall keep the minutes of the meeting as well as record of all transactions occurring thereat.

9. Open Meeting Policy. All Management Committee meetings shall be open to all voting members, but attendees other than members of the Management Committee may not participate in any discussion or deliberation unless a majority of a quorum requests that they be granted permission to speak. In such case, the President may limit the time any such individual may speak.

10. Action May Be Taken Without A Meeting. Any action to be taken at the meeting of the Management Committee or any action that be taken at a meeting of the Management Committee may be taken without a meeting if a consent in writing, setting for the action so taken, shall be signed by all the members of the Management Committee. An explanation of

the action taken shall be posted at a prominent place or places within the common areas with three (3) days after the written consents of all of the members of the Management Committee have been obtained.

11. Executive Session. The Management Committee, with approval of a majority of a quorum, may adjourn a meeting and reconvene an executive session to discuss and vote upon personnel matters, litigation or threatened litigation in which the Association is or may become involved, and orders of business of a privileged, confidential, sensitive or similar nature. The nature of any and all business to be considered in an executive session shall first be announced in open session.

ARTICLE III MANAGEMENT COMMITTEE

1. Powers and Duties. The affairs and business of the Association shall be managed by the Management Committee consisting of three (3) or more Unit Owners. The Management Committee shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Declaration and may do all such acts and things necessary to operate and maintain the Project. The Committee shall have the power from time to time to adopt any Rules and Regulations deemed proper for the exercise of its management powers. The Committee may delegate its authority to a manager or managers. Subject to any limitations or provisions contained in the Declaration, the Committee shall be responsible for at least the following:

- a. Preparation of the Budget;
- b. Allocation of the Common Expenses;
- c. Billing and collection of Assessments;
- d. Administering the Association and operating the Common Areas;
- e. Adopting, amending and repealing administrative rules and regulations;
- f. Enforcing the project documents;
- g. Obtaining insurance;
- h. Keeping detailed books and records; and
- i. Doing such other things and acts necessary to accomplish the foregoing and not inconsistent with the Declaration or By-Laws, or to do anything required by a proper resolution of the Management Committee or Association.

2. Composition of Management Committee. The Management Committee shall be composed of at least three (3) but not more than five (5) members.

3. Election and Term of Office of the Committee. At each annual meeting of the Association, the Unit Owners shall elect the members of the Management Committee for the forthcoming year. At least sixty (60) days prior to the annual meeting, the Management Committee shall appoint a nominating committee of not less than three (3) Unit Owners (none of whom shall be members of the then Management Committee) who shall recommend to the Unit Owners at least thirty (30) days prior to the annual meeting at least one nominee for each open position on the Management Committee. Nominations for openings on the Management Committee may also be made by a petition filed with the Secretary of the Association at least ten (10) days prior to the annual meeting. The Petition must be signed by two (2) or more unit owners and the nominee named therein indicating his or her willingness to serve if elected. Members of the Management Committee must be Unit Owners. Members of the Management Committee shall serve for a term of two (2) years; provided, however, the terms of no more than two (2) members of the Management Committee may end in any given year. The members of the Management Committee shall serve until their respective successors are elected, or until their death, resignation, or removal.

4. First Meeting. The first meeting of the members of the Management Committee shall be immediately following the annual meeting of the Association or at such other time and place designated by the Committee.

5. Regular Meetings. Regular meetings of the Management Committee shall be held from time to time and at such time and place as shall be determined by a majority of the members of the Committee, but no less often than semi-annually.

6. Special Meetings. Special meetings of the Management Committee may be called by the President, Vice President or a majority of the members on at least forty-eight (48) hours prior notice to each member. Such notice shall be given personally, by regular U.S. Mail postage prepaid, or by telephone, and such notice shall state the time, place and purpose of the meeting. Any meeting attended by all members of the Committee shall be valid for any and all purposes.

7. Waiver of Notice. Before or at any meeting of the Management Committee, any member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Committee shall constitute a waiver of notice. If all the members are present at any meeting of the Committee, no notice shall be required and any business may be transacted at such meeting.

8. Quorum. At all meetings of the Management Committee, a majority of the members then in office shall constitute a quorum for the transaction of business, and the acts

of the majority of all the Committee members present at a meeting at which a quorum is present shall be deemed to be the acts of the Committee. If, at any meeting of the Committee, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time but for no longer than two days. At any such rescheduled meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

9. Vacancies. Vacancies in the Management Committee caused by any reason other than removal of a member by a vote of the Association shall be filled by vote of the majority of the remaining members of the Committee at a special meeting of the Committee held for that purpose promptly after the occurrence of any such vacancy, even though the total members remaining may constitute less than a quorum of the committee; and each person so elected shall be a member for the remainder of the term of the member so replaced. A vacancy created by the removal of a member by a vote of the Association shall be filled by the election and vote of the Association.

10. Removal of Committee Member. A member of the Management Committee may be removed with or without cause, and his successor elected, at any duly called regular or special meeting of the Association at which a quorum of the Association is present, by an affirmative vote of a majority of the members of the Association. Any member whose removal has been proposed by the Owners shall be given at least thirty days notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting. Any Committee Member who misses twenty-five percent (25%) or more of the Committee Meetings or who misses three (3) consecutive meetings, in any calendar year, shall be automatically removed from the Committee.

11. Conduct of Meetings. The President shall preside over all meetings of the Committee and the Secretary shall keep a Minute Book of the Committee recording therein all resolutions adopted by the Committee and a record of all transactions and proceedings occurring at such meetings.

12. Report of Committee. The Committee shall present at each annual meeting, and when called for by vote of the Association at any special meeting of the Association, a full and clear statement of the business and condition of the Association.

ARTICLE IV OFFICERS

1. Designation. The principal officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Committee. The Committee may appoint assistant secretaries and such other officers as in its judgment may be necessary. The President, Secretary and Treasurer must be members of the Committee. Two or more offices may be held by the same person, except that the President shall not hold any other office.

2. Election of Officers. The officers of the Association shall be elected annually by the Committee at the first meeting of each Committee immediately following the annual meeting of the Association and shall hold office at the pleasure of the Committee. Any vacancy in an office shall be filled by the Committee at a regular meeting or special meeting called for such purpose.

3. Removal of Officers. The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Committee may be removed at any time by the affirmative vote of a majority of the Committee, and his successor may be elected at any regular meeting of the Committee, or at any special meeting of the Committee called for such purposes.

4. President. The President shall be the chief executive officer; he shall preside at meetings of the Association and the Committee shall be an ex officio member of all committees; he shall have general and active management of the business of the Committee and shall see that all orders and resolutions of the Committee are carried into effect. He shall have all of the general powers and duties which are usually vested in or incident to the use of president of a corporation organized under the laws of the State of Utah.

5. Vice-President. The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Committee or the President shall prescribe. If neither the President nor the Vice President is able to act, the Committee shall appoint a member of the Committee to do so on an interim basis.

6. Secretary. The secretary shall attend all meetings of the Committee and all meetings of the Association and record all votes and the minutes of all proceedings in a book to be kept by him for that purpose and shall perform like duties for committees when required. He shall give, or cause to be given, notices for all meetings of the Association and the Committee and shall perform such other duties as may be prescribed by the Committee. The Secretary shall compile and keep current at the principal office of the Association, a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the Minute Book of the Association, containing the minutes of all annual and special meetings of the Association and all sessions of the Committee including resolutions.

7. Treasurer. The Treasurer shall have custody of all funds and securities that are not under the control of the Managing Agent, and with the assistance of the Managing Agent, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all monies and other valuable effects in such depositories as may be designated by the Committee. He shall disburse funds as ordered by the Committee, taking proper vouchers for such disbursements, and shall render to the

President and members, at the regular meetings of the Committee, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Project.

ARTICLE V COMPENSATION

Members of the Management Committee and Officers of the Association may be reimbursed for their reasonable, actual and documented air and ground transportation expenses up to an amount to be determined by a majority of the Unit Owners present in person or by proxy at the annual meeting of the Association (the "Reimbursement Cap"), but may not otherwise be compensated. If no determination is made in any given year, then the Reimbursement Cap set for the prior year shall be controlling.

ARTICLE VI FISCAL YEAR

The fiscal year of the Association shall be the calendar year consisting of the twelve (12) month period commencing on January 1 of each year terminating on December 31 of the same year. The fiscal year herein established shall be subject to change by the Committee should it be deemed advisable or in the best interests of the Association.

ARTICLE VII AUDIT

Upon written request of either a majority of the Unit Owners or Members of the Management Committee, the books and records of the Association shall be audited by an independent certified public accountant, and the cost of the audit shall be a Common Expense.

ARTICLE VIII AMENDMENT TO BY-LAWS

1. Amendments. These By-Laws may be modified or amended by the affirmative written consent of at least a majority of the undivided interest in the Common Areas and Facilities.

2. Recording. An amendment to these By-Laws shall become effective immediately upon recordation in the Office of the County Recorder of Summit County, State of Utah.

ARTICLE VIII NOTICE

1. Manner of Notice. All notices, demands, bills, statements, or other

communications provided for or required under these By-Laws (except as to notices of Association meetings which were previously addressed in Article II of these By-Laws) shall be in writing and shall be deemed to have been duly given if delivered personally or sent by regular U.S. Mail postage pre-paid, a) if to an Owner, at the address of his Unit and at such other address as the Owner may have designated by notice in writing to the Secretary; or b) if to the Committee or the Manager, at the principal office of the Manager or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes, the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provisions of the Declaration.

ARTICLE IX COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these By-Laws and the Declaration, the provision of the Declaration shall control.

2. Waiver. No restriction, condition, obligation, or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

3. Captions. The captions contained in these By-Laws are for convenience only and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

4. Interpretation. Whenever in these By-Laws the context so requires, the singular number shall refer to the plural and the converse; and the use of any gender shall be deemed to include both masculine and feminine; and the term "shall" is mandatory while the term "may" is permissive.

5. Severability. The invalidity of any one or more phrases, sentences, subparagraphs, subsections or sections hereof shall not affect the remaining portions of this instrument or any part thereof, and in the event that any portion or portions of this document should be invalid or should operate to render this document invalid, this document shall be

construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, subsection or subsections, or section or sections had not been inserted.

Dated the 28 day of February, 2003.

FAWNGROVE HOMEOWNERS ASSOCIATION, INC.

By: Gardner Gould
Name: Gardner Gould
Title: President

STATE OF UTAH)
 ss:
COUNTY OF SALT LAKE)

On the ___ day of _____, 2003, personally appeared before me Gardner Gould, who by me being duly sworn, did say that he is the President of the Fawngrove Homeowners Association, Inc., and that the within and foregoing instrument was signed in behalf of said Association by authority of a Resolution of its Board of Trustees or Articles of Incorporation, and said Gardner Gould duly acknowledged to me that said Association executed the same.

NOTARY PUBLIC
Residing At:
Commission Expires: