

BYLAWS OF
RIM VILLAGE HOMEOWNERS ASSOCIATION, INC.
A Nonprofit Corporation

Article 1

Offices

The principal office of the corporation shall be located at the Rim Village Development in Grand County, Utah. The corporation may have other offices at such places within or without the state of Utah which may serve as the principal office as the Board of Trustees may from time to time determine.

Article 2

Members

Section 1. Eligibility. Every Owner upon acquiring title to a Unit shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of such Unit ceases for any reason, at which time his membership in the Association with respect to such Unit shall automatically cease and the successor Owner shall become a member. Membership in the Association shall be mandatory and shall be appurtenant to and may not be separated from the ownership of a Unit.

Section 2. Voting Rights. Members shall be divided into two Classes, with the following voting rights:

Class A. Class A shall consist of the Owners, but excluding the Developer until the Class B membership ceases. Class A members shall be entitled to one (1) vote for each Unit in which the interest required for membership in the Association is held.

Class B. Class B shall consist of the Developer, who shall be the sole member of . Class B. Class B shall be entitled to three (3) votes for each Unit which it owns. Class B membership

shall automatically cease and be converted to Class A membership on the first to occur of the following events:

- a. When the total number of votes held by all Class A members equals the total number of votes held by the Class B member; provided, however, that Class B membership shall be restored upon the annexation of additional Units to the property pursuant to Article III of the Declaration of Covenants, Conditions and Restrictions of the Rim Village Development (Phase I), if and so long as the number of Class B votes after such annexation exceeds the number of Class A votes; or
- b. The expiration of ten (10) years after the date on which the Declaration of Covenants, Conditions and Restrictions is filed with the County Recorder of Grand County, Utah.

Article 3

Meetings of Members

Section 1. Annual Meeting. An Annual Meeting of the Members of the Association shall be held each year at the clubhouse of the Rim Village development, or at such other location as designated by the Governing Board. In the event that the annual meeting is not held on or before September 15 of any year, an annual meeting may be called by any ten members having voting rights or by members having the right to cast ten percent of the votes entitled to be cast at such meeting, whichever is greater.

Section 2. Special Meetings. Special meetings of the Members may be called by the Governing Board or by members having the right to cast one-third of the votes entitled to be cast at such special meeting.

Section 3. Other Meetings. Other meetings of members may be held at such place within or without the State of Utah, as may be determined from time to time by the Governing Board.

Section 4. Notice of Meetings. Written notice stating the place, date and hour of all meetings of Members and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 days before the date of the meeting, either personally or by mail, by or at the direction of the Governing Board or the persons calling the meeting, to each Member entitled

to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the Member at his address as it appears on the records of the corporation, with postage thereon prepaid.

Section 5. Quorum. The Members present in person or by proxy (i.e. family member of the Member or another Member of the Association only) at any meeting shall constitute a quorum. The vote of a majority of the votes entitled to be cast by Members present in person or by proxy shall be necessary for the adoption of any matter voted on at a meeting.

Article 4

Governing board

Section 1. Qualifications. The affairs of the corporation shall be managed by the Governing Board. The Governing Board shall consist of no fewer than 3 and no more than 9 Trustees, all of whom must be Members of the Association.

Section 2. Number, election and terms of trustees. The number of Trustees serving on the Governing Board shall be no fewer than 3 and no more than 9. The number of trustees may be increased or decreased from time to time by an amendment to the bylaws, but in no event shall the Association have fewer than 3 trustees. Each trustee shall be elected at an annual or special meeting and shall be elected for a term of three years. Each trustee shall hold office for the term for which he is elected and until his successor shall have been elected. Trustees shall serve staggered terms such that the terms of office of 1/3 of the trustees shall expire each year.

Section 3. Vacancies. Any vacancy occurring in the Governing Board by reason of resignation, removal or otherwise, may be filled by the affirmative vote of a majority of the remaining trustees. Any trusteeship to be filled by reason of an increase in the number of trustees may be filled by the Governing Board.

Section 4. Voting. A trustee may vote in person or by proxy executed in writing by the trustee or by the trustee's duly authorized attorney in fact. Trustees representing a majority of the votes entitled to be cast by all trustees shall constitute a quorum for the transaction of business at any

meeting of the trustees. The act of trustees constituting a majority of the votes represented at a meeting at which a quorum is present shall be the act of the Governing Board.

Article 5

Rental of Units .

Section 1. Each individual Owner may choose, at his discretion, to rent the unit and contact the rental management company of his choice.

Article 6

Parking and Storage

Section 1. RV and boat parking. The Governing Board shall designate within the development parking areas for short-term parking of recreational vehicles and boats. The Governing Board shall from time to time determine the adequacy of such parking and the period of time which may be considered "short-term" for the parking of recreational vehicles and boats. Any parking of recreational vehicles or boats by Occupants which does not qualify as short-term parking shall be arranged by such Occupant at location outside of Rim Village.

Section 2. Vehicle parking. Occupant's vehicles may be parked only in garages or driveway areas, and designated additional parking areas. Any additional parking must be authorized by the Governing Board. Vehicles may not be parked on either side of any residential street posted "fire lane." Any vehicle parked in said lane will be ticketed and/or towed at Occupant's expense with no notice given. Vehicles parked on lawns or landscaping, curbs or sidewalks will be subject to any assessment for damages at a cost deemed appropriate by the Governing Board. This assessment will be chargeable to the Owner of the Unit and may be a lien against the unit. The rules herein shall apply to Guests of Occupants.

Section 3. Non-operating vehicles. No non-operating vehicles or vehicles without current registration may be parked anywhere except garages. All vehicle repairs must be done in garages as soon as possible.

Section 4. Fire Lanes. On residential street posted as "fire lanes" both sides of the street must be kept clear in order to allow passage of vehicles. Non-compliance may result in towing of said vehicle at the expense of its owner, without notice. This rule also applies to guests.

Article 7

Rules and Regulations

The term "occupant as used herein shall mean any owner, agent, lessee or tenant of Rim Village Planned Unit Development. The term "premises" as used herein, shall mean the building unit of Rim Village in which "occupant" resides or has an ownership interest.

Section 1. Occupant. Occupant will abide by the rules and regulations of Rim Village Association as set forth in the By-laws and the Covenants and Restrictions of the Association. Copies of those documents are available upon request from Management. Occupants are also responsible for any violations or damage to Rim Village by their GUESTS (i.e. adults, children or pets).

Section 2. Premises. Occupant has use and control of the premises itself, together with the patio and driveway. All other areas, including roadways, walkways, parking indentations and lawn areas are the property of the Association and may be used only as authorized by the Association.

Section 3. Structural modifications. All external structural modifications must be submitted to the Board of Directors for approval. Any structure erected, placed or added to any unit must CONFORM to Rim Village as to property boundaries, color code, roofing materials, etc. Approval is given only after these specifications have been satisfied. Any exterior construction to any existing unit, such as extended kitchens, or the like must be completed EXTERNALLY within three (3) months of onset of construction. However, since Rim Village Association does not have control concerning unit owner's choice of contractors as to the actual building of said additions; beyond approval of size, color, etc.; it shall be the responsibility of the unit owner to maintain and repair said property thereafter (exception- Rim Village's approved contractors).

Section 4. External equipment. No TV antennas (Provisions have been made for the owners to install a small RCA type digital satellite dish on the roof of the garage), basketball hoops, or

other materials or equipment may be affixed to any part of the exterior of the building or deck and patio fences. No clothing, blankets or other material may be draped over any of the fences.

Section 5. Debris. The driveway and garages are for vehicle parking ONLY. Appliances, furniture, equipment, car parts or other unsightly items ARE NOT ALLOWED. Garbage or recycled materials must be disposed of in the dumpster or recycle bin provide by the Association. The Association Manager reserves the right to remove any of the above, at the owner's expense, and by the request from the Governing Board, if notice is given for clean up and not complied with.

Section 6. Garden. The garden plot located in patio area is for the sole use of occupant. Additionally, it is the responsibility of the occupant to keep this area free of debris and or weeds.

Section 7. Pets. All pets must be leashed and under the control of their owners when not on the occupant's property. Pet owners must clean up after their pets. No pets will be permitted to run loose. No pet will be permitted to be a noise problem. The patio areas MUST be cleaned on a continual basis of all pet feces, etc. Pet deposits drastically erode the cement. Non-compliance will result in a citation from the Health Department for offenders. All damage caused by pet deposits will be the responsibility of unit owners.

Section 8. Sports Equipment. "Big Wheels" are not permitted in the common areas. Hardballs, softballs, or other objects which can do damage to siding or windows will not be permitted. The Association or Management reserves the right to confiscate any recreational or play equipment which it deems hazardous to persons or property, only to be returned to occupant upon occupant's express agreement to abide by this rule. Rim Village Association encourages all occupants to utilize the recreational area located near the club house for recreational activities.

Section 9. Children. All children in Rim Village must have their activities supervised. Any vandalism or misconduct will not be allowed. Parents will be held accountable for any misconduct and/or damages incurred by their children. All children are expected to respect the rights of other owners property by playing in their own yards or in the common areas.

Section 10. Noise. Noise levels must be kept at a minimum at all times and will not be allowed to disrupt the peace. This includes all persons or pets who constantly disturb other occupants (i.e., loud music, barking dogs and/or any domestic disputes). Chronic cases of disturbances will be dealt with and possible citations will be issued, if necessary, for non-compliance.

Section 11. Personal disputes. Units are individually owned, and should be regarded as one's home. THEY ARE NOT APARTMENTS. As such, all disputes with neighbors should be worked out DIPLOMATICALLY between parties concerned. Management WILL NOT become involved in personal disputes. Neighbors are encouraged to create a committee and approach a problem neighbor with their grievances in a proper manner to try to resolve any disputes. In cases of any violent disputes, vandalism or other illegal activities, local law enforcement should be called.

Section 12. Rental Addendum. Beginning April 20, 1998, all Owner/agents shall be required to have a rental addendum signed by their lessee/s as COMPANION to their standard lease agreement. This addendum lists the guidelines of residency in Rim Village Complex. Copies shall be as follows: one (1) copy to be retained by owner/Agent, one (1) copy to lessee/s and one (1) copy of Rim Village Rules and Regulations shall also be given to lessee/s. This shall be the RESPONSIBILITY of ALL Owner/Agents in the future. Lessee/s shall then be informed of all rules in Rim Village.

Section 13. Association meetings. Rim Village Association has a regularly scheduled meeting which will be posted at mailbox locations. Any discussion or problem of any occupant should be addressed to the Board of Directors at these times. Meetings are open to all occupants and all occupants are urged to attend.

Section 14. Rights of the Association. The Association reserves the right to enforce these rules and regulations, the rules and regulations of Rim Village Association as set forth in the By-laws and the Covenants, Conditions and Restrictions of the Association in any manner which it deems appropriate, including but not limited to the towing of improperly parked vehicles, impounding of animals, and the removal of property in violation of these rules, all at the owner's expense. The Association also reserves the right, after written notice to occupant/owner or agent, to levy a special assessment against the premises which shall become, if not paid, a lien. Written notice shall mean the

mailing of a First-Class Certified Notice to the last known address of occupant/owner or agent (Return Receipt Requested). A seven (7) day period will be allowed to correct any infraction following receipt of Certified Notice.

Article 8

Perpetual Maintenance Agreement

Section 1. Agreement to maintain. The Home Owners Association agrees to maintain all common areas of the development which includes driveways to each unit. And it is further agreed that no amendments to the maintenance agreement can be made without written prior approval of the County Council.

Pam Watson
Trustee #1, Rim Village Homeowners Association

9-12-02
Date

STATE OF UTAH)
: ss.
COUNTY OF GRAND)

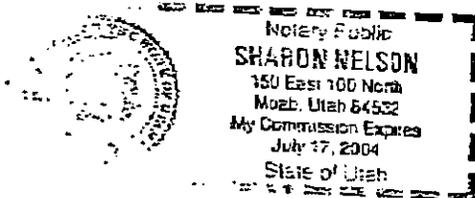
On this 12 day of Sept, 2002, personally appeared before me a trustee, who being by me duly sworn, did say that he/she is the trustee of RIM VILLAGE HOMEOWNERS ASSOCIATION, and that the foregoing Declaration was signed on behalf of said Association by their authority.

Sharon Nelson
Notary Public

Residing at: Mogab, Utah

My Commission Expires:

7/17/04

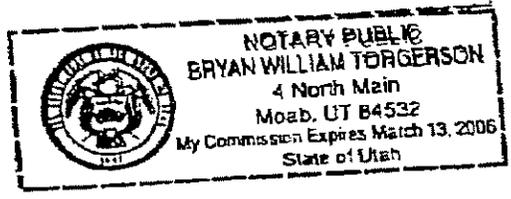


Francis Lee Shenton
Trustee #2, Rim Village Homeowners Association

Sep 23, 2002
Date

STATE OF UTAH)
: ss.
COUNTY OF GRAND)

On this 23 day of Sept, 2002, personally appeared before me a trustee, who being by me duly sworn, did say that he/she is the trustee of RIM VILLAGE HOMEOWNERS ASSOCIATION, and that the foregoing Declaration was signed on behalf of said Association by their authority.



Bryan William Torgerson
Notary Public

Residing at: 4 North Main Moab, UT

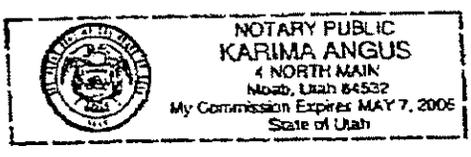
My Commission Expires:
March 13, 2006

[Signature]
Trustee #3, Rim Village Homeowners Association

9-25-02
Date

STATE OF UTAH)
: ss.
COUNTY OF GRAND)

On this 25th day of September, 2002, personally appeared before me a trustee, who being by me duly sworn, did say that he/she is the trustee of RIM VILLAGE HOMEOWNERS ASSOCIATION, and that the foregoing Declaration was signed on behalf of said Association by their authority.



[Signature]
Notary Public

Residing at: W. Ferguson, Moab, UT

My Commission Expires:
May 7, 2006

E 458355 0587 P 234
 Date 27-SEP-2002 11:24am
 Fee: 100.00 Cash
 MERLENE MOSHER, Recorder
 Filed By JAC
 For LEE SHENTON
 GRAND COUNTY CORPORATION

**REVISED DECLARATION OF
 COVENANTS, CONDITIONS AND RESTRICTIONS OF
 THE RIM VILLAGE DEVELOPMENT
 RIM VILLAGE TOWNHOMES PUD
 PHASES I, II, & III**

Revised:
 September 4, 2002

THE RIM VILLAGE
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
THE RIM VILLAGE DEVELOPMENT**

THIS DECLARATION is made and executed this 1st day of January, 1998, by RIM VILLAGE DEVELOPMENT LLC. (hereinafter referred to as "Developer"), and revised August 29, 2000 by the Governing Board of Trustees, Rim Village Homeowner's Association.

I. RECITALS

A. Developer is the record owner of that certain tract of Property more particularly described in Article III of this Declaration. Developer desires to create on said Property a residential development with landscaped areas, open spaces, recreational areas and facilities and other Common Areas.

B. Developer desires to provide for preservation of the values and amenities of the Property and for maintenance of the Common Areas. To this end and for the benefit of the property and of the Owners thereof, Developer desires to subject the property described in Article III of this Declaration to the covenants, restrictions, easements, charges, and liens hereinafter set forth.

C. Developer deems it desirable, for the efficient preservation of the values and amenities of the Property, to create an entity which possesses the power to maintain and administer the Common Areas, to collect and disburse the assessments and charges hereinafter provided for, and otherwise to administer and enforce the provisions of this Declaration. For such purpose Developer has, in conjunction with recordation of this Declaration, caused to be incorporated under the laws of the State of Utah, as a nonprofit corporation, THE RIM VILLAGE HOMEOWNERS ASSOCIATION.

D. Developer intends to create certain Recreational Areas and Facilities for the benefit both of Owners within the Property and of Owners of interests in other residential developments which Developer anticipates may in the future be created in the vicinity of the Property, either through expansion of this Project or by a separate declaration of conditions, covenants and restrictions, provided that such other residential developments are located within the Additional Land.

NOW, THEREFORE, for the foregoing purposes, Developer declares that the Property described in Article III of this Declaration is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

II. DEFINITIONS

When used in this Declaration (including in that portion hereof headed "Recitals") the following terms shall have the meaning indicated.

1. Declaration shall mean this Declaration of Covenants, Conditions and Restrictions.

2. Plat shall mean and refer to any plat: (i) which covers a portion of the Entire Tract; (ii) which describes or creates one or more Lots; (iii) on which or in an instrument recorded in conjunction therewith there is expressed the intent that the Subdivision created by the Plat shall comprise a part of the Development; and (iv) which is filed for record in the office of the County Recorder of Grand, Utah within ten (10) years after the date on which this Declaration is so filed. Being recorded concurrently with this Declaration is a subdivision plat of "Rim Village, Phase I", executed and acknowledged by Developer on 5-3-99, prepared and certified by Timothy M. Keogh, (a duly registered Utah Land Surveyor, holding Registration No. 171004), consisting of one sheet and filed for record in the office of

the County Recorder of Grand County, Utah on 5-3-99 in Book 533, Page 236, on Entry No. 447938. Said subdivision plat constitutes a Plat.

3. Property shall mean and refer to the entire tract of real property covered by the Plat, a description of which is set forth in Article III of this Declaration, and shall also mean, at any given time, to any land within the Entire Tract annexed as provided in Article III of this Declaration.

4. Common Areas shall mean and refer to all property owned by the Association for the common use and enjoyment of the Owners, together with all improvements thereon and all easements appurtenant thereto. The initial Common Areas shall consist of all property described in Article III of this Declaration, save and excepting all developed Units contained therein.

5. Living Unit or Unit shall mean and refer to a structure which is designed and intended for use and occupancy as a residence, together with all improvements which are used in conjunction with such residence.

6. Owner shall mean and refer to the person who is the owner of record (in the office of the County Recorder of Grand County, Utah) of a fee simple or an undivided fee simple interest in any unit. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Owner shall not mean or include a mortgagee, or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure of any arrangement or proceeding in lieu thereof.

7. Association shall mean and refer to THE RIM VILLAGE HOMEOWNERS ASSOCIATION, a Utah nonprofit corporation, which will own, operate and maintain the Common Areas within the Entire Tract.

8. Board shall mean and refer to the Board of Trustees of the Association.

9. Member shall mean and refer to every person who holds membership in the Association.

10. Additional Land shall, at any point in time, mean the land in Grand County, Utah, described as follows:

See Exhibit "B" attached hereto and incorporated herein by this reference.

11. Entire Tract shall mean and refer to the following described tract of land situated in Grand County, Utah, together with all appurtenances thereto:

See Exhibit "C" attached hereto and incorporated herein by this reference.

12. Parcel shall mean and refer to each portion of the Entire Tract which, within ten (10) years after the date on which the Declaration is filed for record in the office of the County Recorder of Grand County, Utah, is separately subjected to the terms of this Declaration with the intention that it shall thereby comprise a portion of the Development. The real property described in Article III of this Declaration constitutes a Parcel.

13. Recreational Areas and Facilities or Recreational Areas shall mean and refer to all recreational areas and amenities provided by Developer but to be owned by the Association for the use and benefit of all Members who own units within the Development.

14. Rim Village Development or the Development, at any point in time, shall mean, refer to, and consist of all Recreational Areas and all subdivisions then in existence.

15. Entire Project shall, at any point in time, mean, refer to, and consist of all subdivisions which are located within the Entire Tract.

16. Managing Agent shall mean and refer to any person or entity appointed or employed as the manager or managing agent by the Association.

17. Mortgage shall mean any first mortgage, first deed of trust or trust deed of the act of encumbering any Unit or any property by a mortgage, trust deed or deed of trust; and Mortgagee shall mean any first mortgagee and any trustee or beneficiary of a first trust deed or deed of trust.

18. Developer shall mean and refer to Rim Village Development, LLC, a Utah limited liability company, its successors and assigns.

III. PROPERTY DESCRIPTION AND ANNEXATION

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

See Exhibit "A" attached hereto and incorporation herein by this reference.

EXCLUDING AND RESERVING UNTO DEVELOPER, however, such easements and rights of ingress and egress over, across, through, and under the above-described tract and any improvements now or hereafter constructed thereon as may be reasonably necessary for Developer or for any assignee of Developer (in a manner which is reasonable and not inconsistent with the provisions of this Declaration): (i) to construct and to improve the Common Areas with such facilities (including, but not limited to, roads, walkways, and various landscaped areas) designed for the use and enjoyment of all Members as Developer may reasonably determine to be appropriate; (ii) to create and construct such Recreational Areas and Facilities as Developer or as such assignee may reasonably determine to be appropriate; and (iii) to develop and improve, as Developer or as such assignee may in its sole discretion determine to be appropriate, each and every portion of the Entire Tract irrespective of whether or not the particular portion of such Entire Tract developed or improved is or is to be part of the Rim Village Development. If, pursuant to the foregoing reservations, the above-described tract or any improvement thereon is traversed, or partially occupied by a permanent improvement or utility line, a perpetual easement for each improvement or utility line shall exist. With the exception of such perpetual easements, the reservations hereto affixed shall, unless sooner terminated in accordance with their terms, expire ten (10) years after the date on which this Declaration is filed for record in the office of the County Recorder of Grand County, Utah.

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 reservations and exclusions; all 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 viable

easements and rights-of-way; and all easements and rights-of-way of records.

2. Annexation by Developer. Developer may from time to time expand the Property subject to this Declaration by the annexation of all or part of the lands constituting the Additional Land. The annexation of any such land shall become effective upon the recordation in the office of the County Recorder of Grand County, Utah, of a supplemental declaration which (i) describes the land to be annexed or incorporates by reference the description contained in the Plat; (ii) declares that the annexed land is to be held, sold, conveyed, encumbered, leased, occupied and improved as part of the Property subject to this Declaration; and (iii) sets forth such additional limitations, restrictions, covenants and conditions as are applicable to the annexed land. When any such annexation becomes effective, the annexed land shall become part of the Property and subject to the provisions of the Declaration and any amendment or supplement thereto.

3. Limitation on Annexation. Developer's right to annex land to the Property shall be subject to the following limitations:

a. The annexed land must be part of the land which is Additional Land as of the date of this Declaration.

b. Developer shall not effectuate any annexation of land which would cause the total number of Units existing on or planned for the Property to exceed 104.

c. Developer's right to annex land to the Property shall expire ten (10) years after this Declaration is filed for record in the office of the county Recorder of Grand County, Utah.

4. No Obligation to Annex or Develop. Developer has no obligation hereunder to annex any additional land to the property or to develop or preserve any portion of Additional Land in any particular way or according to any particular time schedule. No land other than the property as defined on the date hereof and land annexed thereto in accordance with the terms of this Article shall be deemed to be subject to this Declaration, whether or not shown on any subdivision plat filed by Developer or described or referred to in any documents executed or recorded by Developer.

IV. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

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

2. Voting Rights. The Association shall have the following described two classes of voting membership:

Class A. Class A members shall be all Owners, but excluding the Developer until the Class B membership ceases. Class A members shall be entitled to one (1) vote for each Unit in which the interest required for membership in the Association is held.

Class B. Developer shall be the sole Class B member. The Class B member shall be entitled to three (3) votes for each Unit which it owns. The Class B membership shall automatically cease and be converted to Class A membership on the first to occur of the following events:

a. When the total number of votes held by all Class A members equals the total number of votes held by the Class B member; provided, however, that Class B membership shall be restored upon the annexation of additional Units to the property pursuant to Article III above, if and so long as the number of Class B votes after such annexation exceeds the number of Class A. votes; or

b. The expiration of ten (10) years after the date on which this Declaration is filed for record in the office of the County Recorder of Grand County, Utah.

3. Multiple Ownership Interests. in the event there is more than one (1) Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves, but in no event shall more than one (1) Class A vote be cast with respect to any Unit. A vote cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the entire vote attributable to the Unit concerned unless an objection is made at the meeting by another Owner of the same Unit, in which event a majority in interest of the co-owners as shown on the record of ownership maintained by the Association shall be entitled to cast the vote.

4. Record of Ownership. Every Owner shall promptly cause to be duly filed of record the conveyance document (or in the case of contract buyer, a copy of the sales contract) to him of his Unit and shall file a copy of such conveyance document with the secretary of the Association, who shall maintain a record of ownership of the Units. Any Owner who mortgages his Unit or any interest therein by a mortgage which has priority over the lien of any assessment provided herein shall notify the secretary of the Association of the name and address of the Mortgagee and also of the release of such Mortgage; and the secretary of the Association shall maintain all such information in the record of ownership.

V. DUTIES AND POWERS OF THE ASSOCIATION

1. Duties of the Association. Without limiting any other duties which may be imposed upon the Association by its Articles of Incorporation or this Declaration, the Association shall have the obligation and duty to do and perform each and every one of the following for the benefit of the Owners and the maintenance and improvement of the Property:

a. The Association shall accept all Owners as members of the Association.

b. The Association shall accept title to all Common Areas conveyed to it by Developer.

c. The Association shall maintain, repair, replace and landscape the Common Areas. In addition to maintenance upon the Common Areas, the Association shall provide exterior maintenance of Units which is subject to assessment hereunder as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surface, trees, shrubs, grass, walks and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

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

d. To the extent not assessed to or paid by the Owners directly, the Association shall pay all real property taxes and assessments levied upon any portion of the Common Areas, provided that the Association shall have the right to contest or compromise any such taxes or assessments.

e. The Association shall obtain and maintain in force the policies of insurance required by the provisions of this Declaration.

1. The Association may employ a responsible corporation, partnership, firm, person or other entity as the Managing Agent to manage and control the Common Areas, subject at all times to direction by the Board, with such administrative functions and powers as shall be delegated to the Managing Agent by the Board. The compensation of the Managing Agent shall be such as shall be specified by the board. Any agreement appointing a Managing Agent shall be terminable by either party, with or without cause and without payment of any termination fee, upon thirty (30) days written notice thereof; and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods. Any Managing Agent may be an independent contractor and not an agent or employee of the Association.

2. Powers and Authority of the Association. The Association shall have all the powers set forth in its Articles of Incorporation, together with its general powers as a nonprofit corporation, and the power to do any and all things which may be authorized, required or permitted to be done by the Association under and by virtue of this Declaration, including the power to levy and collect assessments as hereinafter provided. Without in any way limiting the generality of the foregoing, the Association shall have the following powers:

a. The Association shall have the power and authority at any time and from time to time and without liability to any Owner for trespass, damage or otherwise, to enter into any Unit for the purpose of maintaining and repairing such or any improvement thereon if for any reason the Owner fails to maintain and repair such Unit or improvement, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such Unit in violation of Article IX of this Declaration. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or any rules and regulations promulgated by the Board, or to enforce by mandatory injunction or otherwise all of the provisions of this Declaration and such rules and regulations.

b. In fulfilling any of its duties under this Declaration, including its duties for the maintenance, repair, operation or administration of the Common Areas and units (to the extent necessitated by the failure of the Owners of such Unit) or in exercising any of its rights to construct improvements or other work upon any of the Common Areas, and provided that any contract for goods or services having a term of more than one (1) year shall state that it may be terminated by either party at the end of the first year or at any time thereafter upon no less than ninety (90) days written notice, the Association shall have the power and authority (i) to pay and discharge any and all liens placed upon any Common Areas on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration and (ii) to obtain, contract and pay for, or otherwise provide for:

i. Construction, maintenance, repair and landscaping of the Common Areas on such terms and conditions as the Board shall deem appropriate;

ii. Such insurance policies or bonds as the Board may deem appropriate for the protection or benefit of Developer, the Association, the members of the Board and the Owners;

iii. Such utility services, including (without limitation) water, sewer, trash removal, electrical, telephone and gas services, as the Board may from time to time deem desirable;

iv. The services of architects, engineers, attorneys and certified public accountants and such other professional or nonprofessional services as the Board may deem desirable;

v. Fire, police and such other protection services as the Board may deem desirable for the benefit of the Owners or any of the Property; and

vi. Such materials, supplies, furniture, equipment, services and labor as the Board may deem necessary.

c. The Board may delegate to the Managing Agent any of its powers under this Declaration; provided, however, that the Board cannot delegate to such Managing Agent the power to execute any contract binding on the Association for a sum in excess of One Thousand Dollars (\$1,000.00), nor the power to sell, convey, mortgage, or encumber any Common Areas.

3. Association Rules. The Board from time to time and subject to the provisions of this Declaration, may adopt, amend, repeal and enforce rules and regulations governing, among other things; (a) the use of the Common Areas; (b) the use of any roads or utility facilities owned by the Association; (c) the collection and disposal of refuse; (d) the maintenance of animals on the Property; and (e) other matters concerning the use and enjoyment of the Property and the conduct of residents.

4. Limitation of Liability. No member of the Board acting in good faith shall be personally liable to any Owner, guest, lessee or any other person for any error or omission of the Association, its representatives and employees, the Board, any committee or the Managing Agent.

VI. ASSESSMENTS

1. Personal obligation and Lien. Each Owner shall, by acquiring or in any way becoming vested with his interest in a Unit, be deemed to covenant and agree to pay to the Association the special and reimbursement assessments, annual and special assessments and his pro rata share of all taxes levied on the assets owned by the Association, together with late payment fees, interest and costs of collection, if and when applicable. All such amounts shall be, constitute, and remain: (a) a charge and continuing lien upon the Unit with respect to which such assessment is made until fully paid; and (b) the personal, joint and several obligation of the Owner or Owners of such Unit at the time the assessment falls due. No Owner may exempt himself or his Unit from liability for payment of assessments by waiver of his rights in the Common Areas or by abandonment of his Unit. In a voluntary conveyance of a Unit the grantee shall be jointly and severally liable with the grantor for all such unpaid assessments, late payment fees, interest and costs of collection, including reasonable attorneys fees, which shall be a charge on the Unit at the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Development. The use made by the Association of funds obtained from assessments may include payment of the cost of: taxes and insurance on the Common Areas; maintenance, repair, and improvements of the Common Areas, establishment and funding of a reserve to cover major repair or replacement or improvements within the Common Areas; maintenance and repair of the exteriors of Units; and any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions or purposes under this Declaration or its Articles of Incorporation. The Association shall maintain an adequate reserve fund or funds for maintenance and repairs and replacement of those elements of the Common Areas that must be replaced on a periodic basis.

3. Basis and Maximum of Annual Assessments.

a. From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum monthly assessment may be increased effective January 1 of each year by the Board of Directors without a vote of the membership, provided that any such increase shall not be more than twenty percent (20%) of the previous year's assessment. Such monthly assessment shall continue in effect for the following twelve (12) months, which period shall be deemed to be the assessment period.

b. From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner the maximum regular assessment may be increased by the Board of Directors in an amount greater than provided for in subsection (a) hereof for the next succeeding twelve (12) calendar months, and at the end of each such period, for each succeeding period of twelve (12) months, provided that any such change shall have the approval by vote or written assent of a majority of the voting power of the Association, which shall include a majority of the votes residing in Members other than the Developer, or if the votes residing in Members other than the Developer, or if the two class voting structure is still in effect as provided herein and in the Bylaws, a majority of the votes of each class of Members. The limitations hereof shall not apply to any change in the maximum and basic amounts of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

c. After consideration of current maintenance costs and future needs of the Development, the maintenance assessment may be decreased by a vote of not less than two-thirds (2/3) of the Owners present, either in person or by proxy and entitled to vote at any duly constituted meeting for such purpose, together with the written consent of sixty-six and two-thirds percent (66 2/3 %) of all persons or entities holding an obligation of the Owner of any Unit in the Development secured by a mortgage or deed of trust which is a first lien on the Unit or interest of such Owner and which was made in good faith and for value.

4. Special Assessments. From and after the date set under Section 8 of this Article, the Association may levy special assessments for the purpose of defraying, in whole or in part: (a) any expense or expenses not reasonably capable of being fully paid with funds generated by monthly assessments; or (b) the cost of any construction, reconstruction, or unexpectedly required addition to or replacement of the Common Areas. Any such special assessment must be assented to by a majority of the votes of the membership which Owners present in person or represented by proxy are entitled to cast at a meeting duly called for the purpose. Written notice setting forth the purpose of such meeting shall be sent to all Owners at least ten (10) but no more than thirty (30) days prior to the meeting date.

5. Quorum Requirements. The quorum at any meeting required for any action authorized by Section 3 or 4 above shall be as follows: At the first meeting called, the presence of Owners of or proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirements set forth in Section 3 and 4 above) at which a quorum shall be one-half (1/2) of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting.

6. Special Assessment on Specific Unit. In addition to the monthly assessment and any special assessment authorized pursuant to Section 4 above, the Board may levy at any time Special Assessments: (a) on every Unit especially benefited by any improvement to adjacent roads, sidewalks, planting areas or other portions of the Common Areas made on the written request of the Owner of the Unit to be charged; (b) on every Unit the Owner or occupant of which shall cause any damage to the Common Areas necessitating repairs; and (c) on every Unit as to which the Association shall incur any

expense for maintenance or repair work performed, or enforcement action taken, pursuant to Section 2(a) of Article V or other provisions of this Declaration. The aggregate amount of any such Special Assessments shall be determined by the cost of such improvements, repairs, maintenance or enforcement action, including all overhead and administrative costs, and shall be allocated among the affected Units according to the special benefit or cause of damage or maintenance or repair work or enforcement action, as the case may be, and such assessment may be made in advance of the performance of work. If a special benefit arises from any improvement which is part of the general maintenance obligations of the Association, it shall not give rise to a special Assessment against the Units benefited.

7. Effect of Nonpayment - Remedies. Any assessment (whether monthly, special or reimbursement assessment) not paid when due shall, together with interest and costs of collection, be, constitute, and remain a continuing lien on the affected Unit. If any assessment is not paid within thirty (30) days after the date on which it becomes due, the amount thereof shall bear interest from the due date at the rate of one and one-half percent (1 1/2%) per month; and the Association may bring an action against the Owner who is personally liable or may foreclose its lien against the Unit or both. Any judgment obtained by the Association in connection with the collection of delinquent assessments and related charges shall include reasonable attorney's fees, court costs and every other expense incurred by the Association in enforcing its rights.

8. Subordination of Lien to Mortgages. The lien of the assessments provided herein shall be subordinate to the lien of any Mortgage to a bank, savings and loan association, insurance company or other institutional lender; and the holder of any such Mortgage or purchaser who comes into possession of a Unit by virtue of the foreclosure of such Mortgage or the exercise of a power of sale under such Mortgage, or by deed in lieu of foreclosure, shall take free of such assessment lien as to any assessment which accrues or becomes due prior to the time such holder or purchaser takes possession of such Unit; provided, that to the extent there are any proceeds of the sale on foreclosure of such Mortgage or by exercise of such power of sale in excess of all amounts necessary to satisfy all indebtedness secured by and owed to the holder of such Mortgage, the lien shall apply to such excess. No sale or transfer shall relieve any Unit from the lien of any assessment thereafter becoming due.

VII. PROPERTY RIGHTS AND CONVEYANCES

1. Easement Concerning Common Areas. Each Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Common Areas. Such right and easement shall be appurtenant to and shall pass with title to each Unit and in no event shall be separated therefrom. Any Owner may delegate the right and easement of use and enjoyment described herein to any family member, household guest, tenant, lessee, contract purchaser, or other person who resides in such Owner's Unit. Notwithstanding the foregoing, no Owner shall have any right or interest in any easements forming a portion of the Common Areas except for the necessary parking, access, communication, utility, drainage and sewer purposes for which such easements are intended for use in common with others.

2. Form of Conveyancing; Leases. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering title to a Unit shall describe the interest or estate involved substantially as follows:

Unit No. _____ as identified in the Plat recorded in Book _____, Page _____, as Entry No. _____, contained within the Rim Village Development identified in the "Declaration Covenants, Conditions, and Restrictions of "Rim Village Development" recorded in the office of the Grand County Recorder in the Book _____, at Page _____. TOGETHER WITH a right and easement of use and enjoyment in and to the Common Areas described, and as provided for, in said Declaration of Covenants, Conditions and Restrictions.

Whether or not the description employed in any such instrument is in the above-specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Unit.

3. Transfer of Title to Common Areas. Developer shall convey to the Association title to the various Common Areas free and clear of all liens (other than the lien of current general taxes and the lien of any non-delinquent assessments, charges, or taxes, imposed by governmental or quasi-governmental authorities), as each such Common Area is substantially completed.

4. Limitation on Easement. An Owner's right and easement of use and enjoyment concerning the Common Areas shall be subject to the following:

a. The right of the Association to govern by rules and regulations the use of the Common Areas by the Owners so as to provide for the enjoyment of the Common Areas by every Owner in a manner consistent with the preservation of quiet enjoyment of the Units by every Owner, including the right of the Association to impose reasonable user charges for the use of facilities (other than open areas) within the Common Areas and reasonable limitations on the number of guests per Owner who at any given time are permitted to use the Common Areas;

b. The right of the Association to suspend an Owner's right to the use of any amenities included in the Common Areas for any period during which an assessment on such Owner's Unit remains unpaid and for a period not exceeding ninety (90) days for any infraction by such Owner of the provisions of this Declaration or of any rule or regulation promulgated by the Board;

c. The right of the County of Grand, and any other governmental or quasi-governmental body having jurisdiction over the Property to enjoy access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Common Areas for the purpose of providing police and fire protection, transporting school children, and providing any other governmental or municipal service.

5. Reservation of Access and Utility Easements. Developer reserves easements for access, electrical, gas, communications, cable television and other utility purposes and sewer, drainage and water facilities (whether servicing the Property or other premises or both) over, under, along, across and through the Property, together with the right to grant to the County of Grand or any other appropriate governmental agency or to any public utility or other corporation or association, easements for such purposes over, under, across, along and through the Property upon the usual terms and conditions required by the grantee thereof for such easement rights; provided, however, that such easement rights must be exercised in such manner as not to interfere unreasonably with the use of the Property by the Owners and the Association and those claiming by, through or under the Owners or the Association; and in connection with the installation, maintenance or repair of any facilities as provided for in any of such easements, the Property shall be promptly restored by and at the expense of the person owning and exercising such easement rights to the approximate condition of the Property immediately prior to the exercise thereof.

b. Easements for Construction and Development Activities. Developer reserves easements and rights of ingress and egress over, under, along, across and through the Property and the right to make such noise, dust and other disturbance as may be reasonably incident to or necessary for the (a) construction of Units, (b) improvement of the Common Areas and construction, installation and maintenance thereof, roads, walkways, buildings, structures, landscaping and other facilities designed for the use and enjoyment of some or all of the Owners, (c) construction, installation and maintenance on lands within, adjacent to, or serving the Property of roads, walkways and other facilities planned for dedication to appropriate governmental authorities, and (d) development, improvement, use and

occupancy of all or any portion of the Additional Land, whether or not such land is intended to be made part of the property. The reservations contained in this paragraph shall expire seven (7) years after the date on which this Declaration is filed for record in the office of the county Recorder of Grand County, Utah.

VIII. USE RESTRICTIONS

1. Use of Common Area. The Common Areas shall be used only in a manner consistent with their community nature and with the use restrictions applicable to Units.

2. Use of Units. No Unit shall be used, occupied, or altered in violation of law, so as to jeopardize the support of any other Unit, so as to create a nuisance or interfere with the rights of any Owner, or in a way which would result in an increase in the cost of any insurance covering the Common Areas.

3. Recreational Vehicles. Boats, trailers, large trucks, and commercial vehicles belonging to Owners or other residents of the Property shall be parked only within the designated parking area within the Development, except temporary parking. No motor vehicle of any kind shall be repaired, constructed or reconstructed upon any street or other Common Areas, except that these restrictions shall not apply to emergency repairs to vehicles.

4. Pets. No animals other than two household dogs or cats shall be kept or allowed in any Unit, or within any part of the Common Areas. Whenever a pet is allowed to leave a Unit, it shall be kept on a leash or in a cage. No animals may be bred for commercial purposes. No pets shall be allowed to make an unreasonable amount of noise or otherwise to become a nuisance. No exterior structure for the care, housing or confinement of any such pets shall be maintained. Any Owner or other resident within the Development who violates this Section shall be subject to such penalty or fines as the Board by resolution or regulation may provide.

5. Antennas. No antenna for radio or television reception, air conditioning unit or other appliance or apparatus, laundry, bedding, garment or other like item, shall be placed within the Common Areas, or outside of any Unit. No such item placed within any Unit shall be located so as to be readily visible from the Common Areas.

6. Common Areas. The Common Areas of the Development shall be improved and used only for the following purposes:

a. Vehicular and pedestrian access to and from and movement within the Development, and space for temporary vehicular parking.

b. Recreational use by Owners and occupants of Units and their guests.

c. Beautification of the Development.

d. Privacy for the Owners and occupants of Units.

e. Such other uses as shall be determined from time to time by the Board for the benefit of members of the Association, following consultation with the Architectural Control Committee.

7. Insurance. No use shall be made of any Unit which shall cause the improvements within the Development or any part thereof to be uninsurable against loss by fire or other perils included in insurance contracts, or cause such insurance to be cancelled or suspended, or cause any company

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issuing such insurance to refuse renewal thereof. Each Owner shall be responsible for securing insurance presently known as homeowners special form coverage (Form J. or better).

8. Machinery and Equipment. No machinery or equipment of any kind shall be placed, used, operated or maintained in or adjacent to any Unit except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of a Unit or appurtenant structures.

9. Maintenance and Repair. No building or structure shall be permitted to fall into disrepair and, subject to the requirements herein as to approval by the Architectural Control Committee, each such building or structure at all times shall be kept in good condition and adequately painted or otherwise finished.

10. Nuisances. No rubbish or debris of any kind shall be placed or permitted by an Owner upon or adjacent to any Unit, so as to render such Unit or portion thereof unsanitary, unsightly, offensive, or detrimental to other Unit Owners of the Development. No Unit shall be used in such manner as to obstruct or interfere with the enjoyment of occupants of other Units. Without limiting any of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices (except security devices used exclusively for security purposes) shall be located or placed in Units.

11. Right of Entry. During reasonable hours, any member of the Architectural Control Committee or any member of the Board, or any officer or authorized representative of any of them, shall have the right to enter upon and inspect any building, site, or Unit, and the improvements thereon, to ascertain whether or not the provisions of the restrictions contained in Article VIII and other rules and regulations of the Board or of the Association have been or are being complied with.

12. Signs. No signs whatsoever (including without limitations, political signs) shall be erected or maintained on any Unit except:

- a. Such signs as may be required by legal proceedings.
- b. Residential identification signs of a combined total face area of seventy-two (72) square inches or less for each Unit.
- c. A "For Sale" or "For Rent" sign, to the extent permitted by the Board.

13. Trash Containers and Collection. All garbage and trash shall be placed and kept in covered containers of a type and style which shall be approved by the Board.

14. Enforcement of Land Use Restrictions. The following persons shall have the right to exercise or seek any remedy at law or in equity to enforce strict compliance with this Declaration:

- a. Developer, so long as it has any interest in any of the Property or any portion of the Additional Land;
- b. Any Owner; or
- c. The Association.

The prevailing party in an action for the enforcement of any provisions of this Declarations shall be entitled to collect court costs and reasonable attorney's fees.

15. Exception for Developer. Notwithstanding the restrictions contained in this Article VIII, for the ten (10) years following the date on which this Declaration is filed for record in the office of the County Recorder of Grand County, Utah, Developer shall have the right to use any Lot or Unit owned by it, and any part of the Common Areas reasonably necessary or appropriate, in furtherance of any construction, marketing, sales, management, promotional, or other activities designed to accomplish or facilitate improvement of the Common Areas or improvement and/or sale of all Units owned by the Developer.

IX. ARCHITECTURAL CONTROL

1. Architectural Control Committee. The Board of Trustees of the Association shall appoint a three- member Committee the function of which shall be to insure that all improvements and landscaping within the property harmonize with existing surroundings and structures. The Committee need not be composed of Owners. If such a Committee is not appointed the Board itself shall perform the duties required of the Committee.
2. Submission to Committee. No Unit, accessory or addition to a Unit which is visible from the Common Areas shall be constructed or maintained, and no alteration, repainting, or refurbishing of the exterior of any Unit, nor of the court enclosure, except as herein otherwise mentioned, shall be performed, unless complete plans and specifications therefore have first been submitted to and approved by the Committee.
3. Standard. In deciding whether to approve or disapprove plans and specifications submitted to it, the Committee shall use its best judgment to insure that all improvements, construction, landscaping, and alterations on Units within the property conform to and harmonize with existing surroundings and structures.
4. Approval Procedure. Any plans and specifications submitted to the Committee shall be approved or disapproved by it in writing within thirty (30) days after submission. In the event the Committee fails to take any action within such period it shall be deemed to have approved the material submitted.
5. Construction. Once begun, any improvements, construction, or alterations approved by the Committee shall be diligently prosecuted to completion. If reasonably necessary to enable such improvement, construction, or alteration, the person or persons carrying out the same shall be entitled to temporarily use and occupy unimproved portions of the Common Areas in the vicinity of the activity.
6. Liability for Damages. The Committee shall not be held liable for damages by reason of any action, inaction, approval, or disapproval by it with respect to any request made pursuant to this Article IX.
7. Exception for Developer. The foregoing provisions of this Article IX shall not apply to any improvement, construction, landscaping, or alteration which is carried out by Developer on any part of Property or the Common Areas and which occurs at any time during the ten (10) year period following the date on which this Declaration is filed for record in the office of the County Recorder of Grand County, Utah.
8. Developer's Obligation. Developer hereby covenants in favor of each Owner that all Units erected by it and all improvements of the Common Areas accomplished by it in the Development (i) shall be architecturally compatible with respect to one another, and (ii) that on or before seven (7) years from the date on which this Declaration is filed for record in the office of the County Recorder of Grand County, Utah, there shall be substantially completed and useable all Common Areas of the Development, all approximately in the locations shown on the Plat.

X. INSURANCE

1. Hazard Insurance. The Board shall prosecute and maintain from a company or companies holding a financial rating of Class VI or better from Best's Key Rating Guide, a policy or policies of hazard insurance in an amount or amounts equal to or exceeding the full replacement value (exclusive of the value of land, foundations, excavation and other items normally excluded from coverage) of the common property owned by the Association (including all building service equipment, if any, and the like) with an Agreed Amount Endorsement or its equivalent, if available, or an Inflation Guard Endorsement and, if required by any Mortgagee of any Unit, Demolition and Contingent Liability from Operation of Building Laws Endorsement, an Increased Cost of Construction Endorsement, an Earthquake Damage Endorsement, and such other endorsements as any first Mortgagee of a Unit shall reasonably require. Such insurance policy or policies shall name the Association as insured for the benefit of the Owners and shall afford protection, to the extent applicable, against at least the following:

a. Loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage; and

b. Such other risks as would customarily be covered with respect to projects similar in construction, location and use.

2. Liability Insurance. The Board shall procure and maintain from a company or companies holding a financial rating of Class VI or better from Best's Key Rating Guide a policy or policies (herein called the "Policy") of Public Liability Insurance to insure the Association, the Board and the Managing Agent and employees of the Association against claims for bodily injury and property damage arising out of the condition of the Common Areas or activities thereon under a Comprehensive General Liability form. Such insurance shall be for such limits as the Board may decide, but not less than those limits customarily carried by properties of comparable character and usage in the County of Grand nor less than \$1,000,000 for personal injury and property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobile, liability for the property of others and such other risks as shall customarily be covered with respect to property similar in construction, location and use. The Policy shall contain a "Severability of Interest" endorsement which shall preclude the insurer from denying the claim of any Owner because of negligent acts of the Association or other Owners and a cross-liability endorsement pursuant to which the rights of the named insured as between themselves are not prejudiced. The Policy shall provide that the Policy may not be cancelled by the insurer unless it gives at least 180 days prior written notice thereof to the Board and every other person in interest who shall have requested in writing such notice of the insurer. Any such coverage procured by the Board shall be without prejudice to the right of the Owners to insure their personal liability for their own benefit at their own expense.

3. Additional Insurance; Further General Requirements. The Board may also procure insurance which shall insure the Common Areas and the Association or the Owners and others against such additional risks as the Board may deem advisable. Insurance procured and maintained by the Board shall not require contribution for insurance held by any of the Owners or their Mortgagees. Each policy of insurance obtained by the Board shall, if reasonably possible, provide:

a. A waiver of the insurer's right of subrogation against the Association, the Owners and their respective directors, officers, agents, employees, invitees and tenants;

b. That it cannot be cancelled, suspended or invalidated due to the conduct of any particular Owner or Owners;

c. That it cannot be cancelled, suspended or invalidated due to the conduct of the Association without a prior written demand that the defect be cured; and

d. That any "no other insurance" clause therein shall not apply with respect to insurance maintained individually by any of the Owners.

4. Fidelity Coverage. In the best business judgment of the Association, the Association may maintain fidelity coverage to protect against dishonest acts on the part of officers, trustees, managing agents, directors, and employees of the Association and all others (including volunteers) who handle, or are responsible for handling, funds of the Association.

5. Review of Insurance. The Board shall periodically, and whenever requested by twenty percent (20 %) or more of the Owners, review the adequacy of the Association's insurance program and shall report in writing the conclusions and action taken on such review to the Owner of each Unit and to the holder of any Mortgage on any Unit who shall have requested a copy of such report. Copies of every policy of insurance procured by the Board shall be available for inspection by any Owner.

6. Units Not Insured by Association.

a. The Association shall have no duty or responsibility to procure or maintain any fire, liability, extended coverage, or other insurance covering the interior of any Units and the personal property contained therein and acts and events therein. Accordingly, Owners of Units in the Development shall obtain appropriate fire, extended coverage and liability insurance therefore.

b. If the Units are to be insured under a blanket or master type casualty insurance policy maintained by the Association, which shall be permitted, then such policy shall insure the Units with fire and extended coverage for the full insurable value, with replacement cost coverage, and agreed value endorsement. Such policy shall also be obtained from a company or companies holding a financial rating at least equal to that mentioned for hazard and liability insurance carrier mentioned in Sections 1 and 2 of this Article X, and shall also contain such other coverage and endorsements as are customary for Units of the type in this Development in the State of Utah and meet all other requirements as may be required from time to time by the mortgagees or their assignees.

XI. CONDEMNATION

At any time or times the Common Areas or any part thereof shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be payable to the Board and shall be used promptly by the Board to the extent necessary for restoring or replacing any improvements on the remainder of the Common Areas. Upon completion of such work and payment in full therefore, any proceeds of condemnation then or thereafter in the hands of the Board which are proceeds for the taking of any portion of the Common Areas shall be disposed of in such manner as the Board shall reasonably determine provided, however, that in the event of a taking in which any Unit is eliminated, the Board shall disburse the portion of the proceeds of the condemnation award allocable to the interest of the Owner of such Unit in the Association and the Common Area to such Owner and any first Mortgagee of such Unit, as their interests shall appear.

XII. RIGHTS OF FIRST MORTGAGEES

Notwithstanding any other provisions of this Declaration, the following provisions concerning the rights of first mortgagees shall be in effect:

1. Right to Examine Association Records. Any first Mortgagee shall have the same right to inspect the books and records of the Association and receive audited financial statements as the

Owner of the Unit securing the Mortgage; provided, that the foregoing shall not be deemed to impose upon the Association any obligation to cause its financial statement to be audited.

2. Right to Pay Taxes and Charges. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Areas and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Areas; and first Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association. Developer, for the Association as owner of the Common Areas, hereby covenants and the Association by acceptance of the conveyance of the Common Areas, whether or not it shall be so express in such conveyance, is deemed to covenant and agree to make such reimbursement.

XIII. MISCELLANEOUS

1. Notices. Any notice required or permitted to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly furnished if delivered or mailed, postage prepaid, to the person named as the Owner, at the latest address for such person as reflected in the records of the Association at the time of delivery or mailing. Any notice required or permitted to be given to the Association may be given by delivering or mailing the same to the Managing Agent or the President of the Association. Any notice required or permitted to be given to the Architectural Control Committee may be given by delivering or mailing the same to the Managing Agent or any member of the Architectural Control Committee, or the Board, as the case may be.

2. Amendment. Except as provided below or in Article XII, this Declaration may be amended by:

- a. The affirmative vote of a majority of the Owners; and
- b. The written consent of Developer, if such amendment is adopted at any time when Developer holds Class B membership in the Association; and
- c. The filing of an instrument for record in the office of the County Recorder of Grand County, Utah, executed by any two officers of the Association and certifying that such amendment has been duly adopted by the affirmative vote of a majority of the Owners and, if required, has the written consent of Developer.

Until all portions of the Additional Land are annexed to the Property or until Developer's right to annex land to the Property otherwise terminates, Developer reserves the right to amend this Declaration insofar as it applies to any land annexed at or after the date of such amendment, provided that (a) any such amendment shall be set forth in a supplemental declaration annexing land to the Property, (b) no such amendment may affect the voting rights of Owners, and (c) no such amendment may decrease the proportionate share of Association assessments which would otherwise be payable by the owners of the annexed land. Developer may at any time amend this Declaration so as to limit, diminish, or eliminate all or any of the reserved rights or benefits of Developer herein, provided that any such amendment shall be effective only after being filed of record in the office of the County Recorder of Grand County, Utah.

3. Consent in Lieu of Vote. In any case in which this Declaration requires for authorization or approval of a transaction, the assent or affirmative vote of a stated percentage or number of the Owners, whether present or represented by proxy (i.e. family member of the Member or another Member of the Association only) at a meeting, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Owners entitled to cast at least the stated percentage or number of all membership votes outstanding in connection with the class of

membership concerned. The following additional provisions shall govern any application of this Section 3:

a. All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner.

b. The total number of votes required for the applicable authorization of approval shall be determined as of the date on which the last consent is signed.

c. Except as provided in the following sentences, any change in ownership of a Unit which occurs after a consent has been obtained from the Owner thereof shall not be considered or taken into account for any purpose. A change in ownership which would increase the total number of Class A votes withstanding shall, however, be effective in that regard and shall entitle the new Owner to give or withhold his consent.

d. Unless the consent of all Owners whose memberships are appurtenant to the same Unit are secured, the consent of none of such Owners shall be effective.

4. Lease Provisions. Any Owner may lease his Unit provided, however, that any lease agreement between an Owner and a Lessee must be in writing and must provide, inter alia, that:

a. The terms of the Lease shall in all respects be subject to the provisions of the Declaration, Articles of Incorporation of the Association; and

b. Any failure by the Lessee to comply with the terms of such documents shall constitute a default under the Lease.

5. Developer's Rights Assignable. All or any portion of the rights of Developer under this Declaration or in any way relating to the Property may be assigned.

6. Interpretation. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include both genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof, which shall remain in full force and effect. The laws of the State of Utah shall govern the validity, construction and enforcement of this Declaration.

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

8. Duration. The covenants and restrictions of this Declaration shall remain in effect for a term of twenty (20) years from the date this Declaration is filed in the office of the County Recorder of Grand County, Utah, after which time they shall be automatically extended for successive periods of ten (10) years each unless terminated by an instrument filed in the office of the County Recorder,

executed by any two (2) officers of the Association, certifying that the Owners of at least seventy-five percent (75%) of the Unit and their first mortgagees, if any, voted in favor of such termination.

9. Developer's Right to Amend. Until all portions of the Additional Land are included in the Development, or until the right to expand the Development through the annexation of all or part of the lands constituting the Additional Land terminates, whichever event first occurs, Developer shall have, and is hereby vested with, the right to unilaterally amend this Declaration as may be reasonably necessary or desirable: (a) to more accurately express the intent of any provisions of this Declaration in light of then existing circumstances or information; (b) to better insure, in light of then existing circumstances or information, workability of the arrangement which is contemplated by this Declaration; or (c) to facilitate the practical, technical, administrative, or functional annexation of any undeveloped land to the Property.

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

Daniel Watson
Trustee #1, Rim Village Homeowners Association

9-12-02
Date

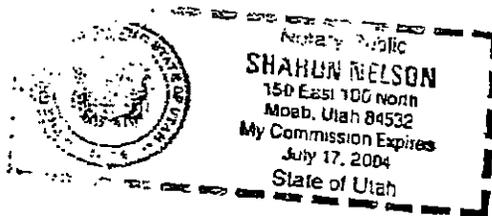
STATE OF UTAH)
: ss.
COUNTY OF GRAND)

On this 12 day of Sept, 2002, personally appeared before me a trustee, who being by me duly sworn, did say that he/she is the trustee of RIM VILLAGE HOMEOWNERS ASSOCIATION, and that the foregoing Declaration was signed on behalf of said Association by their authority.

Sharon Nelson
Notary Public

Residing at: Moab, Utah

My Commission Expires:
7/17/04



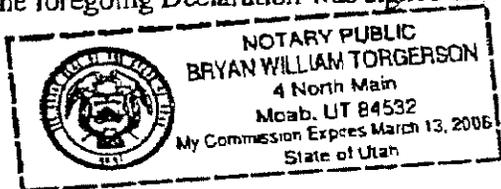
E 458355 B 0587 P 254

Francis Lee Stanton
Trustee #2, Rim Village Homeowners Association

Sep 23, 2002
Date

STATE OF UTAH)
: ss.
COUNTY OF GRAND)

On this 23 day of Sept., 2002, personally appeared before me a trustee, who being by me duly sworn, did say that he/she is the trustee of RIM VILLAGE HOMEOWNERS ASSOCIATION, and that the foregoing Declaration was signed on behalf of said Association by their authority.



Bryan William Torgerson
Notary Public

Residing at: 4 North Main Moab, UT.

My Commission Expires:

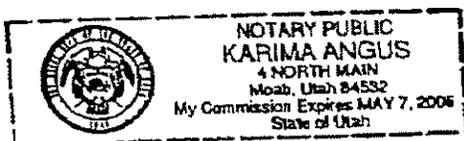
March 13, 2006

[Signature]
Trustee #3, Rim Village Homeowners Association

9-25-02
Date

STATE OF UTAH)
: ss.
COUNTY OF GRAND)

On this 25th day of September, 2002, personally appeared before me a trustee, who being by me duly sworn, did say that he/she is the trustee of RIM VILLAGE HOMEOWNERS ASSOCIATION, and that the foregoing Declaration was signed on behalf of said Association by their authority.



Karima Angus
Notary Public

Residing at: Wells Fargo, moab, UT

My Commission Expires:

May 7, 2006

E 459771 R 0597 P 052 -
Date 5-MAR-2003 12:01pm
Fee: 29.00 Check
MERLENE MUSHAK, Recorder
Filed By PL
For RIM VILLAGE DEVELOPMENT
GRAND COUNTY CORPORATION

Recorded at the Request of:

Rim Village
389 East 1075 North
Springville, Utah 84663

SUPPLEMENTAL DECLARATION OF
COVENANTS, CONDITIONS AND REGULATIONS OF
RIM VILLAGE DEVELOPMENT

(Phase IV)

- 1. Land to be Annexed. Rim Village Development, L.L.C., Developer, annexes the following parcel of the Additional Lands into the Property. This annexed parcel shall be identified as Rim Village, Phase IV, and is described as:

See Exhibit "A" attached hereto and incorporated herein.

- 2. Applicability of Declarations. Rim Village, Phase IV, shall be held, conveyed, encumbered, leased, occupied and improved as part of the Property subject to the Declaration of Covenants, Conditions, and Restrictions of Rim Village Development (Phase I), recorded with the Grand County Recorder.

- 3. NO ADDITIONAL LIMITATIONS. The Developer has no additional limitations, restrictions, Covenants and conditions as are applicable to Rim Village, Phase IV.

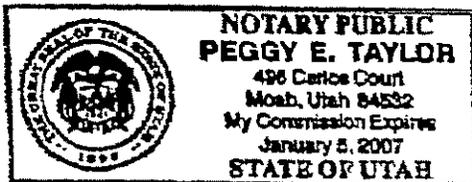
EXECUTED By Developer on March 5, 2003.

RIM VILLAGE DEVELOPMENT, L.L.C.

By: Pam Watson
Pam Watson, Manager

STATE OF UTAH
COUNTY OF GRAND

On this 5th day of March 2003 personally appeared before me Pam Watson, who being by me duly sworn, did say that she is the Manager of Rim Village Development, L.L.C. and that the foregoing Supplemental Declaration was signed on behalf of said partnership by authority of a resolution of its Managers, and she duly acknowledged to me that said partnership executed the same.



Peggy E. Taylor
Notary Public

KEOGH LAND SURVEYING
REGISTERED LAND SURVEYORS
45 E. Center - P.O. Box 396
MOAB, UT 84532

(435) 259-8171
Telephone and Fax

SURVEYOR'S CERTIFICATE

I, TIMOTHY M. KEOGH, DO HEREBY CERTIFY THAT I AM A REGISTERED UTAH LAND SURVEYOR, AND THAT I HOLD CERTIFICATE NO. 171004 AS PRESCRIBED UNDER THE LAWS OF THE STATE OF UTAH, AND I FURTHER CERTIFY THAT UNDER AUTHORITY OF THE OWNERS; I HAVE MADE A SURVEY OF THE TRACT OF LAND SHOWN ON THIS PLAT AND DESCRIBED BELOW, AND HAVE SUBDIVIDED SAID TRACT OF LAND INTO LOTS AND STREETS, HERE-AFTER TO BE KNOWN AS RIM VILLAGE TOWN HOMES PHASE IV, AND THAT SAME HAS BEEN CORRECTLY SURVEYED AND STAKED ON THE GROUND AS SHOWN ON THIS PLAT.

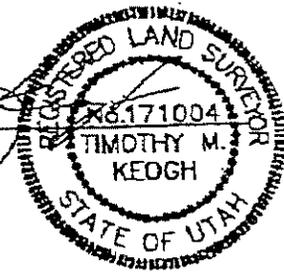
BOUNDARY DESCRIPTION

DESCRIPTION OF LANDS WITHIN SECTION 27, T 26 S, R 22 E, SLM, GRAND COUNTY, UTAH, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT WHICH BEARS S 57° 38' 28" W 1880.17 FT. FROM THE NE CORNER SECTION 27, T 26 S, R 22 E, SLM AND PROCEEDING THENCE WITH THE WESTERLY BOUNDARY OF RIM VILLAGE PHASE III S 11° 14' 21" W 98.07 FT., THENCE N 83° 45' 51" W 13.10 FT., THENCE S 4° 02' 33" W 59.66 FT., THENCE S 88° 09' 02" E 12.09 FT., THENCE S 4° 09' 31" E 169.46 FT., THENCE S 89° 56' 00" W 387.07 FT., THENCE N 0° 02' 00" E 154.51 FT., THENCE N 39° 42' 56" E 377.10 FT., THENCE WITH THE SOUTHERLY RIGHT-OF-WAY OF GEMINI BRIDGES LANE: ALONG THE ARC OF A 283.00 FT. RADIUS CURVE TO THE LEFT 178.90 FT. (SAID CURVE HAS A CHORD WHICH BEARS S 54° 39' 39" E 175.94 FT.), THENCE WITH SAID RIGHT-OF-WAY ALONG THE ARC OF A 50.00 FT. RADIUS CURVE TO THE LEFT 23.86 FT. (SAID CURVE HAS A CHORD WHICH BEARS S 37° 44' 31" E 23.63 FT.) TO THE POINT OF BEGINNING.

BEARINGS ARE BASED ON A LINE BETWEEN THE NE CORNER AND THE NW CORNER SECTION 27 (BEARING FROM VALLEY CONTROL=S 89° 56' 01" E).

Mar. 3, 03
DATE

Timothy M. Keogh
TIMOTHY M. KEOGH



E 459771 80597 P 05

P2

E 466346 B 0640 P 436~
 Date 25-FEB-2005 14:10pm
 Fee: 86.00 Check 442
 MERLENE MOSHER, Recorder
 Filed By PL
 For RIM VILLAGE HOMEOWNERS
 GRAND COUNTY CORPORATION

FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
THE RIM VILLAGE DEVELOPMENT
RIM VILLAGE TOWNHOMES PUD
PHASES I, II, III & IV

Revised

January 24, 2004

THIS FIRST AMENDMENT TO DECLARATION made and executed this 24th day of January 2004, by RIM VILLAGE DEVELOPMENT LLC. (hereinafter referred to as "Developer"), and revised January 24, 2004 by the Governing Board of Trustees and the Rim Village Homeowner's Association.

RECITALS

- A. Declarant is the Declarant as identified and set forth in that certain Declaration of Covenants, Conditions and Restrictions of Rim Village Townhomes PUD Phases I, II & III dated September 4, 2002 and recorded in the office of the Grand County recorder September 27, 2002 as entry NO. 408300 in book 0087 beginning on page 234 (the "Declaration"). Such Declaration relates to that certain real property located in Grand County, State of Utah, more particularly described on Exhibit "A" attached to the Declaration currently on file.
- B. Declarant is currently the managing Homeowner's Association for all completed townhomes, hereinafter referred to as "Units" in the development.
- C. Declarant desires to amend the Declaration, all in accordance with the terms hereinafter set forth.

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

1. **Article II DEFINITIONS** is amended to include the following definition:

Section 4 is deleted in its entirety and the following is substituted in place thereof:

4. Common Areas shall mean and refer to all property owned by the Association for the common use and enjoyment of the Owners, together with all improvements thereon and all easements appurtenant thereto. The initial Common Areas shall consist of all property described in Article III of this Declaration, save and excepting all developed Units contained therein.

Description of Common Area. Said common areas specifically include but are not limited to:

- (a) all foundations, floor slabs, columns, girders, beams, supports, unfinished and finished perimeter, exterior and load-bearing walls, roofs, and down spouts;
- (b) all yards, grounds, landscaping, mail boxes, refuse facilities, Club House, pool and spa;
- (c) all walkways, and parking areas;
- (d) all fire lanes;
- (e) all ducts, sewer lines, water lines, sanitary equipment, electrical equipment, pipes, street lights, wiring and other central and appurtenant transmission facilities, installations for services including

power, light, water, refuse, telephone and radio and television signal distribution, if any, and specifically intended and designated for the use and support of the common elements and not for the purpose of any individual condominium unit.

- (f) any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, or normally in common use.

4.2. Limited Common Areas shall mean those parts of the common areas which are hereby set aside and reserved for the exclusive use of individual developed Units, and such Units shall have appurtenant thereto (i) exclusive easements for the use of such limited common elements, and (ii) the right to physically partition or alter any such limited common elements in accordance with the terms and conditions as set forth in the Revised Declaration of Covenants, Conditions and Restrictions of the Rim Village Development, Rim Village Townhomes PUD Phases I, II & III, Article IX. Architectural Control - Section 2.

The Limited Common Areas are:

- (a) individual Unit's patio, including concrete slab, and wall art,
- (b) individual Unit's sidewalk and driveway,
- (c) windows and screens,
- (d) exterior lighting, wiring, plumbing, sewer lines, ducts, electrical equipment, sanitary equipment, telephone and any other equipment installed and designated for the use of a specific individual unit.

Examples include but are not limited to: Individual Unit's exterior light fixtures, water spigots, electric outlets, decorative wall moldings, storm doors, door knobs, door bells and locks, garage doors and automatic garage door openers.

19. A "frivolous" claim shall mean "any claim, which is without reasonable basis in law or fact."

2. Article IV MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION is amended to include the following provision:

5. Removal of Trustees. A trustee may be removed from the Governing Board by a vote of the majority of votes of the members at an annual or special meeting.

3. Article V DUTIES AND POWERS OF THE ASSOCIATION is amended to include the following provisions:

5. Indemnification
Indemnification of the Board. The Association shall indemnify every director and officer and his executors and administrators against all expenses reasonably incurred by or imposed on him in connection with any action, suit, or proceeding to which he may be made a party by reason of being or having been a director or officer of the Association, except in relation to matters as to which he shall be finally adjudged in such action, suit, or proceeding to be liable for gross negligence or misconduct, and in the absence of such final adjudication, indemnification shall be provided only in connection with such matters as to which the Association is advised by its legal counsel that the person to be indemnified committed no such breach of duty. The foregoing right of indemnification shall not be exclusive of any other rights to which such person may be entitled.

6. Frivolous Claims. It shall be a violation of these Articles and Sections of this Declaration for a unit owner to assert a frivolous claim against the Association, any of its officers or directors, its Board of Directors, or its Managing Agent. Further, the Association shall have the right to recover its attorneys' fees and costs from any unit owner asserting a frivolous claim.

4. Article VI ASSESSMENTS is amended to include the following provision:

9. Maintenance Fees and Assessments. Monthly maintenance fees and assessments are specifically levied and collected for the sole purpose of maintaining and repairing the Common Areas, including the Limited Common Areas of the development. Maintenance and repair of Limited Common Areas identified in Article II, Section 4.2 are remanded to and are the sole responsibility of the individual unit owner. Maintenance and repair to the Limited Common Areas identified in Article II, Section 4.2 (a) and (b) above which were originally included with the Townhome at the first sale by Developer, including any originally included upgrades on record with the HOA are the responsibility of the HOA, with the exception that in the event that the Limited Common Area identified in Article II, Section 4.2 (a) or (b) are damaged in order to repair another portion of the Limited Common area, said damage is the responsibility of the Unit owner. Limited Common Areas identified in Article II, Section 4.2 (a) and (b) which are upgraded by the owner of the Townhome subsequent to the first sale by the Developer or were original with the Townhome but not on record with the HOA are remanded to and are the sole responsibility of the individual unit owner.

In the event a Unit owner allows their patio or any other area identified herein a Limited Common Area to fall into a state of disrepair, the Association reserves the right as set forth in the Revised Declaration of Covenants, Conditions and Restrictions of the Rim Village Development, Rim Village Townhomes PUD Phases I, II & III, Article VI Assessments – section 6 to complete the repairs and assess the unit owner the cost of the repairs.

5. Article XIII MISCELLANEOUS is amended to include the following provisions:

~~Section 6~~ is deleted in its entirety and the following is substituted in place thereof:

6. Interpretation. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include both genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof, which shall remain in full force and effect. The laws of the State of Utah shall govern the validity, construction and enforcement of this Declaration. ~~Nothing~~ in this declaration shall be deemed or construed to authorize the Association or Board of Directors to conduct or engage in any active business for profit on behalf of any or all the condominium owners.

Sections 11 and 12 are to be added in their entirety:

11. Abrogation. All provisions and articles of these Articles and Sections of this Declaration shall be held and considered to be valid and cannot be abrogated should a member of the Board of Directors or any executor or administrator fail to enforce any Article set forth therein.

12. Collection of Rents. If any unit owner rents or leases his unit and fails to pay the monthly fees or special assessments for a period of thirty (30) days or more, the Board may, so long as such default continues, demand and receive from any tenant or lessee or rental agent (hereinafter in the paragraph referred to as "tenant" or "rental agent") of the unit owner, or from the unit owner's rental agent, the rent due or becoming due from the tenant to the unit owner up to an amount sufficient to pay all sums due to the Association from the unit owner including costs of enforcement, if any. Any payment of rent to the Board by the tenant or rental agent shall discharge them as to the unit owner, to the extent of the amount paid, but no such demand or acceptance of rent from any tenant or rental agent shall be deemed to be a consent to or approval of any rental agreement or lease by the unit owner, or a release or discharge of any of the obligations of the unit owner hereunder remaining unpaid or unperformed, or an acknowledgment of the surrender of any rights or duties hereunder. If the Board makes any demand upon the tenant or rental agent, the tenant or rental agent shall not have the right to question the right of the Board to make such demand, but shall be obligated to make such payment to the Board as demanded by the Board with the effect as aforesaid; provided, however, that the Board may not exercise this right if a receiver or commissioner has been appointed to take charge of the premises pending a mortgage foreclosure or if a mortgagee is in possession pending a mortgage foreclosure.

6. Declarant certifies that as the governing board of Homeowner's Association, all consents necessary for this Amendment have been obtained.

7. This Amendment shall be effective upon its recordation in the office of Grand County Recorder.

[Signature] 2-25-05
Trustee #1 Rim Village Homeowner's Association Date

STATE OF UTAH)
:ss.
COUNTY OF GRAND)

On this 25TH day of FEB, 2005, JAMA L. HASHBARGER personally appeared before me a trustee, duly sworn, did say that he/she is the trustee of RIM VILLAGE HOMEOWNERS ASSOCIATION, and that the foregoing Declaration was signed on behalf of said Association by their authority.

[Signature: Debbie Littlefield]
Notary Public

Residing at MOAB UT

My Commission Expires:

MAY 18, 2008

