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DEP RT REC'D FOR LAKEVIEW CONDOMINIUMS OF BOUNTIFUL

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AUG 25 2005

AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
OF

LAKEVIEW CONDOMINIUMS OF BOUNTIFUL
A Condominium Project

03-066-0001 thru 0060

THIS Amended and Restated Declaration of Condominium of Lakeview Condominiums of Bountiful is made and executed this 25 day of August 2005, by LAKEVIEW CONDOMINIUMS OF BOUNTIFUL, (hereinafter referred to as the "Association").

Recitals:

- A. The "Declaration of Condominium of Lakeview Condominium Project of Bountiful (Phase No. 1)" was recorded on May 25, 1979, beginning at book 771, page 523, at the office of the Recorder of Davis County.
- B. Subsequently, an "Affidavit" (with the self professed purpose of correcting the prior Declaration), was recorded on July 20, 1979, beginning at book 781, page 127, at the office of the Recorder of Davis County.
- C. Subsequently, a "First Amendment to Declaration of Condominium of Lakeview Condominium Project" was recorded on July 22, 1980, beginning at book 831, page 1040, at the office of the Recorder of Davis County.
- D. Subsequently, a "First Amendment to the Declaration of Condominium of Lakeview Condominium Project" was recorded on March 29, 2001, beginning at book 2776, page 515, at the office of the Recorder of Davis County.
- E. The Association, consistent with the prior recorded Declarations and any amendments thereto, hereby adopts this Amended and Restated Declaration to amend and completely replace all prior recorded Declarations, Bylaws and amendments thereto recorded prior to the date of this Amended and Restated Declaration. This Declaration shall eliminate as a separate document and incorporate within its terms any condominium Bylaws and from the recording of this Declaration, no separate condominium Bylaws shall exist or be adopted. Notwithstanding the Association not having condominium Bylaws, the Management Committee in its sole discretion may adopt such Bylaws as it deems necessary and/or appropriate related to any incorporation of the Association, which shall not be inconsistent with these Declarations.

Units 59, 61, 63, 65, 67, 69, 71, 73, 75, 77, 79, 81, 83, 85, 87, 89, 91, 93, 95, 97, 99, 101, 103, 105, 107, 109, 111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163

NOW, THEREFORE, for the reasons recited above and subject to the covenants, conditions

and restrictions set forth below, the Association hereby amends and replaces all prior Declarations and Bylaws with the following Declaration:

I. DEFINITIONS

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

1. Act shall mean and refer to the Condominium Ownership Act (title 57, Chapter 8, Utah Code Annotated) as the same may be amended from time to time.
2. Additional Charges shall mean and refer cumulatively to all collection and administrative costs, including but not limited to all attorney fees, late charges, assessments, accruing interest, service fees, fines, filing and recordation fees, and other expenditures incurred or charged by the Association.
3. Articles of Incorporation shall mean and refer to the Articles of Incorporation of the Lakeview Condominiums Homeowner's Association on file or to be filed with the Utah Department of Commerce.
4. Assessment shall mean and refer to any amount imposed upon, assessed or charged a Unit Owner or Resident at the Project, including but not limited to Common Area Assessments, Special Assessments, Individual Assessments, and Additional Charges.
5. Association shall mean and refer to the association of all Unit Owners in the Project taken as, or acting as, a group, and, if incorporated, shall refer to the Corporation.
6. Business or Trade are terms which when applied to a business or trade activity shall be construed to have their ordinary, generally accepted meanings, and shall include without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family, regardless of whether such activity is engaged in full or part-time.
7. Building shall mean and refer to any of the structures constructed in the Project.
8. Bylaws shall mean and refer to any Bylaws of the a corporation formed by the Association unless the term is used in reference to the association, in which case it shall refer to the bylaws of the Lakeview Condominiums Homeowner's Association which are incorporated into this Declaration and which are not contained in any separate document.
9. Capital Improvement shall mean and refer to all non-recurring expenses (as

opposed to day-to-day expenses) to repair, maintain or replace significant fixed assets in the Project or intended to restore, enhance, improve or ameliorate the utility, value or beauty of the Common Areas or facilities.

10. Committee shall mean and refer to the Management Committee.

11. Common Areas shall mean and refer to all real Property in the Project owned in common by the Unit Owners including but not limited to the following items:

- a) The real Property and interests in real Property submitted hereby, including the entirety of the Tract and all Improvements constructed thereon, excluding the individual Units.
- b) All Common Areas and facilities designated as such in the Survey Map or Maps;
- c) All Limited Common Areas designated as such in the Survey Map or Maps;
- d) All utility installations and all equipment connected with or in any way related to the furnishing of utilities to the Project and intended for the common use of all Unit Owners, such as joint telephone, electrical, gas, water, and sewer lines;
- e) The Project's outdoor grounds, lighting, perimeter fences, landscaping, sidewalks, open parking spaces, and roadways;
- f) All portions of the Project not specifically included within the individual Units; and
- g) All other parts of the Project normally in common use or necessary or convenient to the use, existence, maintenance, safety, operation or management of the Property owned by the Association for the common benefit of its Members, except any portions specifically included within a Unit.

12. Common Area Assessments shall mean and refer the to amounts assessed by the Management Committee to pay for the common expenses incurred in the operation, maintenance and regulation of the Project.

13. Declaration shall mean and refer to this Amended and Restated Declaration.

14. Eligible Votes shall mean and refer to those votes available to be cast on any issue

before the Association or the Committee. A vote which is for any reason suspended is not an "eligible vote."

15. Guest shall mean and refer to an invitee, temporary visitor or any Person whose presence within the Project is approved by or is at the request of a particular Resident or is approved by or at the request of an invitee, temporary visitor, or any other Person whose entry into the Project is approved of, or allowed by a Resident. Any person in any Unit shall automatically be a Guest of the Owner of that Unit unless the person entered through force and the Owner has taken all reasonable action to remove the person from the Unit.

16. Improvement shall mean and refer to any physical change or addition to the Land to make it more valuable.

17. Land shall mean and refer to any land within the project which is more particularly described on Exhibit A, attached hereto.

18. Limited Common Area shall mean and refer to those areas designated as Limited Common Areas in the Record.

19. Majority shall mean and refer to those Eligible Votes of Owners or other group as the context may indicate totaling more than fifty percent (50%) of the total eligible number.

20. Management Committee shall mean and refer to the Committee of Owners elected to manage, operate and control the Project, and regulate the Association.

21. Manager shall mean and refer to the Person or entity appointed or hired by the Association to manage and operate the Project and/or assist in the administration of the Association.

22. Map shall mean and refer to the Record of Survey Map, as may be amended or added to, on file in the office of the County Recorder of Davis County, Utah.

23. Member shall mean and refer to an Owner. Each Owner is obligated by virtue of his Ownership of a Unit, to be a Member of the Association.

24. Mortgage shall mean and refer exclusively to either a first mortgage or first deed of trust on any Unit, but shall not mean or refer to an executory contract of sale.

25. Mortgagee shall mean and refer exclusively to either a mortgagee under a first mortgage or a beneficiary under a first deed of trust on any Unit, but shall not mean or refer to a seller under an executory contract of sale.

26. Owner shall mean and refer to the Person(s) who is/are the Owner(s) of Record (in the office of the County Recorder of Davis County, Utah) of a fee or an undivided fee interest in a Unit, excluding a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof (which title shall be acquired for purposes of this Declaration at the time of the foreclosure sale regardless of when any subsequent deed is recorded), but including both the seller and buyer under an executory contract of sale.

27. Par Value shall mean the number of points assigned to each Unit by the Declaration in "Exhibit B" attached. The statement of value may not be considered to reflect or control the sales prices or fair market value of any Unit, and no opinion, appraisal, or fair market transaction at a different figure may affect the Par Value of any Unit, or any undivided interest in the Common Areas and facilities, voting rights in the Association, or liability for Common Expenses, assigned on the bases thereof.

28. Permanent Resident shall mean and refer to anyone who resides in the Project for more than four (4) consecutive weeks or for more than eight (8) weeks in any calendar year.

29. Person shall mean and refer to a natural Person, corporation, partnership, trust, limited liability company, or other legal entity.

30. Project Documents shall mean and refer to the Act, Declarations, and Rules and any Articles of Incorporation and Corporate Bylaws if the Association is incorporated.

31. Project shall mean and refer to the Lakeview Condominiums of Bountiful Condominium Project and all Land therein.

32. Property shall mean and refer to all of the Land or real estate, Improvements and appurtenances submitted to the Act pursuant to the Record and this Declaration.

33. Record, Record of Survey Map, or Survey Map shall mean and refer to the "Record of Survey Map or Maps of the Lakeview Condominiums of Bountiful" on file in the office of the County Recorder of Davis County, Utah, as amended.

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

35. Resident shall mean and refer to any Person living or staying at the Project. This includes but is not limited to all lessees, tenants and the family members, agents, representatives, or

employees of Owners, tenants or lessees.

36. Rules shall mean and refer to any Rules adopted by the Committee in its sole discretion with regard to the Project.

37. Size shall mean and refer to the square footage of a Unit, rounded to the nearest whole number ending in zero. Size shall be computed and determined on the basis of dimensions shown on the Survey Map or Maps. So long as the measurement substantially complies with the provisions of this section and is not arbitrary, the Association's determination of Size shall be conclusive.

38. Unit shall mean and refer to a separate physical part of the Property intended for independent use, including one (1) or more rooms or spaces located in one (1) or more floors or parts of floors in a Building. Mechanical equipment and appurtenances located within any one (1) Unit, or located without said Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, drains, pipes, air conditioning compressors, furnaces, water heaters, apparatus, systems or equipment, fixtures and the like, shall be considered part of the Unit; so shall all decorated surfaces of interior walls, floors and ceilings, including but not limited to all paint, wallpaper, wall coverings, windows and window frames, doors and door frames, trim, carpeting, tile and linoleum. All pipes, wires, conduits, or other utility lines or installations constituting a part of the Unit or serving only the Unit, and any structural Members, parts, components or any other Property of any kind, including fixtures or appliances within any Unit, which are removable without jeopardizing the integrity, soundness, safety or usefulness of the remainder of the Building within which the Unit is located shall be deemed to be part of the Unit.

39. Unit Number shall mean and refer to the number, letter or combination thereof designating a particular Unit.

II. SUBMISSION

The Land described with particularity in the Record is hereby submitted to the Utah Condominium Act, and is hereby made subject to, and shall be governed by the Act and the covenants, conditions and restrictions set forth herein.

The Land is SUBJECT TO the described easements and rights-of-way TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real Property. ALL OF THE FOREGOING IS SUBJECT TO: All liens for current and future taxes, Assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all patent reservation and exclusions; any mineral reservations or Record and rights incident thereto; all instruments of Record which affect the above described tract or any portion thereof, including, without limitation, any mortgage or deed of trust; all

visible and necessary easements and rights-of-way, encroachments, or discrepancies shown on or revealed by the Survey Maps or otherwise existing; and easement for each and every Common Area Improvement, equipment, pipes, lines, cables, wires, utility systems, or similar facilities which traverse or partially occupy the above-described tract; and all easements necessary for servicing, repairing, ingress to, ingress from, maintenance of, and replacement of all such Common Area Improvements, equipment, pipes, lines, cables, wires, utility systems, and similar facilities.

III. COVENANTS, CONDITIONS, AND RESTRICTIONS

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

1. Description of Improvements. The significant Improvements contained in the Project include ten (10) Buildings, consisting of five (5) four plexes and five (5) eight plexes. There is a total of sixty (60) Units. There are uncovered and covered parking spaces and carports, but no garages. The Units are constructed as indicated on the Map and principally of concrete foundations with exterior walls of brick, asphalt composite shingle roofing, interior walls of wood studs, plywood and dry wall plaster. Each Unit shall be assigned one (1) carport as provided herein. The Common Area include certain parking areas, landscaping, interior green space, roadways, walkways and utility systems, a pool, as well as an entrance to and exit from the Project. The Project also contains other Improvements of a less significant nature. The location and configuration of the Improvements referred to in the foregoing sentence are depicted on the Survey Map. The Improvements on the Map may or may not be constructed consistent with the Map and no Owner may object, refuse to pay Assessments, or otherwise make any claim against the Association, the Management Committee, or anyone else due to the failure to initially construct any Improvement indicated on the Map.

2. Description and Legal Status of the Property. The Map shows the Unit Number of each Unit, its location, the Limited Common Areas and facilities, and the Common Areas and facilities. All Units, of whatever type, shall be capable of being independently owned, encumbered and conveyed; and shall have an appurtenant undivided percentage of ownership interest in the Common Areas and facilities.

3. Membership in the Association. Membership in the Association is mandatory. Each Unit Owner shall be a Member of the Association. Membership in the Association may not be partitioned from the ownership of a Unit. The percentage of ownership interest of each Owner in the Association is set forth on "Exhibit B" attached hereto and incorporated herein by this reference. Approximate square footage was determined by the Developer based upon the square footage of the Units. Minor adjustments in the Size estimates may have been made for the purpose of assuring that the total undivided ownership interest in the Association equals one hundred percent (100%). No further adjustments shall be permitted, regardless of the actual Size of any Unit.

4. Limited Common Areas. Limited Common Areas are also Common Areas. Limited Common Areas may not be partitioned from the Unit to which it is appurtenant. The exclusive use of Limited Common Area is reserved to the Unit to which it is assigned on the Survey Map or as provided in this Declaration, as amended from time to time. The detached covered Parking and Storage Sheds as constructed shall be assigned as per the assignment and diagram attached hereto as Exhibit C. "N/A" on a storage shed assignment indicates that the storage shed is connected with the Unit and its assignment is unnecessary. All covered and uncovered parking spaces in the Project which are not assigned or which are assigned with a "G" on the diagram in Exhibit C, are Common Areas and are guest parking for the use of any Owner or their guests on a first come first served basis.

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

6. Ownership and Use. Each Owner, of whatever kind, shall be entitled to the exclusive ownership and possession of his Unit, to an undivided percentage of ownership interest in the Common Areas, and to membership in the Association as set forth herein and subject to the following:

a) Nature and Restrictions on Ownership and Use in General. Each Owner shall have and enjoy the privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own a Unit, it being intended that they may and shall be owned as any other Property rights by any Person. The Common Areas, Units, and Limited Common Areas shall only be used in a manner consistent with the residential nature of the Project;

b) Mandatory Association. Each purchaser of a Unit shall automatically become a Member of the Association;

c) Member's Easements and Rights-of-Way. Every Member of the Association shall, as an Owner, have the right and non-exclusive easement to use and enjoy the Common Area. Such right and easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following restrictions:

(1) The right of the Association to limit the number of Guests, and to adopt Rules from time to time governing the use and enjoyment of the Common

Area;

(2) The right of the Association to suspend the voting rights and the privilege to use the common facilities and amenities by an Owner or Resident for: (a) any period during which any Assessment remains delinquent, and (b) a reasonable period determined by the Committee after Notice and Hearing as may be set forth hereinafter for any infraction of the Association Rules;

(3) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for the purpose of providing utilities and similar or related purposes; and

(4) The right of the Association to charge a reasonable admission or other fee for the use of any recreational facility situated upon the Common Area.

(5) The right of the Association to modify, change, update, or change the use of any common areas including but not limited to the right to remove existing, replace existing, or install new swimming pools, tennis courts, playgrounds, parking areas, out buildings, trees, bushes, lawn, roads, or other structures or modifications of any kind, notwithstanding that any such common area facilities are located in the Record.

d) Taxes. Each Unit and its percentage of undivided interest in the Common Areas and facilities shall be deemed to be a parcel and shall be subject to separate Assessment and taxation by each assessing Unit and special district for all types of taxes authorized by law, including but not limited to ad valorem levies and special Assessments. Neither any Building, the Property, nor any of the Common Areas and facilities may be considered a parcel;

e) Rules. The Association, acting through its Management Committee, shall have the power and authority to adopt Rules. Such Rules shall be binding upon all Owners and Residents, and their Guests and invitees. As part of these Rules, the Management Committee may impose reasonable user fees for the amenities and may impose procedures for the imposition of fines for failure to comply with the Project Documents; and

f) Restrictions and Limitations of Use. The use of the Units, of whatever kind, is subject to the following guidelines, limitations, and restrictions:

(1) Parties Bound. All provisions of the Project Documents shall be

binding upon all Owners and Residents, their families, Guests and invitees; and

(2) Nuisance. It shall be the responsibility of each Owner and Resident to prevent the creation or maintenance of a nuisance in, on, or about the Project. The term "nuisance" includes but is not limited to the following:

- a. Any unclean, unhealthy, unsightly, or unkempt condition on, in, or about his Unit or the Common Areas;
- b. The storage of any item, Property, or thing that causes any Unit or the Common Area to appear to be in an unclean or untidy condition, or that will be noxious to the senses;
- c. The storage of any substance, thing, or material upon any Unit or in the Common Areas that emits any foul, unpleasant or noxious odors, or that causes any noise or other condition that disturbs or might disturb the peace, quiet, safety, comfort, or serenity of the other Residents at the Project;
- d. The creation or maintenance of any noxious or offensive condition or activity in or about any Unit or the Common Areas;
- e. Actions or activities tending to cause embarrassment, discomfort, annoyance, distress or a disturbance to any other Resident, their Guests or invitees, particularly if police or the sheriff must be called to restore order;
- f. Maintaining any plants, animals, devices or items, instruments, equipment, machinery, fixtures, or things of any sort whose activities or existence is in any way illegal, noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Project by other Residents, their Guests or invitees;
- g. Excessive foot or vehicle traffic in, on, or about any Unit or the Common Area, especially after 10:00 p.m. and before 8:00 a.m.; and
- h. The origination or creation of tobacco smoke that drifts or passes through whatever means into any other Unit or into any Common Area occupied by other Residents.

- (3) Unsightly Work, Hobbies, or Unkempt Condition. The pursuit of hobbies or other activities, including but not limited to the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Project.
- (4) Removing Garbage, Dust, & Debris. All rubbish, trash, refuse, waste, dust, debris and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate thereon.
- (5) Subdivision of a Unit. No Unit shall be subdivided or partitioned.
- (6) Firearms, Incendiary Devices, and Graffiti. The use of firearms and incendiary devices, or the painting of graffiti, within the Project is prohibited. The term firearms includes but is not limited to all guns, pistols, handguns, rifles, automatic weapons, semi-automatic weapons, BB guns, pellet guns, paint guns, sling shots, wrist-rockets, blow-dart guns, and other firearms of all types, regardless of Size.
- (7) Temporary Structures. No Owner or occupant shall place upon any part of the Project any temporary structures including but not limited to tents, trailers, or sheds, without prior written consent of the Committee.
- (8) Trees, Shrubs, and Bushes: Maintenance of Proper Sight Distance at Intersections. All Property located on or near driveways, entrances, exits, walkways, paths and street intersections or corners shall be landscaped so as to remove any obstructions and to permit safe sight. No fence, wall, hedge, shrub, bush, tree, or monument, real or artificial, shall be planted or placed by any Owner or occupant in, on, or about the Common Areas without the prior written consent of the Committee. The Management Committee may alter or remove any objects planted or placed in violation of this subsection and shall not be guilty of a trespass.
- (9) Energy Conservation Equipment. No solar energy collector panels, other energy conservation equipment, or attendant hardware shall be constructed or installed on the Project without the prior written consent of the Committee.
- (10) Business Use. No Trade or Business may be conducted in or from any Unit unless: (a) the existence or operation of the Business activity is not apparent or detectable by sight, sound, or smell, from outside the residence; (b)

the Business activity conforms to all zoning requirements for the Project; (c) the Business activity does not involve Persons coming onto the Project who do not reside in the Project or door-to-door solicitation of residents of the Project; (d) the Business activity is consistent with the residential character of the Project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Residents of the Project, as may be determined in the sole discretion of the Committee; (e) the Business activity is disclosed to the Committee before Business is commenced along with a description of the Business activity, a statement of the amount of space required in the Unit for such activity, a description of any impact on the Project; (f) the Business activity is not inconsistent with the residential nature of the Project and is not inconsistent with the close proximity of children; (g) the Business activity will not result in any diminution of Property values or in the increase of any insurance of the Association; (h) the Owner of the Unit must reside in the Unit in which the Business activity is proposed for the entire time any Business activity is conducted; and (i) the Committee approves of the Business activity in its sole discretion, with the guidelines in this section to be the minimum requirements for engaging in any such Business activity, but not the maximum. The Committee may ban any Business activity in any Unit or make further restrictions and Rules regarding any such activity, in its sole discretion. Notwithstanding the above, the leasing for residential purposes of a residence shall not be considered a Trade or Business within the meaning of this sub-section.

(11) Storage and Parking of Vehicles. The driving, parking, standing and storing of motor vehicles in, on, or about the Project shall be subject to the following:

- a. The Rules adopted by the Committee from time to time which may expand upon or clarify any restrictions contained herein;
- b. The parking areas are not designated for Recreational, Commercial, or Oversized Vehicles which must be parked or stored outside the Project;
- c. No motor vehicle or trailer, including but not limited to any car, automobile, truck, van, recreational vehicle or any other transportation device of any kind may be parked or stationed (except for purposes of loading or unloading in which case such vehicle must have one person with the vehicle at all times who is able to move the vehicle), in such a manner so as to create an obstacle or potentially dangerous situation, or along any street or road, or in front of any

carport, walkway, driveway, Building or Unit, or in an unauthorized Common Area;

d. Residents may only park their motor vehicles within their carports, or in other Common Areas clearly designated as open parking and may not park more than two vehicles on the Property at any one time;

e. Residents may not park their motor vehicles in "red zones," "fire lanes," unauthorized areas, or in carports assigned to other Residents;

f. Visitors or Guests shall park their motor vehicles in Common Areas designated for "Guest" or "visitor" parking;

g. No Owners or Residents shall repair or restore any vehicle of any kind in, on, or about any Unit or the Common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility;

h. No carport may be altered in any manner except as authorized by the Management Committee;

i. No motor vehicle shall be parked in such a manner as to inhibit or block access to a Unit, carport, entrance, exit or parking area;

j. All parking areas shall be used solely for the parking and storage of motor vehicles used for personal transportation and all such vehicles shall be in good working order and shall have a current registration as required by Utah law; and

k. Notice of any alleged parking violations, fines, or warnings issued related to any a parking violation shall be posted on the vehicle. Except in the case of an emergency, the notice shall provide the vehicle Owner with the right to a hearing with the Management Committee or Manager. Vehicles parked in violation of this Declaration or Rules adopted by the Committee either continuously or repeatedly more than twenty-four hours after posting a notice may be impounded or towed, and stored at the Owner's sole expense. No prior notice is required before impounding and towing if a vehicle is parked in any other Resident's reserved parking place, in any manner that blocks any other

Resident's ability to move in or out of their parking area or in and out of the Association, or in any manner that the Association, in its sole discretion, determines to be unsafe. The Management Committee and Members of the Committee shall be indemnified and held harmless by the owner of the vehicle from any loss, damage or claim caused by or arising out of the impounding, towing or storing of a motor vehicle pursuant hereto.

(12) Aerials, Antennas, and Satellite Systems. No aerials (including but not limited to all TV, ham or short wave radio), antennas, satellite dishes, or satellite systems (hereinafter referred to collectively as "Satellite Dish") shall be erected, maintained or used in, on, or about any Unit, the Common Areas, outdoors or above ground, whether attached to a Building, structure, the exterior of a Unit or otherwise, within the Project without the prior written consent of the Management Committee and pursuant to any applicable law.

(13) Window Coverings. No aluminum foil, newspapers, reflective film coatings, or any other similar materials may be used to cover the exterior window of any residential structure on a Unit. Sunshades, blinds, and shutters of neutral colors and which are uniform throughout the unit (all of which shall be installed on the interior of the Unit) shall be allowed to cover windows.

(14) Windows. All windows and window panes in the Project shall be harmonious, and comparable in Size, design, and quality so as not to detract from uniformity in appearance and quality of construction.

(15) Pets. Each Owner shall be permitted no more than two pets (other than fish) of any kind except dogs on the Property and in their Unit. Except as provided below in this paragraph, no dogs shall be permitted on the property at any time. The keeping and control of pets shall be subject to such controls or prohibitions as may be adopted from time to time by the Management Committee as part of the Rules of the Association, but in no event may any pet be kept by any Owner which will result or results in substantial annoyance or which would be obnoxious to a reasonable Person of ordinary sensibilities living within the Property. Owners with pets in their Unit at the time these declarations are recorded shall be entitled to keep those particular pets notwithstanding that they might otherwise be a violation of these Declarations, but only if they submit a color photograph of the pet to the Association with the pet's age, name, type, and breed, and the Unit address, pet owner's name, and owner of the unit in which the pet will reside written on the back of the photograph. The photograph and the required information must be submitted

to the Association within 30 days of the recording of this Declaration to qualify for an exception under this provision.

(16) Insurance. Each Owner shall pay for and obtain a policy of insurance covering at least the Unit and all fixtures therein against normal hazards and losses which shall include at a minimum, fire and flooding. Nothing shall be done or kept in, on, or about any Unit or in the Common Areas or Limited Common Areas which may result in the cancellation of the insurance on the Property or an increase in the rate of the insurance on the Property, over what the Management Committee, but for such activity, would pay.

(17) Laws. Nothing shall be done or kept in, on, or about any Unit or Common Areas, or any part thereof, which would be in violation of any law, statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental body.

(18) Damage or Waste. No damage to, or waste of the Common Areas or Limited Common Areas shall be committed by any Owner or Resident, their Guests or invitees; and each Owner and Resident shall indemnify and hold the Management Committee and the other Owners in the Project harmless against all loss resulting from any such damage or waste caused by that Owner or Resident, their Guests or invitees.

(19) Structural Alterations. Except in the case of an emergency repair, no structural alterations, plumbing, electrical or similar work within the Common Areas or Limited Common Areas shall be done or permitted by any Owner without the prior written consent of the Management Committee.

1. Leases. Any agreement for the leasing, rental, or occupancy of a Unit (hereinafter in this section referred to as a "lease") shall be in writing and a copy thereof shall be delivered to the Association before the term of the lease commences. Every lease shall provide that the terms of such lease shall be subject in all respects to the provisions of the Project Documents, which shall be a default under the lease. If any lease does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be a part of the lease and binding on the Owner and Resident by virtue of their inclusion in the Declaration. Before entering into a lease, each Owner shall conduct a typical and customary background check of any proposed tenants and shall provide the results of that background check to the Association along with the proposed agreement for leasing, rental, or occupancy. No Owner shall be permitted to lease his Unit for transient, hotel, seasonal, rental pool or corporate/exclusive use purposes, which shall be deemed to be any rental with an initial term of less than six (6) months. Daily or weekly rentals are prohibited. No Owner may lease individual rooms to separate Persons, or less than his entire Unit. Any Owner who shall lease his Unit shall be responsible

for assuring compliance by the Resident with the Project Documents. Failure by an Owner to take legal action, including the institution of a forcible entry and unlawful detainer proceeding against his Resident who is in violation of the Project Documents within ten (10) days after receipt of written demand so to do from the Committee, shall entitle the Association to take any and all such action including the institution of proceedings in forcible entry and unlawful detainer on behalf of such Owner against his Resident. Neither the Association nor any agent retained by the Association to manage the Project shall be liable to the Owner or Resident for any eviction under this section that is made in good faith. Any expenses incurred by the Association related to an eviction, including attorney fees, service fees, storage fees, constable or sheriff fees, and costs of suit, shall be charged as an Assessment to such Owner. For all Units that the Owner becomes the Owner by any means (including foreclosure) after the date that this Declaration is recorded, the Owner shall not be permitted to rent, lease, or allow a non-owner occupant to reside in the Unit, if ten percent (10%) or more of the total number of Units in the Project are already rented, leased or occupied by non-owner occupants. The Management Committee may make exceptions to the prior restriction for the immediate family of an Owner, in its sole discretion. All Residents of an organizationally owned Unit shall be non-owner occupants except if the non-owner occupants are the sole Owners of the organization that owns the Unit in which they reside, in which case they shall be considered the Owners. The Management Committee shall have the right to adopt Rules related to and, in its discretion, necessary for the enforcement of the prior restrictions, including but not limited to Rules related to the monitoring of rental Units and Rules requiring Owners to register or apply to rent their Unit, which may include a fee for such application or registration. For the purpose of this section, "non-owner occupant" shall refer to somebody that resides in a Unit that the Owner does not reside in. Except as stated in this section and in the Rules adopted by the Management Committee pursuant to this section, there is no restriction on the right of any Owner to lease or otherwise grant occupancy rights to a Unit.

2. Easement – Support, Maintenance, and Repair. There is hereby RESERVED, and the Association is hereby GRANTED a non-exclusive easement over, across, through, above and under the Units and the Common Area for the operation, maintenance, and regulation of the Common Area and facilities.

3. Liability of Owners and Residents For Damages. Notwithstanding any insurance coverage that may apply, each Owner or Resident shall be liable to the Association, or other Owners or Residents for damages to Person or Property in the Project caused by his negligence or any failure to properly maintain his Unit, including but not limited to fire, flooding, or other hazards. The Association shall have the right and may have the obligation to transfer and assign its rights to any insurer covering any damage caused by the negligence of an Owner, Resident, or Guest. This provision shall not be interpreted or applied to obviate, limit, or restrict the Association's rights under any insurance policy related to any damage to the Project.

4. Encroachments. If any portion of Common Area, Limited Common Area, or a Unit encroaches or comes to encroach upon other Common Area, Limited Common Area, or a Unit as

a result of construction, reconstruction, repair, shifting, settling or movement, an easement for such encroachment is created hereby and shall exist so long as such encroachment exists.

5. Management Committee. The Association shall be managed by a Management Committee subject to the following:

- a) Member. The Management Committee shall be comprised of five (5) Association Members who shall be duly qualified and elected;
- b) Composition of Committee. At the Annual meeting, the percentage of undivided ownership interest appurtenant to a Unit may be voted by the Owner, in favor of as many candidates for Committee membership as there are seats on the Committee to be filled;
- c) Terms. At the first Annual Homeowners meeting, two (2) of the Committee Members shall be elected for one (1) year terms and the remaining Committee Members shall be elected for two (2) year terms. Thereafter, all Committee Members shall be elected for two (2) years. This staggering feature will provide continuity to the management of the Association;
- d) Qualify. To qualify, a Member of the Committee must be an individual Owner or the spouse of an Individual Owner, or the legal representative of an organizational Owner in good standing;
- e) Vacancies. Any vacant seat on the Committee that is the result of a resignation or expulsion shall be filled with an Association Member duly elected. For any seat vacated prior to a regular election, the remaining Members of the Management Committee may appoint a Person to fill the seat until the next regular election. Any seat vacated in the first year of the two (2) year term shall be filled by the Management Committee until the next election and filled at the next election for the remaining one (1) year of the term;
- f) Meetings. The Committee shall meet at least once every calendar month;
- g) Dismissal. Any Committee Member who fails on three (3) successive occasions to attend Committee meetings (whether regular or special) or who has failed to attend at least twenty-five percent (25%) of all Committee meetings (whether regular or special) held during any twelve (12) month period shall automatically forfeit his seat at the option of the remaining Committee Members;
- h) Removal of Committee Member/Declarant's Rights. Committee Members

may be removed at any time by the affirmative vote of a Majority of the Members of the Association;

i) Replacement. Committee Members dismissed or who resign, shall be replaced by an appointment of the remaining Members of the Committee. Committee Members removed by the affirmative Majority vote of the Association shall be replaced by the Association;

j) Completion of Term. Unless the Member forfeits or otherwise loses his seat as herein provided, a Member shall serve on the Committee until his successor qualifies and is properly elected by the Association; and

k) No Compensation. Committee Members shall not be compensated for their services (unless compensation is approved by a Majority of the Members of the Association) but shall be reimbursed for all expenses reasonably incurred in connection with Committee Business and which are unanimously approved by the Committee Members.

12. Committee Officers and Agents. The Committee shall perform its functions through those Members who are elected as officers by the Committee and through such agents or employees as the Committee may appoint. Any Committee officer, agent, or employee may at any time be removed, with or without cause, by the vote of a Majority of the Committee Members. Provided, however, if a Member of the Committee is removed as an officer, he shall continue to be a Member of the Committee. One (1) Member may hold more than one (1) office except that of President and Secretary. The officers of the Committee, and their respective powers and functions, shall be as follows:

a) President. The President shall be the chief executive of the Committee and shall exercise general supervision over the Property and affairs of the Project. The President shall preside over all meetings of both the Committee and the Association. The President shall execute all instruments on behalf of the Committee, unless he chooses to delegate that authority to another Committee Member;

b) Vice-President. The Vice-President shall have all the powers of the President in the event of the latter's absence or inability to act;

c) Secretary. The Secretary shall keep minutes of meetings of the Committee and the Association. The Secretary shall keep all records which are required or made necessary by the Act, this Declaration, or the Committee; and

d) Treasurer. The Treasurer shall have custody and control of the funds

available to the Committee. The Treasurer shall cause to be prepared an annual financial statement for each fiscal year of Project operation. The offices of Secretary and Treasurer may be held by the same Committee Member.

13. Committee Member. A regular meeting of the Committee shall be held immediately after the adjournment of each annual Owners meeting or at such other time as the Members of the Committee may decide. Other regular meetings shall be held at periodic intervals at such time and place as the Committee may determine, but no less than one (1) time per calendar month. No notice need be given of regular Committee meetings. Special Committee meetings shall be held whenever called by the President or by any two (2) Members of the Committee. Written notice of all special meetings shall be delivered to each Committee Member at least twenty-four (24) hours before the time fixed for the meeting. The propriety of holding any meeting which is attended by all Committee Members may not be challenged on grounds of inadequate notice. A quorum for the transaction of Business at any Committee meeting shall consist of a Majority of all the Committee Members then in office.

14. Status and General Authority of Committee. Any instrument executed by the Management Committee that recited facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any Person who in good faith and for value relies upon said instrument. The Association shall, in connection with its exercise of any of the powers delineated in subparagraphs (a) through (m) below, constitute a legal entity capable of dealing in its Committee name. The Management Committee shall have, and is hereby granted, the following authority and powers:

- a) To Enter. The power and authority to enter into or upon any Unit to make repairs and to do other work necessary for the proper maintenance and operation of the Project. Except in the case of an emergency, Residents shall be given at least twenty-four (24) hours prior notice.
- b) Granted Easements. The authority, without the vote or consent of the Owners, Mortgagees, insurers or guarantors of any Mortgage, or of any other Person, to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and non-exclusive easements over, under, across, and through the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance, operation, or regulation of the Project;
- c) Executive Documents. The authority to execute and Record, on behalf of all Owners, any amendment to the Declaration or Record of Survey Map which has been approved by the vote or consent necessary to authorize such amendment;

- d) Standing. The power to sue and be sued;
- e) Enter into Contracts. The authority to enter into contracts which in any way concern the Project, so long as any vote or consent necessitated by the subject matter of the agreement has been obtained;
- f) Transfer Interests in Real Property. The power and authority to purchase, acquire, exchange, convey or transfer any interest in real Property, so long as it has been approved by at least sixty-six percent (66%) of the Association Members. No approval shall be necessary for the Association to accept title to real Property through foreclosure and subsequently transfer that property as it deems appropriate in its discretion;
- g) To Add Property. The power and authority to add any real Property or interest therein, obtained pursuant to subparagraph (f) above to the Project, so long as it has been approved by at least sixty-six percent (66%) of the Association Members;
- h) Promulgate Rules. The authority to promulgate Rules which may add to, enlarge, or otherwise clarify the other Project Documents so long as they are not inconsistent;
- i) Meetings. The authority to establish procedures for the conduct of its meetings, including but not limited to the power to decide what portion of the meeting shall be opened or closed to Owners or Residents not on the Committee, to retire to executive session, to regulate Record keeping, and to allow, control, or prohibit the electronic reproduction (video or audio) of Committee meetings;
- j) Delegation of Authority. The power and authority to delegate its responsibilities over the management and control of the Common Areas, and regulation of the Project to a service provider, on site Manager, clerical staff, employees, or professional Manager, reserving the right, power, and authority, however, to control and oversee the administration thereof;
- k) Assignment or Leasing of Parking Spaces. The authority to assign or lease to Residents open available Common Area parking spaces; and
- l) All other Acts. The power and authority to perform any and all other acts, and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions on behalf of the Owners.

15. Delegation of Management Responsibilities. The Management Committee may

delegate some of its management responsibilities to a professional management company, an experienced on-site Manager, independent contractors, or through service contracts; provided, however, and anything to the contrary notwithstanding, the Committee may elect to terminate any such contract entered into upon at least thirty (30) days prior written notice and no such contract shall be for a term greater than one (1) year.

16. Owners Meetings. The Association Members shall meet as follows:

a) Annual Meeting. The annual meeting of the Owners shall be held on the 15th day of December of each year, at such reasonable time and place that the Management Committee may designate. Whenever such day is a legal holiday, the meeting shall occur on the first business day thereafter. By resolution, the Management Committee may permanently change the date of the annual meeting to such other date that it deems appropriate or desirable so long as at least one annual meeting is held each calendar year. At least ten (10), but not more than thirty (30) days before the date of the annual meeting, a written notice thereof shall be personally delivered or mailed postage prepaid to each Person who appears as an Owner, at his last known address. The notice shall state the time, place, and general purpose of the meeting;

b) Special Meetings. Special meetings of the Association may be called at any time by the Management Committee or by Unit Owners who collectively hold at least thirty percent (30%) of the total vote. Such meeting shall be held at a reasonable place and time that the calling party may specify and the notice thereof shall state the date, time, and a general description of the matters to be considered.

c) Waiver of Notice. No notice of any Owners' meeting shall be required if a waiver of such notice is signed by all of the Owners. Whenever all of the Owners meet in Person or by proxy such meeting may not be challenged on grounds of inadequate notice; and

d) Quorum. The Owners present in Person or by proxy at an Owner's meeting shall constitute a quorum for the transaction of business or conducting Management Committee elections.

(1) Percentage Approval Requirement. Anything to the contrary notwithstanding, in any instance in which the Act or this Declaration requires the affirmative vote of a certain percentage of Ownership interest for authorization or approval of a matter, their consent in Person, by proxy, or in writing is required for authorization or approval, regardless of whether a quorum is present at any meeting.

e) Voting Restrictions. The following additional restrictions apply to voting on Association issues, including but not limited to the election of Committee Members:

(1) Default in Assessment. No vote shall be cast or counted for any Unit which is not current on Assessments as of the date of the election.

(2) Multiple Owners. When more than one Person or entity holds such interest in a Unit, the vote for such Unit shall be exercised as those Persons or entities themselves determine and the Association may rely upon any one Owner casting a vote for any particular issue unless any other Owner disputes the vote prior to the time that the vote is counted. In case of any such dispute or in case two conflicting votes are received for any one Unit, no vote shall be counted for that Unit for that particular issue. A dispute as to one issue shall not be considered a dispute as to any other issue, and the Association may rely upon and count any joint Owner's subsequent vote if it is received without notice of a dispute and without another vote from any other Owner of that Unit. A joint Owner must continue to notify the Association of each issue to which that Owner disputes the vote of their joint Owner as such issues arise and may not submit a continuing objection or notice. The Association shall not be obligated to notify more than one owner of any issues, votes, or elections and in case of any dispute by the owners as to the mailing of any notice, may mail all notices to the Unit.

f) Any act capable of being taken by vote at a meeting of the Owners may be accomplished without a meeting with the written approval of the number of Owners necessary to pass such action in a normally called meeting in which all of the Owners are present.

17. Lists of Unit Owners and Unit Owners' Addresses for Notice. The Committee shall maintain up-to-date records showing the name of each Person who is an Owner, the address of such Person, and the Unit which is owned by him and the name and address of each Resident. In the event of any transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the Committee or Manager with written evidence verifying that the transfer has occurred, that the Deed or other instrument accomplishing the transfer is of Record in the office of the County Recorder of Davis County, Utah, and that the transferee has received a copy of the Declarations then in force. Notwithstanding any Owner's failure to obtain and read a copy of the Declarations, they are bound by and responsible for complying with such documents in their entirety. The address of any Owner shall be deemed to be the address of the Unit owned by such Person unless the Committee is otherwise advised in writing. The Committee may rely on any reasonable source of information for the name and address of the current owner and may, in its discretion, default a prior owner if new information is not provided to the Association by the current owner. The Committee is not obligated to

seek out or verify the address of any Owner or Resident for the purposes of any notices sent to that Owner, and may rely upon the Unit address for all notices. As a courtesy, the Committee may choose to send notices to another address designated by an Owner in writing, but nonetheless may always rely upon any notice sent to the Unit to constitute valid notice to the Owner. It is solely the Owner's responsibility to ensure that they receive notices sent to a Unit's proper address.

18. Capital Improvements. All expenses for Capital Improvements shall be governed by and subject to the following conditions, limitations, and restrictions:

- a) Committee Discretion/Expenditure Limit. Any Capital Improvement to the Project which costs thirty percent (30%) or less of the total annual budget of the Association for all expenses, and does not materially alter the nature of the Project, may be authorized by the Management Committee alone (the "Capital Improvement Ceiling"). For example purposes, a material alteration to the project includes but is not limited to the installation or removal of a swimming pool, tennis court, playground, or Common Area parking area. Landscaping alterations are not material unless they cause other material changes such as those listed above.
- b) Homeowner Approval/Expenditure Limit. Any Capital Improvement, the cost of which will exceed the Capital Improvement Ceiling, must, prior to the commencement of construction, be authorized by at least forty percent (40%) of the undivided ownership interest in the Common Areas;
- c) Homeowner Approval/Changing the Nature of the Project. Any Capital Improvement which would materially alter the nature of the Project must, regardless of its cost and prior to being constructed or accomplished, be authorized by at least sixty-seven percent (67%) of the undivided ownership interest in the Common Areas; and
- d) Emergencies and Livability of the Project. Notwithstanding anything to the contrary, in case of emergencies or Capital Improvements necessary to preserve the ability of People to comfortably live in the Units, the Management Committee may authorize any necessary Capital Improvement.

1. Operation, Maintenance, and Alterations. Each Unit, the Limited Common Area and the Common Area shall be maintained, repaired, and replaced in accordance with the following covenants, conditions, and restrictions:

- a) Clean & Attractive Condition. The Units, Limited Common Area and Common Area shall be maintained in a usable, clean, functional, attractive and good condition;

b) Neglect. If the Committee determines that any Owner has failed or refused to discharge properly of his obligation with regard to the maintenance, repair, or replacement of items for which he is responsible hereunder; or that the need for maintenance, repair, or replacement of the Common Area is caused through the willful or negligent act of any Owner, his family, Guests, lessees, or invitees, then the Association may, but is not obligated to, provide such maintenance, repair, or replacement at the Owner's sole cost and expense, subject to the following:

(1) Assessment/Lien. Such costs shall be added to and become a part of the Assessment to which such Owner is subject and shall become a lien against his Unit, as provided below;

(2) Notice of Intent to Repair. Except in an emergency situation, or repairs related to any area that the Owner is not obligated to repair in this Declaration, the Association shall give the Owner written notice of the Association's intent to provide necessary maintenance, repair, or replacement at Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Committee. The Owner shall have ten (10) days after receipt of notice within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days;

(3) Emergency Situation. If the Committee determines that an emergency exists, then notice and the opportunity to cure the default is not necessary;

(4) Optional Repairs. The Association may, but is not obligated to, provide any such maintenance, repair, or replacement in the manner described above; and

(5) Right of Entry. The Association or its agents or employees shall have a right to entry upon or into any Unit or Limited Common Area as necessary to perform such work and shall not be liable for trespass for such entry or work.

c) Alterations to the Common Area. No Owner or Resident may make any structural alterations or repairs to the Common Area (including the Limited Common Area) without the prior written consent of the Committee;

d) Landscaping. All landscaping in the Project shall be reasonably

maintained and cared for. Specific written guidelines, standards, controls, and restrictions on written guidelines, standards, controls, and restrictions on landscaping may be adopted or amended by the Committee from time to time. All landscaping shall be maintained in a neat and orderly condition;

e) Area of Common Responsibility. The Association shall maintain, repair, and replace all of the Common Area which shall include but is not limited to the common landscaping and green space, common sprinkler system, the entrance to and exit from the Project, all private roads and roadways, and all foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, entrances and exits of each Building, carports, storage areas, and any Common Area item not included in the area of personal responsibility;

f) Area of Personal Responsibility. Each Owner shall maintain, repair, and replace his Unit and Limited Common Area which shall include but is not limited to all individual services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, fixtures, windows, doors, patios, balconies, decks and any private fenced yards. Each Unit Owner shall be responsible for keeping his Limited Common Area clean, attractive, tidy, uncluttered, safe, sanitary and functional so as not to detract from the uniform appearance or design of the Project; and

g) Utilities. Except for those utilities to which the Association elects to pay, Unit Owners shall pay for all individual utility services received and shall put all individual utility accounts in their own names.

20. Common Area Expenses and Assessments. Each Owner shall pay his Assessments subject to and in accordance with the procedures set forth below:

a) Purpose of Common Area Expenses. The Common Area Assessments provided for herein shall be used for the general purpose of operating the Project, promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and Residents, including the maintenance of any real and personal Property owned by the Association, and regulating the Project, all as may be more specifically authorized from time to time by the Committee;

b) Liability for Payment of Common Area Assessments. Each Owner, by acceptance of a deed to a Unit, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association in a timely manner all Common Area Assessments assessed by the Committee;

c) Annual Assessments. The Common Area Assessments shall be determined by

the Management Committee. The Common Area Assessments shall be based upon advance estimates for cash requirements by the Management Committee to provide for the payment of all estimated expenses of management, grounds maintenance, taxes and special Assessments, premiums for all insurance which the Committee is required or permitted to maintain, common lighting and heating, water charges, trash collection, sewer service charges, carpeting, painting, repairs and maintenance of the Common Areas and replacement of those elements of the Common Areas that must be replaced on a periodic basis, wages for Management Committee employees, legal and accounting fees, any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus or sinking fund, Capital Improvement reserve, and other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under and by reason of this Declaration;

- d) Apportionment. The common profits of the Project shall be distributed among and the common expenses shall be charged to the Unit Owners according to their respective percentage of or fractional undivided interest in the Common Area;
- e) Approval of Budget and Assessments. Any Common Area Assessments set by the Management Committee shall become effective unless disapproved at the Annual meeting by a vote of at least sixty (60%) percent of the ownership interest in the Common Areas. Notwithstanding the foregoing, however, if the membership disapproves the Common Area Assessments or the Management Committee fails for any reason to establish the Common Area Assessments for the succeeding year, then and until such time as a new Common Area Assessment schedule shall have been established, the Common Area Assessments in affect for the current year shall continue for the succeeding year;
- f) Payment of Assessments. The Management Committee has the sole authority and discretion to determine how and when Assessments are paid;
- g) Personal Obligation of the Owner. Owners are liable to pay all Assessments; provided, however, no first Mortgagee or beneficiary under a first deed of trust (but not the Seller under a uniform real estate contract, Landsales contract, or other similar instrument), who obtains title to a Unit pursuant to the remedies provided in the Mortgage or trust deed shall be liable for unpaid Assessments which accrued prior to the acquisition of title. For purposes of this section, the term "Owner" shall mean and refer jointly and severally to:

- (1) the Owners of both the legal and equitable interest in any Unit;
- (2) the Owners of Record in the offices of the County Recorder of Davis

County, Utah and;

(3) both the Buyer and Seller under any executory sales contract or other similar instrument.

h) Equitable Changes. If the aggregate of all monthly payments on all of the Units is too large or too small as a result of unanticipated income or expenses, the Committee may from time to time effect an equitable change in the amount of said payments, but without the prior approval of a Majority of the percentage of ownership interest in the Common Area, not greater than fifteen percent (15%) of the Common Area Assessment in any calendar year. Owners shall be given at least thirty (30) days written notice of any changes;

i) Reserve Accounts. The Committee shall establish and maintain a reasonable reserve account to pay for unexpected operating expenses and Capital Improvements. The reserve account shall be funded out of regular Common Area Assessments;

j) Capital Improvement Table. The Committee may establish a Capital Improvement Table which shall list each major Capital improvement in the Project (e.g. roofs, roads, sidewalks, carports, etc.), each item's expected useful life, the percent cost of replacement, the estimated cost to replace the item at the end of its useful life, the percentage and amount of the Common Area Assessment currently set aside in the reserve account to replace the item at the end of its useful life, and the amount of money currently set aside in the reserve account for the replacement of the item;

k) Acceleration. Common Area Assessments shall be paid in the manner and on the dates fixed by the Committee who may, at its option and in its sole discretion, elect to accelerate the entire annual Common Area Assessment for delinquent Owners. If, however, the Common Area Assessment is accelerated and an Owner subsequently files bankruptcy or the Committee otherwise decides acceleration is not in its best interest, the Committee, at its option and in its sole discretion, may elect to decelerate the obligation;

l) Statement of Assessments Due. Upon written request, the Committee shall furnish to any Owner, a statement of Assessments due, if any, on his Unit. Failure to provide the certificate within ten (10) days after a written request, shall be deemed conclusive evidence that all Assessments are paid current. The Association may require the advance payment of a processing charge not to exceed \$100.00 for providing such certificate;

m) Superiority of Assessments. All Assessments and liens created to secure the

obligation to pay Assessments are superior to any homestead exemptions to which an Owner may be entitled; and

n) Termination of Right to Use Amenities for Non-Payment. At the discretion of the Committee, the right to use any amenities may be terminated if the Owner is in arrears on his obligation to pay Assessments and has failed to cure or make satisfactory arrangements to cure the default.

8. Special Assessments. The Management Committee may levy special Assessments in any year, subject to the following:

a) Committee Based Assessments. So long as the special Assessment does not exceed the sum of one thousand and 00/100s Dollars (\$1,000.00) (the "Special Assessment Limit") per Unit in any one (1) fiscal year, the Committee may impose a special Assessment without any additional approval. The Special Assessment Limit shall increase by 3% of the then Special Assessment Limit each year beginning on January 1, 2006 (at which time the Special Assessment Limit shall be \$1,030.00) and each year thereafter on January 1 (on January 1, 2007, the limit shall be increased to 1060.90).

b) Association Approval. Any special Assessment which would exceed the Special Assessment Limit shall be effective only if approved by a Majority of the Members of the Association. The Committee in its discretion may allow any special Assessment to be paid in installments.

c) Failure to Assess. Failure of the Committee to exercise its authority under this section shall not be grounds for any action against the Association or the Committee and shall not constitute a waiver of the Committee's right to exercise its authority under this section.

9. Individual Assessment. Individual Assessments shall be levied by the Committee against a Lot and its Owner to reimburse the Association for:

- a) fines levied and costs incurred in enforcing the Project Documents;
- b) costs associated with the maintenance, repair, or replacement of Common Area for which the Lot Owner is responsible;
- c) any other charge, fee, due, expense, or cost designated as an Individual Assessment in the Project Documents; and

d) attorney fees, interest, and other charges and costs relating thereto as provided in this Declaration.

10. Collection of Assessments. All Owners shall pay their Assessments, as determined by the Management Committee, in a timely manner.

a) Delinquent Assessments. Any Assessments not paid when due are delinquent and a lien to secure the obligation shall attach automatically, regardless of whether a notice of lien is recorded.

b) Late Assessments and Accruing Interest. Any Assessments delinquent for a period of more than ten (10) days shall incur a late charge to be set by the Committee. Simple interest at the rate of one and ½ percent (1.5%) per month shall accrue on all delinquent accounts. The Committee may, in its sole discretion, waive or modify the amount of the late fee or accruing interest.

c) Notice of Delinquency. The Association shall give a written notice to any Owner who has not paid his Assessments in a timely manner and the opportunity to cure the default, prior to the institution of any foreclosure or lawsuit. Written notice shall be satisfied by any statement or warning, stating or depicting that the account is delinquent.

d) Lien. A lien on the Unit shall arise immediately upon the failure to pay any Assessment. The lien provided for in this section shall be in favor of the Association, shall be for the benefit of all other Owners, and a Notice of Lien does not need to be recorded to perfect or otherwise validate the lien. A notice of lien covering any unpaid Assessments, after accruing Assessments, and any other Additional Charges may be filed in the office of the County Recorder where the Unit is located and may be executed by the Association's attorney, Manager, any Committee Member, or other designated agent. As no Notice of Lien is necessary, the failure in any way by anyone to comply with any procedure regarding a Notice of Lien shall not invalidate the lien created by this section.

e) Foreclosure of Lien and/or Collection Action. If an Assessment remains unpaid, the Association may, as determined by the Committee, institute suit to collect the amounts due and/or to foreclose the lien.

f) Personal Obligation. Each Owner, by acceptance of a deed or as a party to any other type of conveyance, vests in the Association or its agents the right and power to bring all actions against him personally for the collection of the charges as a debt or to foreclose the lien in the same manner as mechanics liens, Mortgages, trust deeds or encumbrances may be foreclosed. Notwithstanding anything to the contrary in this

Declaration, any Owner who sells his Unit with seller financing of any kind including by transferring title and recording a trust deed, and then forecloses, shall be personally liable (along with any subsequent transferee) for any unpaid Assessments assessed prior to the foreclosure, if they should foreclose their seller financing through any means including by judicial or non-judicial means.

g) No Waiver. No Owner may waive or otherwise exempt himself from liability for the Assessments provided for herein, including but not limited to the non-use of Common Areas or the abandonment of his Unit.

h) Duty to Pay Independent. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association or Committee to take some action or perform some function required to be taken or performed by the Association or Committee under the Project Documents, or for inconvenience or discomfort arising from the making, repairs, or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay Common Area Assessments being a separate and independent covenant on the part of each Owner.

i) Application of Payments. All payments shall be applied as follows: Additional Charges, Delinquent Common Area Assessments, Current Common Area Assessments, and then any other Assessments remaining unpaid.

j) Foreclosure of Lien as Mortgage of Trust Deed. The lien for nonpayment of Assessments may be enforced by sale or foreclosure of the Owner's interest therein by the Committee. The sale or foreclosure shall be conducted in the same manner as foreclosures in deeds of trust, Mortgages, or in any other manner permitted by law. In any foreclosure or sale, the Owner shall pay the costs and expenses of such proceedings, including but not limited to the cost of a foreclosure report, reasonable attorney fees, and a reasonable rental for the Unit during the pendency of the foreclosure action. The Association in the foreclosure action may require the appointment of a receiver to collect the rental without regard to the value of the Mortgage security. The Committee may bid for the Unit at foreclosure or other sale and hold, lease, Mortgage, or convey the same.

k) Appointment of Trustee. If the Committee elects to foreclose the lien in the same manner as foreclosures in deeds of trust, then the Owner by accepting a deed to the Unit hereby irrevocably appoints the attorney of the Association, provided he is a member of the Utah State Bar, as Trustee, and hereby confers upon said Trustee the power of sale set forth with particularity in Utah Code Annotated, Section 57-1-23

(1953), as amended. In addition, Owner hereby transfers in trust to said Trustee all of his right, title and interest in and to the real Property for the purpose of securing his performance of the obligations set forth herein.

l) Attorney in Fact. Each Owner by accepting a deed to a Unit hereby irrevocable appoints the Association as his attorney in fact to collect a reasonable rent (which shall be determined by the Association in its sole discretion) from anyone renting or occupying his Unit, if the Unit is rented or occupied and the Owner is delinquent in his Assessments. Rent due shall be paid directly to the Association, upon written demand, until such time as the Owner's Assessments are current; and the Owner shall credit any Renter or occupant, against rent due, for the amount of money paid to the Association.

24. Liability of Management Committee. The Association shall indemnify every officer and Member of the Committee against any and all expense, including but not limited to attorney fees reasonably incurred by or imposed upon any officer or Member of the Committee in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Committee) to which he or she may be a party by reason of being or having been an officer or Member of the Committee. The officers and Members of the Committee shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and Members of the Committee shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or Members of the Committee may also be Members of the Association), and the Association (except to the extent that such officers or Members of the Committee may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and Member of the Committee free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall be exclusive of any other rights to which any officer or Member of the Committee, or former officer or Member of the Committee, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officer's and director's insurance coverage to fund this obligation, if such insurance is reasonably available.

25. Insurance. The Management Committee shall at all times purchase, maintain in force, and pay the premiums for, if reasonably available, insurance on the Common Areas satisfying at least the following requirements:

a) Property Insurance. Blanket Property insurance using the standard "Special" or "All-Risk" Building form. Loss adjustment shall be based upon replacement cost. For purposes of this sub-section, the term "casualty insurance" shall not mean or refer to "earthquake" or other special risks not included in the standard condominium casualty policy. This additional coverage may be added by the Committee as it deems necessary in its best judgment and in its sole discretion.

- b) Flood Insurance. The Committee may purchase flood insurance.
- c) Liability Insurance. Liability insurance with adequate limits of liability for bodily injury and Property damage. If possible, the policy should be written on the comprehensive form and shall include non-owned and hired automobile liability protection.
- d) Director's and Officer's Insurance. Adequate director's and officer's liability insurance (A.K.A. Errors and Omissions or E&O insurance).
- e) Fidelity Bond. At its option, the Management Committee may elect to purchase and maintain a separate fidelity bond in a reasonable amount to be determined by the Committee to cover all non-compensated officers as well as all employees for theft of Association funds, provided:
- (1) Agents. Where the Committee or the Association has delegated some of all of the responsibility for the handling of funds to a management agent, the bond shall also cover the management agent's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Committee or the Association.
 - (2) Amount of Coverage. The total amount of fidelity bond covered shall be based upon the Committee's best business judgment, but shall not be less than the estimated maximum amount of funds, including reserve funds, in the custody of the Committee, the Association, or the management agent, as the case may be, at any given time during the term of each bond. Nevertheless, in no event may the amount of such bonds be less than a sum equal to three (3) months' aggregate Assessments on all Units, plus reserve funds.
 - (3) Quality of Coverage. Any bonds purchased shall meet the following additional requirements:
 - a. they shall name the Committee, the Owners Association, and the Property Manager as obligee;
 - b. if the insurance contract or bond excludes coverage for damages caused by Persons serving without compensation, and may use that exclusion as a defense or reason not to pay a claim, the insurance company shall, if possible, be required to waive that exclusion or defense;

c. the premiums on all bonds required herein for the Committee and the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, employees and agents) shall be paid by the Committee or the Association as part of the Common Expenses; and

d. the bonds shall provide that they may not be canceled or substantially modified, including cancellation for nonpayment of premium, without at least ten (10) days prior written notice to the Committee and the Association, to any Insurance Trustee, and to each service of loans on behalf of any Mortgagee of FNMA.

f) Earthquake Insurance. Shall not be required unless requested by at least fifty percent (50%) of the Members of the Association.

g) Miscellaneous Items. The following provisions shall apply to all insurance coverage:

(1) The Insured. The name of the insured under each policy shall be the Association, and shall include the following language in the description of the insured: "for the use and benefit of the Individual Owners";

(2) Designated Representative. The Association may designate an authorized representative of the Association, including any Insurance Trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor to such Trustee, for the use and benefit of the individual Owners;

(3) Beneficiary. In any policy covering the entire Project, each Owner and his Mortgagee, if any, shall be beneficiaries of the policy in an amount equal to the Owner's percentage of undivided ownership interest in the Common Areas and facilities;

(4) Certificate of Insurance. Evidence of insurance shall be issued to each Owner and Mortgagee upon request;

(5) Mortgage Provisions. Each policy shall contain a standard Mortgage clause or its equivalent and shall provide that the policy may not be canceled or substantially modified without at least ten (10) days prior written notice to the Association;

(6) Waiver of Subrogation. Each policy shall contain a waiver of the

right of a subrogation against Owner's individually;

(7) Individual Neglect. Each policy shall contain a provision that the insurance is not prejudiced by any act or neglect of any individual Owner;

(8) Deductible. The deductible on a claim made against the Association's liability insurance policy shall be paid by the party who would be liable for the loss, damage, claim or repair in the absence of insurance, and in the event of multiple responsible parties, the loss shall be allocated in relation to the amount that each party's responsibility bears to the total. Provided, however, if the loss is caused by an act of God, nature, or by an element beyond the control of the Association, then the Owner shall be responsible for and shall pay the deductible;

(9) Individual Insurance. No Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association, on behalf of all the Owners and their Mortgagees, may realize under any insurance policy which the Association may have in force on the Property at any particular time.

(10) Primary Coverage. Anything to the contrary notwithstanding, in the event the Association and the Owner have insurance covering the loss, the insurance coverage of the Owner shall be primary and the insurance coverage of the Association shall be secondary.

(11) Prompt Repair. Each Owner further covenants and agrees that in the event of any partial loss, damage or destruction of his Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction.

(12) Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed to repair the damages promptly and reasonably. Any excess proceeds shall be paid and distributed to the Owners in proportion to their respective undivided interest in the Common Areas. Payment to any Owner whose Unit is the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.

(13) Special Endorsements. Each policy shall also contain or provide those endorsements commonly purchased by other Associations in similarly situated Associations, including but not limited to a guaranteed replacement cost endorsement under which the insurer agrees to replace the insurable Property

regardless of the cost and, or a replacement cost endorsement under which the insurer agrees to pay up to one hundred percent (100%) of the Property's insurable replacement cost, but no more, and if the policy includes a co-insurance clause, an Agreed Amount endorsement when it can be obtained, a Building ordinance or law endorsement, if the enforcement of any Building, zoning, or Land-use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs, and increased costs of reconstruction: steam boiler and machinery coverage endorsement if the Project has any central heating or cooling. Each policy shall also contain or provide those endorsements commonly purchased by other condominium Projects located in Davis County, Utah if they are reasonably available.

(14) Quality of Insurance Carrier. A "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Reports, and "A" or better general Policyholder's rating and a financialSize category or "VIII" or better in Best's Insurance Reports – International Edition, and "A" or better rating in Demotech's Hazard Insurance Financial Stability Rating, a "BBBq" qualified solvency rating or a "BBB" or better claims-paying ability rating in Standard and Poor's Insurers Solvency Review, or "BBB" or better claims paying ability rating in Standard and Poor's International Confidential Rating Service – if the carrier is issuing a master policy or an insurance policy for the common elements in the Project.

(15) Restrictions on Policies. No such insurance policy shall be maintained where:

- a. Individual Assessments Prohibited. Under the term of the carrier's charter, Bylaw, or policy, contributions may be required from, or Assessments may be made against, an Owner, a borrower, a Mortgagee, the Management Committee, the Association, FNMA, or the designee of FNMA.
- b. Payments Contingent. By the terms of the insurance company's declaration, bylaws, or policy, payments are contingent upon action by the carrier's board of directors, policy holders, or a member; or
- c. Mortgagee Limitation Provisions. The policy includes any limited clauses (other than insurance conditions) which could prevent the party entitled (including, without limitation, the Committee, the Association, and Owner, FNMA, or the borrowers) from collecting insurance proceeds.

(16) Intent. The foregoing provisions shall not be construed to limit the power or authority of the Association, Committee, or Owners to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Management Committee or Association may deem appropriate from time to time.

26. Destruction, Condemnation, and Obsolescence. The following provisions shall apply with respect to the destruction, condemnation, or obsolescence of the Project.

a) Definitions. Each of the following terms shall have the meaning indicated:

(1) "Substantial Destruction" shall exist whenever, as a result of any damage or destruction to the Project or any part thereof, the excess of the estimated cost of restoration over the funds available is twenty-five percent (25%) or more of the estimated restored value of the Project.

(2) "Partial Destruction" shall mean any other damage or destruction to the Project or any part thereof.

(3) "Substantial Condemnation" shall exist whenever a complete taking of the Project or a taking of part of the Project has occurred under eminent domain, by grant, or conveyance in lieu of condemnation, and the excess of the estimated cost of restoration over the funds available is twenty-five percent (25%) or more of the estimated restored value of the Project.

(4) "Partial Condemnation" shall mean any other action taken by eminent domain, grant, or conveyance in lieu thereof.

(5) "Substantial Obsolescence" shall exist whenever the Project or any part thereof has reached such a state of obsolescence or disrepair that the excess of the estimated cost of restoration over the funds available is twenty-five percent (25%) or more of the estimated restored value of the Project.

(6) "Partial Obsolescence" shall mean any state of obsolescence or disrepair which does not constitute substantial obsolescence.

(7) "Restored Value" shall mean the fair market value of the Project after restoration as determined by an MAI or other qualified appraisal.

(8) "Estimated Cost of Restoration" shall mean the estimated costs of

restoring the Project to its former condition.

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

b) Determination by Committee. Upon the occurrence of any damage or destruction to the Project or any part thereof, or upon a complete or partial taking of the Project under eminent domain, by grant, or conveyance in lieu thereof, the Committee shall make a determination as to whether the excess of estimated costs of restoration over available funds is twenty-five percent (25%) or more of the estimated restored value of the Project. In addition, the Committee shall, from time to time, review the condition of the Project to determine whether substantial obsolescence exists. In making such determinations the Committee may retain and rely upon one (1) or more qualified appraisers or other professionals.

c) Restoration of the Project. Restoration of the Project shall be undertaken by the Committee promptly without a vote of the Owners in the event of partial destruction, partial condemnation, or partial obsolescence and shall also be undertaken in the event of substantial destruction, substantial condemnation, or substantial obsolescence unless the failure to make restoration is consented to by Owners collectively holding at least sixty-seven percent (67%) of the Project's undivided Ownership interest and is further consented to by Eligible Mortgagees holding Mortgages on Units which have appurtenant at least fifty-one percent (51%) of the undivided ownership interest in the Common Areas and facilities which is then subject to Mortgages held by Eligible Mortgagees.

d) Notices of Destruction or Obsolescence. Within thirty (30) days after the Committee has determined that substantial destruction, substantial condemnation, or substantial obsolescence exists, it shall send to each Owner and Eligible Mortgagee a written description of the destruction, condemnation, or state of obsolescence involved, shall take appropriate steps to ascertain the preferences of the Eligible Mortgagees concerning restoration, and shall, with or without a meeting of the Owners (but in any event in accordance with the applicable provisions of the Declaration), take appropriate steps to determine the preferences of the Owners regarding restoration.

- e) Excess Insurance. In the event insurance proceeds condemnation awards, or payments in lieu of condemnation actually received by the Committee or Association, exceed the cost of restoration when restoration is undertaken, the excess shall be paid and distributed to the Owners in proportion to their respective undivided interests in the Common Areas. Payment to any Owner whose Unit is the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.
- f) Inadequate Insurance. If the cost of restoration exceeds all available funds, the Management Committee may elect to make a special Assessment to pay for the deficiency.
- g) Reallocation in Event of Partial Restoration. In the event that all or any portion of one (1) or more Units will not be the subject of restoration (even though the Project will continue as a condominium Project) or is taken in a condemnation proceeding or pursuant to any agreement in lieu thereof, the undivided ownership interest in the Common Areas and facilities shall be immediately reallocated to the remaining Units.
- h) Sale of Project. Unless restoration is accomplished as set forth above, the Project shall be sold in the event of substantial destruction, substantial condemnation, or substantial obsolescence. In the event of such sale, condominium ownership under this Declaration and the Survey Map shall terminate and the proceeds of sale and any available funds shall be distributed by the Committee to the Owners in proportion to their respective undivided interest in the Common Areas. Payment to any Owner whose Unit is then the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.
- i) Authority of Committee to Represent Owners in Condemnation or to Restore or Sell. The Committee, as attorney-in-fact for each Owner, shall represent all of the Owners and the Association in any condemnation proceeding or in negotiations, settlements, and agreements with the condemning authority for the acquisition of all or any part of the Common Areas and facilities.
- j) Settlement Proceeds. The award in any condemnation proceeding and the proceeds of any settlement related thereto shall be payable to the Association for the use and benefit of the Owners and their Mortgagees as their interests may appear.
- k) Restoration Power. The Committee, as attorney-in-fact for each Owner, shall have and is hereby granted full power and authority to restore or to sell the Project and each Unit therein whenever restoration or sale, as the case may be, is undertaken as herein above provided.

l) Right of Entry. Such authority shall include the right and power to enter into any contracts, deeds or other instruments which may be necessary or appropriate for restoration or sale, as the case may be.

27. Consent in Lieu of Vote. In any case in which this Declaration requires the vote of an Owner for authorization or approval of an act or a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Owners who collectively hold the required percentages, subject to the following conditions:

- a) One Hundred and Eighty Day Limit. All necessary consents must be obtained prior to the expiration of one hundred and eighty (180) days from the time the first written consent is obtained; and
- b) Change In Ownership. Any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not affect the prior consent, unless, prior to the Association obtaining enough consents for the authorization or approval, the new Owner submits a new consent or refusal to consent, in which case, it shall replace the prior consent.

28. Mortgagee Protection. The lien or claim against a Unit for unpaid Common Area Assessments levied by the Management Committee or by the Association pursuant to this Declaration or the Act shall be subordinate to any Mortgage recorded on or before the date such Common Area Assessments become due, subject to the following:

- a) Effects of Voluntary and Involuntary Sale. The lien or claim against a Unit for such unpaid Common Area Assessments shall not be affected by any sale or transfer of such Unit, except that a sale or transfer pursuant to a foreclosure of the Mortgage affecting such Unit or the exercise of a power of sale available thereunder shall extinguish any Common Area Assessment payable prior to such sale or transfer. Nevertheless, any such unpaid Common Area Assessments which are extinguished in accordance with the foreclosure or power of sale shall not relieve the purchaser or transferee of such Unit from liability for any Assessments becoming due thereafter.
- b) Books and Records Available for Inspection. The Committee or the Association shall make available to the Owners, to Mortgagees, and lenders, and to holders, insurers, or guarantors of any Mortgagee current copies of the Declaration, and administrative Rules concerning the Project, as well as the books, records, and financial statements of the Committee and the Association. The term "available," as used in this paragraph, shall mean available for reasonable inspection upon request during normal business hours or under other reasonable circumstances. The Association shall have the right to recover its photocopying and service charges

incurred in making the inspection and photocopying available.

c) Right to Financial Statement. The holder, insurer or guarantor of any Mortgage shall be entitled, upon written request, to any financial statement for the immediately preceding fiscal year. Any financial statement requested pursuant hereto and available shall be furnished to the requesting party within a reasonable time following such request.

d) Management Contracts. Any agreement for professional management of the Project, any contract for goods or services, or any lease which is entered into by the Management Committee shall provide, or be deemed to provide hereby, that:

- (1) Either party may terminate the contract with cause upon at least thirty (30) days prior written notice to the other party; and
- (2) No contract may be for an initial term greater than one (1) year.

29. Amendment. The affirmative vote of at least sixty-seven percent (67%) of the undivided ownership interest in the Common Areas shall be required and shall be sufficient to amend the Declaration or the Record of Survey Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument the Committee shall certify that the vote required by this section for amendment has occurred, and if approval of a specified percentage of Eligible Mortgagees is required for such amendment, that such approval has been obtained.

30. Hearing. The Committee shall provide for a hearing request process and allow a hearing by the aggrieved party should it impose any adverse consequence upon any Owner or Resident for any alleged violation of the Project Documents. The Committee shall determine the appropriate hearing process, in its discretion, and may establish a time limit for requesting a hearing and the time, place, and scope of the hearing. In allowing this hearing, the Committee may allow or decline to allow statements by third party witnesses, may allow or decline to allow any cross examination or questioning, may allow or decline to allow the disclosure of the names of any complainants or witnesses, may allow or decline to allow a representative or attorney to be involved, may allow or decline to allow the recording of the hearing by any audio, video, or other means, and may allow or decline to allow any other request or action as part of the hearing as it may deem appropriate in its sole discretion. Any decision of the Committee after such a hearing shall be final. After the hearing has taken place, the Committee shall reconsider its prior determination as to whether a violation has occurred and may confirm or change its prior determination. The Committee may establish procedures for this hearing in the Rules. Nothing herein shall be construed to prevent the Committee from assessing fines, making any repairs, or taking any other action it deems necessary and as allowed by law and subsequently providing an Owner or Resident the opportunity to be heard.

31. Interpretation. To the extent Utah law is consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. 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 plural, the plural shall include singular, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

32. Covenants to Run with 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 the Association, all other signatories hereto, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of this Declaration. By acquiring any interest in a Unit in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

33. Enforcement and Right to Recover Attorney's Assessments. Should the Association or Committee be required to take action to enforce the Project Documents, to collect any Additional Charges and Assessments, or to pursue any remedy provided hereunder or allowed by applicable law, whether such remedy is pursued by filing suit or otherwise, they may recover all additional charges, costs, and fees related thereto, including but not limited to reasonable attorney fees, expert witness fees, filing fees, copying costs, costs associated with depositions and the purchase of deposition transcripts, and all other costs and expenses which may arise or accrue related thereto.

34. Agent for Service of Process. If the Association is incorporated, the agent for service of process shall be as provided by Utah law and by the filings on Record with the Division of Corporations.

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

EXECUTED the day and year first above written.

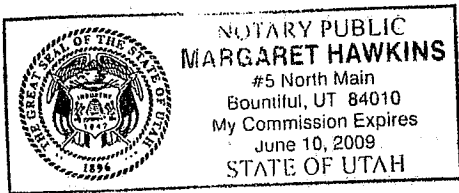
Lakeview Condominium Association

By: Judy S Wilson

TITLE: President

STATE OF UTAH)
)SS:
COUNTY OF DAVIS)

On the 25 day of August, 2005, personally appeared before me Judy S. Wilson, who by me being duly sworn, did say that she is the President of Lakeview Condominium Association, and that within the foregoing instrument was signed in behalf of said Company by authority of a resolution of its Member, and said duly acknowledged to me that said Association executed the same.



Margaret Hawkins
Notary Public
Residing At: Bountiful UT
Commission Expires: June 10, 2009

EXHIBIT "A"

Phase I: Beginning at a point 278.255 feet North of the North Line of Center Street at a point which is given as West 520.20 feet and South 794.545 feet from the Northeast Corner of Lot 3, Block 3, North Mill Creek Plat, Bountiful Townsite Survey, (Corner not in place) said point is also West 559.78 feet along the Center Line of Center Street and perpendicular to said Centerline 303.01 feet from the Bountiful City Monument at 200 West and Center Street and Running thence North 221.39 feet to a fence; thence North $88^{\circ}46'56''$ West 409.51 feet along said fence; thence South 358.36 feet; thence East 70.00 feet; thence North 6.36 feet; thence East 82.75 feet; thence North 3.64 feet; thence East 70.0 feet; thence South 42.0 feet; thence East 60.32 feet; thence South $0^{\circ}54'10''$ East 118.02 feet; thence East 50.0 feet; thence North $0^{\circ}54'10''$ West 118.02 feet; thence East 76.35 feet; thence North 160.26 feet to the Point of Beginning. (For identification purposes only, this Parcel contains 60 Units). Density = 17.12 Units per Acre;

Contains 3.505 Acres.

EXHIBIT "B" (1 of 2)

**LAKEVIEW CONDOMINIUM PROJECT
PHASE NO. 1, AMENDED**

<u>BUILDING</u>	<u>UNIT NO.</u>	<u>APPROX. SQ. FT.</u>	<u>PAR VALUE</u>	<u>APPURTENANT UNIDIVIDED INTEREST IN COMMON AREAS</u>
I	59	1700	90	2.6730
	61	1700	90	2.6730
	63	1700	90	2.6730
	65	1700	90	2.6730
H	67	940	48	1.5310
	69	940	52	1.6585
	71	940	48	1.5310
	73	940	52	1.6585
J	70	940	48	1.5310
	72	940	52	1.6585
	74	940	48	1.5310
	76	940	52	1.6585
A	75	940	48	1.5310
	77	940	52	1.6585
	79	940	48	1.5310
	81	940	52	1.6585
	83	940	48	1.5310
	85	940	52	1.6585
	87	940	48	1.5310
	89	940	52	1.6585
B	91	940	48	1.5310
	93	940	52	1.6585
	95	940	48	1.5310
	98	940	52	1.6585
G	92	940	48	1.5310
	94	940	52	1.6585
	96	940	48	1.5310
	97	940	52	1.6585
C	101	940	48	1.5310
	105	940	52	1.6585
	111	940	48	1.5310
	115	940	52	1.6585
	119	940	48	1.5310
	123	940	52	1.6585
	127	940	48	1.5310
F	131	940	52	1.6585
	102	940	48	1.5310
	106	940	52	1.6585

EXHIBIT "B" (2 of 2)

	110	940	48	1.5310
	114	940	52	1.6585
	118	940	48	1.5310
	122	940	52	1.6585
	126	940	48	1.5310
E	130	940	52	1.6585
	134	940	48	1.5310
	138	940	52	1.6585
	142	940	48	1.5310
	146	940	52	1.6585
	150	940	48	1.5310
	154	940	52	1.6585
	158	940	48	1.5310
	162	940	52	1.6585
D	135	940	48	1.5310
	139	940	52	1.6585
	141	940	48	1.5310
	145	940	52	1.6585
	151	940	48	1.5310
	153	940	52	1.6585
	159	940	48	1.5310
	163	940	52	1.6585

EXHIBIT "C" (1 of 2)

Lakeview Condominium
 Parking stalls and storage shed assignments

Unit #	Parking Stall	Storage Shed
#59	5	A
#61	6	B
#63	7	C
#65	8	D
#67	2	E
#69	1	F
#70	57	I
#71	4	G
#72	58	J
#73	3	H
#74	59	K
#75	17	N/A
#76	60	L
#77	18	N/A
#79	19	N/A
#81	20	N/A
#83	21	N/A
#85	22	N/A
#87	23	N/A
#89	24	N/A
#91	15	N/A
#92	38	N/A
#93	16	N/A
#94	40	N/A
#95	11	N/A
#96	39	N/A
#97	12	N/A
#98	37	N/A
#101	14	N/A
#102	41	N/A
#105	10	N/A
#106	42	N/A
#110	43	N/A
#111	9	N/A
#114	44	N/A
#115	13	N/A
#118	45	N/A
#119	32	N/A
#122	46	N/A
#123	31	N/A
#126	48	N/A
#127	30	N/A
#130	47	N/A
#131	29	N/A
#134	50	N/A
#135	25	N/A
#138	49	N/A
#139	26	N/A
#141	27	N/A
#142	52	N/A
#145	28	N/A
#146	51	N/A
#150	53	N/A
#151	33	N/A
#153	34	N/A
#154	54	N/A
#158	55	N/A
#159	35	N/A
#162	56	N/A
#163	36	N/A

EXHIBIT "C" (2 of 2)

