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GARY W. OTT  
RECORDER, SALT LAKE COUNTY, UTAH  
GRAPE IVY TOWNHOMES  
421 S 400 E  
SLC UT 84111  
BY: ZJM, DEPUTY - WI 5 P.

**FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
  
GRAPE IVY TOWNHOMES  
(A Residential Condominium Project)**

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**THIS FIRST AMENDMENT TO DECLARATION** is made and executed this 19 day of November, 2008, by **GRAPE IVY TOWNHOMES, LLC**, a Utah limited liability company (hereinafter referred to as "Declarant") and **GRAPE IVY HOMEOWNERS ASSOCIATION, INC.**, a Utah nonprofit corporation (hereinafter referred to as "Association") (collectively, the "Parties").

RECITALS:

A. Declarant is the Declarant as identified and set forth in that certain Declaration of Condominium for Grape Ivy Townhomes, a Residential Condominium Project, dated as of October 1, 2008, and recorded in the office of the Salt Lake County Recorder on October 2, 2008, as Entry No. 10533734, in Book 9648, beginning at page 1602 (the "Declaration").

B. In order to obtain financing approved by the Department of Housing and Urban Development ("HUD"), the Parties desire to amend the Declaration to conform with the HUD's guidelines.

NOW, THEREFORE, in consideration of the recitals set forth hereinabove, the Declarant and the Association hereby declare and certify as follows:

**1. Article I, Definitions, of the Declaration is hereby amended by the inclusion of a new Section 1.25 as follows:**

1.25 "Declarant Control Period" shall mean the period beginning on the date that this Declaration is recorded in the Office of the Salt Lake County Recorder and ending with the earlier of: (1) Declarant's conveyance of Units having seventy-five percent (75%) of the total Percentage Interests of all Units, or (2) the expiration of three (3) years from the date of Declarant's conveyance of the first Unit.

**2. Section 5.1 of the Declaration is hereby deleted in its entirety and the following Section 5.1 is inserted in the stead thereof:**

5.1 Conveyances. Each Owner shall have the right to sell, transfer, or convey his or her Unit free of any right of first refusal or similar restriction reserved by the Association or Declarant. Any deed, lease, mortgage, deed of trust, sales contract or other instrument conveying or encumbering a Unit shall describe the interest or estate involved substantially as follows:

Unit No. \_\_\_\_\_ contained within the Grape Ivy Townhomes, a Residential Condominium Project, as the same is identified in the Condominium Plat recorded in Salt Lake County, State of Utah, as Entry No. \_\_\_\_\_ in Book \_\_\_\_\_ at Page \_\_\_\_\_ (as said Condominium Plat may have heretofore been amended or supplemented) and in the Declaration of

Condominium of Grape Ivy Townhomes recorded in Salt Lake County, Utah, as Entry No. \_\_\_\_\_ in Book \_\_\_\_\_ at Page \_\_\_\_\_ (as said Declaration may have heretofore been amended or supplemented).

TOGETHER WITH the undivided ownership interest in said Project's Common Areas and Facilities which is appurtenant to said Unit.

Such description shall be construed to describe the Unit, together with the appurtenant Percentage Interest in the Common Areas and to incorporate all the rights incident to ownership of a Unit and all the limitations on such ownership as described in the Declaration, including the applicable appurtenant Percentage Interest.

**3. Section 6.2 of the Declaration is hereby deleted in its entirety and the following Section 6.2 is inserted in the stead thereof:**

6.2 Management Committee. The Management Committee of the Association shall consist of three (3) members and one (1) alternate who may vote in the absence of a regular Committee member, provided, however, that until the expiration of the Declarant Control Period or such shorter period as the Declarant may determine in its sole discretion, the Management Committee may consist of one (1) individual selected by the Declarant. Members of the Management Committee, other than sole Management Committee members appointed by Declarant as provided above (who may serve at Declarant's pleasure as long as Declarant has the right to appoint a sole Management Committee member) shall serve for three (3) year terms, subject to re-election or re-appointment as provided herein. Designees of Declarant, Owners, spouses of Owners, Mortgagees (or designees of Mortgagees), partners of partnerships owning a Unit, directors or officers of corporations owning a Unit, Managers of limited liability companies owning a Unit, and Trustees of trusts owning a Unit shall be eligible for membership on the Management Committee.

**4. Article VII of the Declaration is hereby amended by the addition of a new Section 7.8 as follows:**

7.8 Assessments. The Association is authorized to levy, collect and enforce the Assessments defined in Article VIII below and to enforce the charges and liens imposed pursuant thereto.

**5. Section 8.10 of the Declaration is hereby deleted in its entirety and the following Section 8.10 is inserted in the stead thereof:**

8.10 Reserve for Replacements. As set forth in Section 14.4(b) of this Declaration, the Association shall be required to establish and maintain an adequate reserve fund for the cost of reasonably predictable and necessary major repairs, maintenance and replacement of Common Areas, including Limited Common Areas. Such reserve shall be funded out of Common Area Assessments; provided, however, that until the expiration of the Declarant Control Period, the Declarant shall fund and maintain such reserve with an amount not less than two months' common area assessments for each Unit in the Project. Any amount paid to this reserve shall not be considered as an advance payment of regular

assessments. Declarant shall transfer this reserve fund to a segregated fund in the name of the Association at the expiration of the Declarant Control Period. The Declarant shall be prohibited from using the reserve funds to defray any of its expenses, reserve contribution, or construction costs, or make up any budget deficits while it is in control of the Association. Upon transfer, the reserve account provided herein shall be maintained separate from the general operating and assessment account of the Association, but in the Association's name. Thereafter, the Association may increase the reserve fund or replace funds withdrawn from the reserve fund with funds collected through General Assessments.

**6. Article VIII of the Declaration is hereby amended by the addition of a new Section 8.11 as follows:**

8.11 Working Capital Fund. The Declarant shall also establish a "Working Capital Fund" for the benefit of the Residential Association for the initial months of operations of the Project. Declarant shall deposit into the Working Capital Fund an amount equal to not less than the sum of two months' Common Area Assessments for each Unit. The Declarant is entitled to seek reimbursement of such deposit for each Unit from a Buyer of each Unit, as each such Unit is sold and closed. Funds not expended from the Working Capital Fund prior to the expiration of three (3) years from the first sale of a Unit, shall be transferred to the reserve fund. The Declarant shall have no right to use any of the Working Capital Fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while it is in control of the Association.

**7. Article XV is hereby deleted in its entirety and the following Article XV is inserted in the stead thereof:**

**XV. AMENDMENT**

15.1 Except as provided in and/or subject to the terms of items (a) through (c) below, the vote of Owners holding at least 67% of the Percentage Interests in the Common Areas shall be required to amend this Declaration or the Plat. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Association. In such instrument an officer of the Association shall certify that the vote required by this Article for amendment has occurred. The foregoing right of amendment shall, however, be subject to the following:

(a) Any amendment to Article XIV ("Mortgagee Protection") shall be subject to the requirements for amendment contained in such Article XIV.

(b) Until the Declarant Control Period has expired, Declarant shall have the right unilaterally to amend and supplement this Declaration and the Plat to correct any technical errors or to clarify any provision to more fully express the intent of the Declarant for development and management of the Project.

(c) Until the Declarant Control Period has expired, no amendment to the Plat or to any provisions of this Declaration which has or may have the effect of diminishing or impairing any right, power, authority, privilege, protection, or control accorded to Declarant (in its capacity as Declarant) herein shall be accomplished or

effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by the Declarant.

(d) A change to the following provisions would require the vote of Members as provided in this Section 15.1 as well as the vote of first Mortgagees in accordance with the requirements of Section 14.4 (f) above:

- (i) voting rights;
- (ii) increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, or the priority of assessment liens;
- (iii) reductions in reserves for maintenance, repair, and replacement of Common Areas;
- (iv) responsibility for maintenance and repairs;
- (v) reallocations of interests in the general or Limited Common Areas, or rights to their use;
- (vi) redefinition of any Unit boundaries;
- (vii) convertibility of Units into Common Areas or vice versa;
- (viii) expansion or contraction of the Project, or the addition, annexation, or withdrawal of Property to or from the Project;
- (ix) hazard or fidelity insurance requirements;
- (x) imposition of any restrictions on the leasing of Units;
- (xi) imposition of any restrictions on an Owner's right to sell or transfer his or her unit;
- (xii) a decision by the Association of the Project to establish self-management if professional management has been required previously by the Declaration, Bylaws or other operating documents for the Association, or by an eligible Mortgagee;
- (xiii) restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in the Declaration; or
- (xiv) any provisions that expressly benefit first Mortgagees, insurers, or guarantors.

**8. Ratification. Except as modified herein, the Parties ratify the Declaration in all other respects, as if fully set forth hereat.**

9. **Consent.** The Declarant represents that it has obtained the consent of Owners holding ~~sixty-seven~~ percent (67%) or more of the Percentage Interest authorizing these Amendments.

11. **Effective Date.** This Amendment shall take effect upon its being filed for record in the office of the County Recorder of Salt Lake County, Utah.

EXECUTED by Declarant on the day and year first above written.

DECLARANT:

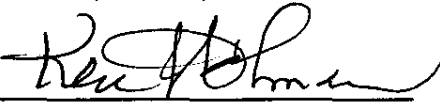
**GRAPE IVY TOWNHOMES, LLC**, a Utah limited liability company

By: 

Kenneth T. Holman, Manager

ASSOCIATION:

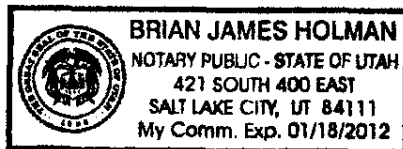
**GRAPE IVY HOMEOWNERS ASSOCIATION, INC.**, a Utah nonprofit corporation

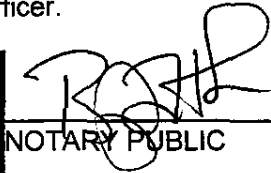
By: 

Kenneth T. Holman, President

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

On this 19 day of November, 2008, before me personally appeared Kenneth T. Holman, who acknowledged himself to be the Manager of **GRAPE IVY TOWNHOMES, LLC**, and the President of **GRAPE IVY HOMEOWNERS ASSOCIATION, INC.**, and being authorized to do so, he executed the foregoing instrument for the purposes therein contained, by signing the name of the respective entities, by himself as such officer.



  
NOTARY PUBLIC

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